



Editorial Contact:

Jim Reeber, Arkados Inc.

Email: jreeber@arkados.com

Phone: (732) 465-9300 x212

Arkados Solution Recognized as One of G4 Television's "Best of the Best" from CES 2008

– Arkados enables IOGEAR system to create whole-house music from an iPod –

PISCATAWAY, NJ, January 24, 2008 – Arkados (OTC BB: AKDS) returned from the 2008 Consumer Electronics Show with major recognition from G4 Television's CES 2008 "Best of the Best" product awards for its HomePlug system-on-chip and software solution. Of more than 20,000 products introduced at CES 2008, only fifteen were awarded this prestigious recognition.

Arkados showcased the strength of its HomePlug[®] system-on-chip and software solution powering the IOGEAR Powerline Stereo System, which IOGEAR expects to launch this spring. The IOGEAR system consists of an iPod[®] dock that is used as an audio source to distribute synchronized music to up to four different receivers. This creates whole-house music at a fraction of the cost of dedicated installed systems.

Arkados solutions incorporate the intelligence and technologies that allow Arkados customers to produce such a system at a price point welcomed by consumers. The Arkados platform boasts many features found only in high-end professionally installed whole-house audio systems. Additionally, the embedded HomePlug powerline technology makes the system easy to install and use, eliminating the need to run wires, removing range and RF interference issues typical of wireless systems, and allowing the audio receivers to be located anywhere in the home.

Dave Mathews, "Gadget Guy", discussed the Arkados product during G4's live coverage from the show floor of CES 2008. Links to G4's coverage of the award-winning product can be viewed at <http://www.g4tv.com/CES/Videos.aspx?vidkey=19732> and <http://www.g4tv.com/CES/Videos.aspx?vidkey=19882>.

"With over 120 million iPods in the marketplace, this system allows iPod users to free themselves from their earbuds, and make the iPod a major component of their in-home listening experience," said Oleg Logvinov, president and CEO of Arkados. "Arkados is very glad that G4 combed through a sea of products introduced at CES, and uncovered what we believe is a truly useful and pioneering product with significant value to consumers."

Besides creating a whole-house music environment, the system can simultaneously play four separate zones of music from any one of four sources. The dock can accommodate two other audio sources

Arkados Group, Inc.

220 Old New Brunswick Road • 2nd Floor • Piscataway NJ 08854

732 465 9300 main • 732 465 9600 fax

besides the iPod, such as CD players or other MP3 players. Another advanced feature is the ability to skip songs, fast forward, select playlists, and perform other functions from anywhere in the house by using a remote control pointed at any of the audio receivers.

“IOGEAR is excited to begin shipping such innovative products, and the turnkey solutions from Arkados quickened our time to market,” said Miranda Su, Executive Vice President at IOGEAR. “The integration provided by Arkados chips greatly simplified the process of adding unique and powerful features.”

The Powerline Stereo System from IOGEAR is expected to be available in early Q2 2008.

Arkados provides a flexible system-on-chip platform focused on audio, video, voice, data, and control applications with connectivity via HomePlug powerline communications. Its solutions also form the basis of system components for utility company initiatives such as smart-grid and green power applications.

More information on Arkados and its products can be found at <http://www.arkados.com/products.html>.

Further information on G4's "Best of the Best" awards can be found here: http://www.g4tv.com/g4/press/203/G4_Announces_2008_Consumer_Electronics_Show_Best_of_the_Best_Products.html.

Information concerning websites other than www.arkados.com are provided solely as a convenience. Arkados has not reviewed all of these third-party sites and does not control and is not responsible for any of these sites or their content. Arkados does not endorse or make any representations about them, or any information, software or other products or materials found there, or any results that may be obtained from using them.

About Arkados, Inc.

Arkados, “the HomePlug Applications Company,” delivers a universal platform that enables networking of home entertainment and computer devices using standard electricity lines. The company’s system-on-chip solutions are uniquely designed to drive a wide variety of powerline-enabled consumer electronics and home computing products, such as stereos, radios, speakers, MP3 players, computers, televisions, gaming consoles, security cameras and cable and DSL modems. Arkados customers can bring numerous sophisticated, full-featured products to market faster at a lower overall development cost using a single platform: the company’s versatile and programmable ArkTIC™ platform. Arkados solutions leverage the benefits of HomePlug Powerline Alliance specifications and can also be used for in-building and to-the-home (BPL) applications. Arkados® is a registered trademark and ArkTIC™ and Direct to Speaker™ are trademarks of Arkados Inc., a wholly owned subsidiary of the Arkados Group, Inc. HomePlug® is a registered trademark of the HomePlug Powerline Alliance, of which Arkados is a member. Other names and brands may be claimed as the property of others. More information can be found at <http://www.arkados.com>.

This release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 that are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including statements as to the future performance of the company and the risks and uncertainties detailed from time to time in reports filed by the company with the Securities and Exchange Commission. Although the company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct. Factors that could cause results to differ include, but are not limited to, the company’s ability to raise necessary financing, ability to attract and retain key personnel, timely delivery of inventory by the company’s contract manufacturers, timely product development and acceptance, and the impact of competitive services and pricing and general economic risks and uncertainties.

#####