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Arkados and Freescale Team to Bring Versatile “Whole-House Audio In a Box” Platform to Market

- Instant whole-house multimedia platform employs HomePlug and Synkro technologies for connected A/V components and interactive remote controls -

LAS VEGAS, NV January 8, 2009 – Freescale Semiconductor and Arkados® (OTCBB: AKDS) join forces at this week’s Consumer Electronics Show in Las Vegas to debut the “whole-house audio in a box.” The versatile platform uses Arkados’ HomePlug® based best-in-class multimedia streaming technology, which has been adopted by audio market leaders for custom home installations, and Freescale’s Synkro wireless communications technology, enabling untethered devices to control and monitor the system and display live data.

Similar to today’s popular “Home Theatre in a Box” solutions, the HomePlug platform with Synkro networking protocol stack software enables consumer electronics manufacturers to introduce a new breed of products that can be easily called “whole-house audio in a box”. Arkados’ HomePlug solution allows system components to share music and multimedia content automatically by simply being plugged in to power outlets, with no new wiring required. Freescale’s Synkro software, with millions of units already in the market, is engineered to provide simple, reliable and battery-efficient wireless connectivity so that the user can control remotely, from anywhere in the home, televisions, DVD players, audio/video receivers, distributed speakers, portable media players and other components.

The platform offers audio streaming from multiple sources such as iPods/iPhones, Internet Radio, DLNA media servers, etc., and audio can be rendered through multiple

speakers throughout the home, while providing the ease and convenience of two-way, interactive remote controls and displays.

“Freescale is a leader for the embedded technology that brings advanced consumer systems to market,” said Oleg Logvinov, president and CEO of Arkados. “This breakthrough platform allows the consumer to enjoy and wirelessly control their audio universe and listening environment from anywhere in the home.”

“Arkados leads the market in delivering fully integrated solutions for whole-home audio over power lines,” said Glen Burchers, Director of Consumer Segment Marketing at Freescale Semiconductor. “The wireless RF performance and functionality of the Synkro networking protocol stack software is a perfect match for whole-home audio, making a system that is both easy to set up and fun to use. The combined efforts of Freescale and Arkados have enabled us to create a new market segment that we know consumers will want.”

Both companies plan to market this unique solution and leverage each others sales channels to grow the volumes and customer base.

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>.

About Freescale Semiconductor

Freescale Semiconductor is a global leader in the design and manufacture of embedded semiconductors for the automotive, consumer, industrial, networking and wireless markets. The privately held company is based in Austin, Texas, and has design, research and development, manufacturing or sales operations in more than 30 countries. Freescale is one of the world's largest semiconductor companies with 2007 sales of \$5.7 billion (USD). www.freescale.com

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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.