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Arkados and devolo AG Introduce the dLAN Audio World, the first HomePlug based Multi-Room Audio System for the Consumer Market

-- For iPod users, the dLAN Audio World could represent the next wave of the digital music experience --

Hannover, GERMANY, March 4, 2009 –devolo AG, the global market leader in HomePlug products, will introduce dLAN Audio World based on the Arkados (OTCBB: AKDS) chips at CeBIT, taking place March 3–8 in Hannover, Germany. dLAN Audio World is the world’s first system to combine an iPod® dock with multiple active speakers, using powerline communications to instantly create whole-house music. Arkados developed the system-on-chip audio platform that enables the dLAN Audio World components to connect to each other using HomePlug® technology, which performs with longer range and more reliable quality-of-service than any other wireless solutions in the market.

The most successful digital music players in history, iPods and iPhones have pushed sales over 170 Million units. For iPod users, the dLAN Audio World expands the experience of digital music beyond earbuds and computer speakers, and fills the entire home with music – instantly bringing a whole-house-audio-in-a-box™ experience to iPod fans.

“iPod users will be excited about the dLAN Audio World products,” remarked Heiko Harbers, CEO of devolo AG. “The system employs easy-to-use HomePlug technology, and using Arkados chips was an easy choice. The Arkados solutions are flexible and powerful, and their reference designs presented us with an almost camera-ready platform for exciting products like these.”

The dLAN Audio World system transfers digital music directly from its source, to high-quality dLAN Audio Tone Speakers or to an existing hi-fi stereo system connected with the dLAN Audio Extender. It works with an iPod, internet radio, computer, or any other music source, and connects in up to four rooms through the stylish high-fidelity dLAN

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Audio tone tabletop speakers. An included remote control allows a user to control the music player from any location in the home. All system components employ Arkados' Direct-to-Speaker™ platform for digital audio. By using power lines to transfer digital audio data, this solution offers nearly instant whole-house music that sounds great.

“devolo is the world’s number one supplier of powerline connectivity products, and Arkados is proud to have worked with them to couple HomePlug technology with in-home entertainment,” said Oleg Logvinov, CEO and president of Arkados. “Digital music is everywhere, and by combining it with the HomePlug powerline technology found in Arkados solutions, the devolo dLAN Audio World creates a home environment that has never before been available.”

About devolo AG

Network technology for home and professional use is booming. One of the driving factors behind this growing market segment is Aachen-based devolo AG. Since it was founded in 2002, devolo has established itself as the world-wide market leader in the segment of network solutions based on HomePlug. HomePlug technology facilitates data transfer via the two-wire lines already in the building—such as the electrical wiring or coaxial TV lines—with the highest possible security and requiring little technical work. When it comes to product development, quality, product benefits and ease of use have top priority for the Aachen-based company. Their product portfolio comprises solutions for private consumers and industrial applications. In addition to its headquarters in Aachen, devolo AG has sales offices in many Western European countries.

About Arkados, Inc.

Arkados delivers a universal platform that provides high-speed communications over standard electricity lines for the smart grid, home networking, and networked entertainment markets. The company’s system-on-chip and software 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™ and Whole House Audio in a Box™ 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>.

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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.

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