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**Tatung and Arkados Employ HomePlug Technology to Span
Growing Markets of Smart Grid and Connected Consumer Products**

-- Tatung and Arkados bring powerline technology and WiMAX to Computex 2009 --

Taipei – June 3, 2009 – Tatung Company, a worldwide leader in the design and manufacturing of digital consumer, industrial and energy products, and Arkados® (OTC BB: AKDS), a provider of HomePlug chip-and-software solutions, will demonstrate products that combine HomePlug® powerline communications and WiMAX technologies at Computex 2009 taking place this week in Taipei, Taiwan. The demonstration includes fully connected solutions that bridge Smart Energy, Internet connectivity, and connected consumer electronics.

Building on the strength of their existing relationship, Tatung and Arkados will demonstrate the capability to connect Smart Grid applications and in-home consumer applications over one network. The demonstration features Tatung's smart meter connected to an Electricity Control Center via a WiMAX network, and a number of in-home entertainment applications connected via an Arkados powered HomePlug powerline network. Devices residing on the HomePlug network enable home video surveillance, control of electricity usage, and home entertainment.

“Energy conservation is a key global focus and a major initiative of Smart Grid efforts,” said Mrs. Wen K. Lin, Executive VP of Tatung, and Chairperson of Tatung InfoComm, the first WiMax operator in Taiwan. “Powerline Communication is a key enabling factor for both efficient energy use and digital home applications. Tatung and Arkados address these growing markets with a full spectrum of innovative products and services.”

Several studies indicate significant growth for both the Smart Grid and digital home markets. As reported in EE Times, at a recent meeting of the Semiconductor Industry Association (SIA), Texas Instruments Fellow Dave Freeman cited a number of studies that point to the replacement of nearly 50 million analog meters in the United States by 2010, at a cost approaching \$18 billion. Additionally, a recent article in Multichannel News referenced a forecast by analyst firm iSuppli indicating that annual shipments of devices supporting Internet video (such as televisions, set-top boxes, Blu-ray DVD players, and videogame consoles) will approach 376.5 million annually, by 2013.

Arkados, Inc.

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“We are proud to be working with Tatum,” said Oleg Logvinov, president and CEO of Arkados. “The opportunity for converged multimedia and Smart Energy solutions is extraordinary, and Tatum is the right company to transform this vision into reality.”

Recognizing the synergy between Smart Grid and In-home applications, the HomePlug Powerline Alliance recently announced HomePlug Smart Energy, an interoperable platform which serves to future proof Smart Grid networks. This new platform offers a technology path for intelligent energy networks, and also creates a new class of powerline communications products that offer lower cost, low power consumption and interoperability with both the HomePlug AV standard and the forthcoming IEEE 1901 standard. The team at Arkados co-founded the Alliance in 2000, and has remained a member since its inception.

Tatum joined the HomePlug Alliance recently. The Tatum InfoComm demonstration is in booth #A616 at Computex 2009 in Taipei. Tatum InfoComm is 100% owned by Tatum.

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>.

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

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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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