



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

Tatung and Arkados: Enabling OEMs to Bring Retrofit Solutions to the CEDIA Marketplace

– The world-class ODM and a leading powerline technology provider leverage their strengths to offer a turnkey path from concept to product –

Piscataway NJ August 26, 2008 – Tatung and Arkados (OTCBB: AKDS) will be sharing a booth at the upcoming CEDIA Expo to promote their technologies, and their design and manufacturing capabilities, for next-generation retrofit solutions targeting the CEDIA market.

Tatung and Arkados' collaboration constitutes a one-stop shop for the industry's technology and manufacturing needs for distributing digital content in homes. Together, they deliver complete product solutions to consumer product manufacturers – from audio input/output devices, to integrated speakers, to control units.

By coupling Tatung's top-rated product design and manufacturing with the Arkados platform consisting of a HomePlug-based system-on-chip and Direct-to-Speaker™ software, the companies focus on delivering turnkey products to brand name manufacturers that deliver consumer products to the marketplace. Initially, the companies are focusing on Multi-room Audio System (MRAS) components for the whole-house audio market, and intercom-over-network technologies.

“Nearly everyone wants a whole-house audio system, but without the expensive installation costs,” said Dr. Alan Pan, Sr. General Manager of Digital Audio Division of Tatung. “By integrating the Arkados powerline solutions directly into products, installation and configuration can be done with very little labor and time for any existing home. Tatung and Arkados address a great variety of MRAS components with many different functions, and we believe the retrofit market offers stunning potential.”

For OEMs looking to build innovative, feature-rich, and cost-effective products, with a shortened time-to-market, Arkados and Tatum are ideal solution providers. As a global ODM with nearly nine decades of experience, Tatum is a worldwide leader in the design and manufacturing of digital consumer products.

“Tatum’s design and manufacturing expertise, and their speaker and LCD technologies, allow us as a team to address a very broad range of products while leveraging our platform design approach,” said Oleg Logvinov, President and CEO of Arkados. “Custom installers typically wire their systems into a new home as it is being built, and right now, housing starts are at a 17-year low. So, we believe the retrofit market offers a great opportunity for us.”

The Arkados-Tatum exhibit is in booth 188 at the CEDIA Expo in Denver, Colorado, September 4 – 7, 2008.

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[®], ArkTIC[®], and the Arkados logo are registered trademarks and Direct to Speaker[™] is a trademark 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.