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Arkados Moves Powerline Networking to the Mainstream at CES 2009

- *New Products, Powered by Arkados Chips and Software, Eliminate the Need to Run Wires or Worry About Range or RF Interference Issues -*
- *On the Heels of Landmark Strategic Agreement with STMicro, Arkados Continues To Drive Powerline Networking Closer to Broad Consumer Adoption -*

LAS VEGAS, NV, January 8, 2009 – Arkados (OTC BB: AKDS), the provider of system-on-chip solutions that drive a growing list of powerline-enabled consumer electronics and home computing products, announces that the 2009 International Consumer Electronics Show will bring demonstrations for a variety of products that contain Arkados solutions. At CES 2009, embedded Arkados solutions are being displayed and demonstrated in products from Checkolite, Freescale, GigaFast, NuVo, Russound, and Tatung.

One of the strengths of Arkados solutions is demonstrated through easy-to-install and easy-to-use whole-house music systems. Arkados solutions incorporate HomePlug® powerline technology to connect and share digital music from any source, including your PC or iPod®, to audio components or speakers in any room of the home, and eliminate the need to run wires or worry about range or RF interference issues.

“Very easy to install, and excellent sound experiences are the main pursuits,” said Dr. Alan Pan, Sr. General Manager of Tatung Digital Audio Division. “We see that music has become a lifestyle. People no longer are tethered to their living room speakers to enjoy music. We are very pleased with the achievements we have done together with Arkados over the past few years, and I am sure consumers are going to enjoy all of these products.”

The following companies are displaying Arkados-powered products during CES 2009:

- Russound: The #1 brand in multiroom audio, Russound is demonstrating its revolutionary *Collage* system at the exhibit of the HomePlug Powerline Alliance (booth #25826). Embedding Arkados chips and software, Collage, a CES 2009 Innovations Honoree, has been lauded by CePro magazine with words like

"ingenious," "beautiful," and "intuitive". Russound is also demonstrating its iBridge Power Dock which contains Arkados solutions.

- Tatum: Based on the Arkados AI-1100 solution, Tatum's products include PLC-enabled music transmitters with iPod and RCA jack inputs, table-top speakers, ultra-compact bookshelf speakers, and portable semi-outdoor speakers featuring both high-quality audio and ease-of-use. The iPod dock also provides conventional audio input jack for TV and home audio receivers.
- Freescale: As previously announced, Freescale and Arkados teamed to demonstrate a "whole house audio in a box" platform. The versatile platform uses Arkados' HomePlug® based best-in-class multimedia streaming technology, and Freescale's Synkro wireless communications technology, enabling untethered devices to control and monitor the system and display live data.
- NuVo: NuVo's *Renovia* system, a CES 2009 Innovations Honoree, uses a home's electrical system to allow consumers to enjoy multi-room audio without the previous requirement of cutting holes in walls and running Cat-5 wire throughout the property.
- Checkolite: In booth #26808, Checkolite is demonstrating its new combined lighting and sound system that brings easy-to-use multiroom audio and lighting control to the home.
- GigaFast: GigaFast will be displaying audio endpoints that enable electrical wiring to act as a bridge between existing audio components, such as CD players, boom boxes, satellite radios, and stereo systems.

"Many analysts are forecasting significant growth for powerline communications," said Oleg Logvinov, Arkados President and CEO. "For example, analyst firm iSuppli has stated that over the next five years, powerline shipments will experience a 76% CAGR. With so many markets for powerline solutions including consumer, industry, and smart-grid applications, and our recent strategic agreement with STMicroelectronics, we believe Arkados is well-positioned to grow our business."

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>.

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, ability to attract and retain key personnel, timely delivery of inventory by the company’s contract manufacturers, timely product development and acceptance, and the impact of competitive services and pricing and general economic risks and uncertainties.

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