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FOR IMMEDIATE RELEASE

Arkados Powers Russound's Collage Whole-house System

Russound takes advantage of Arkados solutions for their new system and provides installers with an easy path to the growing retrofit market

Denver, CO September 3, 2008 – Technology solutions from Arkados (OTCBB: AKDS) make possible the new system from whole-house audio component manufacturer Russound. Called Collage, the new system is being unveiled this week during the CEDIA Expo in Denver, Colorado.

“Collage is a game-changing system for this market,” said Michael Stein, senior director of research and technology at Russound. “Collage offers the sophisticated features of a built-in system, but without the installation of new wiring throughout a home, perfect for the huge base of existing homes.”

The system offers whole-house music, video surveillance, and intercom functionality for retrofit applications. For the installer, connecting components is done simply through electrical wiring and power outlets. Arkados SoCs are at the heart of each component of this system, and a typical home would use between six to ten Arkados SoCs.

“We believe the introduction of Russound's Collage system utilizing our SoCs validates our design approach,” said Arkados CEO and President Oleg Logvinov. “We spent a considerable amount of time and resources to develop a platform that enables such products, and brings to fruition our long-term objective of making solutions that facilitate integrated, multimedia digital networking using only the electrical wires in the home.”

Stein continued, “The Arkados system-on-chip and software is packed with the hardware and software features that enable the whole system. These integrated features help us to realize our vision for these products.”

At the CEDIA Expo, Russound is in booth 512, and Arkados is in booth 188 at the Colorado Convention Center in Denver, 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[®] and ArkTIC[®] 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>.

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