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Telkonet Provides Best Western's Historic Midland Hotel with Wired and Wireless Broadband Service

Best Western Midland Hotel Enjoys Disruption-Free Installation of the Telkonet iWire System; To Deliver Wireless and Secure Wired High-Speed Internet Access Throughout Its Historic 100-Room Building

GERMANTOWN, Md.--

Telkonet, Inc. (AMEX:TKO), the leader in providing in-building broadband access over existing electrical wiring, today announced that its Telkonet iWire System(TM) has been installed at the Best Western Midland Hotel in Derby, UK, to provide every guest with the freedom to choose either hard-wired or wireless broadband Internet access throughout the venue. Telkonet's solution was chosen as representing the best fit with the 4-star hotel's emphasis on quality of service, which earned the venue Best Western's UK Hotel of the Year Award in 2006.

Conceived as a dual system to offer the maximum flexibility for guests and conference delegates, the Midland Hotel's disruption-free installation uses the Telkonet iWire System to transform the building's electrical wiring into an IP network backbone. This allows every electrical outlet to be used as a broadband access data port, via the Telkonet iBridge(TM) interface units that are installed in every guest room. The IP backbone also drives most of the wireless access points, which are strategically located around the hotel's corridors to provide site-wide WiFi coverage. Further Telkonet iBridge units are kept at reception, for use by delegates in the hotel's conference and training suites.

Built in 1841, the 100-bedroom Midland Hotel is the oldest operating railway hotel in the world. Grade II listed, it is located in the heart of Derby's Railway Conservation Area, adjacent to the city's railway station. Given its listed status, the hotel had to ensure that any broadband Internet access system could be installed without damaging the fabric of the building in any way, and without disrupting its business or disturbing its guests. The Telkonet iWire System, which had already been installed at other Best Western venues, met all the hotel's requirements, including the critical need to offer hard-wired access to any guests concerned about security. This is an important consideration for many of the hotel's customers, which include government departments and large corporates, such as aerospace companies.

Roger Coe, Chief Executive of Midland Hotels Limited, commented: "This was our first venture into broadband; we wanted to do it once and do it properly. Broadband is absolutely essential to our guests, as it is to our own operation - it's the lifeblood of our on-line booking system. The choice of Telkonet's solution was simple and logical. It was really the only

option that satisfied all our requirements - in terms of the flexibility to offer wired and wireless from the same system, the speed and completely unobtrusive nature of the installation process, and the high reliability of its day to day operation. As it harnesses a building's existing electrical wiring, it elegantly avoids the time, expense, and inevitable damage and disruption caused by running new cabling everywhere. It has also successfully added to our venue's unique benefits - we are a city centre hotel, close to the station, with free onsite parking and a large garden. Now we can offer the dual benefit of wired and wireless broadband, fully supporting our ethos of a traditional, quality-focused hotelier.

"The flexibility of Telkonet's system was highlighted recently by one of our conference clients, a national utility company. The conference called for the connection of 35 laptops around a U-shaped table configuration, and we used a single Telkonet iBridge, connected to the laptops via additional network switches - it was very quick to set up and worked perfectly.

"One of the most unexpected accolades we've received for Telkonet's system has been from users outside the hotel who choose our wireless service rather than free WiFi available elsewhere in the area, even though we do make a small charge! Apparently the quality of our service, driven by Telkonet's technology, is regularly cited as being preferable, particularly in terms of reliability and ease of connection. The Telkonet system has certainly met all our expectations, and those of our guests."

Built in the Victorian age of steam, and designed by railway architect Francis Thompson, the Midland Hotel was originally operated by the Midland Railways company. Along with other regional railway companies, this was merged into the London Midland and Scottish (LMS) railway in the 1920s, with British Transport Hotels continuing to operate the hotel until 1982, when it was acquired by its present owner, Midland Hotels Limited. Underlining the hotel's attitude to quality is its AA-rated 4-star status, and its inclusion in the invitation-only AA Britain's Best Hotels guide. Guests have included at least two prime ministers - Tony Blair and John Major - together with a variety of actors, artists and VIPs. Queen Victoria is reputed to have stayed twice, and an extensive menu for a lavish banquet held during one of her visits is displayed in the hotel's bar.

About Telkonet

Telkonet develops and markets technology for the high-speed transmission of secure voice, video and data communications over in-premise and shipboard electrical wiring. The revolutionary Telkonet iWire System utilizes proven powerline communications (PLC) technology to deliver commercial high-speed broadband access from an IP "platform" that is easy to deploy, reliable and cost-effective by leveraging a building's existing electrical infrastructure. Telkonet's products are designed for use in commercial and residential applications, including multi-dwelling units and the hospitality and government markets. Applications supported by the Telkonet "platform" include but are not limited to: VoIP telephones, Internet connectivity, local area networking, video teleconferencing, IP surveillance and a host of other IT services. For more information, please visit www.telkonet.com.

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net revenues due to variability in size, scope and duration of projects, and internal issues in the sponsoring client. Further information on potential factors that could affect the Company's financial results, can be found in the Company's Registration Statement and in its Reports on Forms 8-K filed with the Securities and Exchange Commission (SEC).

Source: Telkonet, Inc.