



Editorial Contact:

Jim Reeber, Arkados Inc.
Email: jreeber@arkados.com
Phone: (732) 465-9300 x212

Arkados Powers Russound's New Networked iPod Bridge

Russound's new iBridge Dock PLC uses Arkados solutions to create whole-house music from an iPod

Denver, CO, September 5, 2007 -- Arkados (OTC BB: AKDS), known as "the HomePlug® Applications Company," announces that the new iBridge Dock PLC from Russound®, their first digitally networked iPod® Bridge, is powered by solutions from Arkados. The iBridge Dock PLC is a revolutionary product that requires no wiring, using HomePlug powerline communications technology to integrate an iPod into Russound's RNET® multiroom controller amplifiers.

Not only does the iBridge Dock PLC recharge the iPod, but the music stored on the iPod can be accessed and played throughout the home since it acts as a fully functional RNET Smart Source.

This announcement is especially timely as several noted analysts have recently commented on the growing market for whole-house music. ABI Research® recently estimated that the networked home audio market will reach \$7.2B by 2012, while some estimates put the value of the iPod accessory market in the neighborhood of \$1 billion.

"With so many people using their iPod as the source for most of their music collection, this is a way to free themselves from their earbuds, and fill their house with music," said Oleg Logvinov, president and CEO of Arkados. "Russound has always led the market with innovative high-quality music systems, and they are continuing on that path by introducing products that incorporate the incredible flexibility of HomePlug technology."

"The iBridge Dock PLC is a great addition to our family of products," said Michael Stein, Senior Director of Research and Technology at Russound. "It allows both installers and consumers to locate the dock anywhere in the home without running new wires. We expect this to be a very popular product for both new and existing users of RNETsystems."

The Arkados solution provides the underlying technology for the iBridge Dock PLC, including the HomePlug powerline communications protocol. The technology allows communication both to and from the iPod through the AC electrical lines already installed in the home, and can use multiple iPods as music sources.

Russound's exhibit at this week's CEDIA Expo will feature a demonstration of the prototype.

Arkados Group, Inc.
220 Old New Brunswick Road • 2nd Floor • Piscataway NJ 08854
732 465 9300 main • 732 465 9600 fax

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® is a registered trademark and ArkTIC™ and Direct to Speaker™ 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. iPod® is a registered trademark of Apple Computer, Inc. Other names and brands may be claimed as the property of others, as indicated above. More information can be found at 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, successful performance of internal plans, product development acceptance, and the impact of competitive services and pricing and general economic risks and uncertainties.

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