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**ARKADOS AWARDED MICROSOFT WINDOWS CERTIFICATION FOR WHOLE-HOUSE MUSIC FROM A COMPUTER**

**Through a simple installation process and robust performance, Arkados Direct-to-Speaker solutions bring whole-house music to a broad marketplace**

**Piscataway, NJ, January 29, 2008** -- Arkados (OTC BB: AKDS), known as “the HomePlug® Applications Company,” announced that components of its solutions for whole-house music will carry the “Designed for Microsoft® Windows®” logo. The Arkados Direct-to-Speaker™ Virtual Audio Driver has been through the Windows Hardware Quality Labs (WHQL) process to ensure that it meets Microsoft’s standards of quality for software drivers.

“Our Virtual Audio Driver demonstrates the continuing convergence of computers and consumer electronics,” said Oleg Logvinov, president and CEO of Arkados. “Our solution creates a bridge between the audio output of a computer and speakers or stereo receivers throughout the house. We incorporate the ease-of-use of HomePlug® powerline technology, and through Windows certification, we are showing our focus on creating a pain-free experience for the consumer.”

This announcement follows a recent report from the Consumer Electronics Association (CEA)® which revealed that nearly three quarters of U.S. online adults use their home computer to listen to music.

“Our solution enables consumers to listen to the music played on a PC through the stereo components that they already own. This includes music from the internet, such as internet radio stations or subscription music services, or any music they may store on a computer and play with media players such as iTunes®, Windows Media Player, WinAmp®, etc. Arkados significantly broadens the whole-house audio market, potentially making these systems commonplace,” Logvinov continued. “Seeing the Windows certification logo assures people that the software is reliable and thoroughly tested. It is that assurance that consumers will look for as they create a whole-house ecosystem of connected products.”

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

**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

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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 [www.arkados.com](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, successful performance of internal plans, product development acceptance, and the impact of competitive services and pricing and general economic risks and uncertainties.*

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