



Editorial Contact:

Jim Reeber, Arkados, Inc.

Email: jreeber@arkados.com

Phone: (732) 465-9300 x212

Investor Relations Contact:

John Nesbett/Jennifer Belodeau

Institutional Marketing Services (IMS)

Phone: (203) 972-9200

FOR IMMEDIATE RELEASE

Arkados to Introduce Reference Design Enabling iPhone and iPod to Serve as Whole-House Audio Control

-Announces Additional Features of Their Innovative Solutions for Networking Home Entertainment and Computer Devices-

PISCATAWAY, NJ, May 6, 2008 – Arkados (OTCBB: AKDS) will expand its portfolio of connected home solutions with a new feature that enables the iPhone™ and iPod® touch to serve as the user controller for whole-house audio systems utilizing Arkados chips and software.

Arkados plans to release a reference design, or “system blueprint”, that will allow manufacturers to embed Arkados chip-and-software solutions into a device that enables the iPhone or iPod to “talk” to and control whole-house audio systems. Essentially, when used with audio systems employing the Arkados chip, the iPhone or iPod can function as an intuitive and colorful handheld wireless remote control from anywhere within the home for such functions as song selection, volume control, or choosing which room the user would like to direct music to. Additionally, HomePlug powerline technology enables an easy-to-install and easy-to-use whole-house system, for a fraction of the cost of professionally installed systems.

In existing homes, wiring to install a professional grade whole-house audio system is often very difficult, labor intensive and therefore expensive. The Arkados solution “wires” the whole house for audio by using the existing electrical wires in the home, and overcomes issues related to range and interference with RF wireless solutions. The expected addition of the iPhone or iPod Touch wireless interface will allow end users to control the music content played in any room, using an iPhone or iPod touch for touch screen control.

The demonstrated market strength of iPhone and iPod products reinforces the potential value of Arkados solutions for audio. According to the CEA’s estimates, the market for

iPod docks grew 44.5% in 2007 factory-level sales to \$867 million and is expected to grow another 27.7% in 2008 to greater than \$1.11 billion. Arkados is one of the first to market with powerline solutions for networked audio that couple the appeal of whole-house music with the storage and portability aspects of an iPod, as well as with any music available in the home via internet, stereo systems, or PCs.

Oleg Logvinov, President and CEO of Arkados commented, "iPhone and iPod are the premier handheld devices in today's marketplace. By utilizing them as the touch screen controller in our upcoming reference design, we enable millions of consumers to use these devices in the broader whole-house audio/video market."

The Arkados reference design minimizes the time-to-market for manufacturers and includes customizable software and hardware components.

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, retention of key personnel, timely delivery of inventory from the company's contract manufacturers, timely, product development, product acceptance, and the impact of competitive services and products, in addition to general economic risks and uncertainties.