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Telkonet Unlocks Powerline Performance with Next-Generation 200Mbps Solution Launch

Provides new level of powerline sophistication and flexibility, dynamically enhancing PLC's suitability for commercial and industrial applications

GERMANTOWN, Md.--

Telkonet, Inc. (AMEX:TKO), the leading technology solutions provider for broadband networking, end-to-end service support and energy management, today announces its next-generation 200Mbps Telkonet Series 5 powerline communications (PLC) system, addressing the exacting broadband networking demands of the utility, commercial, education, Government and hospitality markets. Setting unprecedented performance levels for security, speed, QoS and capacity, the new Telkonet Series 5 system combines the company's proven powerline technology with Intellon's powerful 200Mbps chip. Telkonet Series 5 takes PLC to a new level, as a viable option for high performance, critical applications, including digital video surveillance, implementations in the utility substation environment, and harsh outdoor commercial installations.

The result of extensive market research and development, Telkonet Series 5 delivers a range of significant performance advances, taking PLC beyond the traditional residential environment and putting Telkonet at the forefront of currently available technology. These include:

- Substantially improved security features, incorporating hardware-based 128-bit AES encryption that meets stringent commercial requirements and provides industrial users with a highly secure remote management solution;
- The incorporation of additional optional physical access ports, including both RS232 and RS485, enables a wide range of different devices to be networked, such as, non Ethernet-enabled monitoring and metering devices used in electric utility substations;
- Optional support for both DC and AC applications, as well as the option to withstand extended temperature ranges, making Telkonet Series 5 ideal for monitoring and control applications in tough industrial environments;
- Enhanced Quality of Service (QoS), handling up to 8 different communication channels, such as high-speed data, Voice over IP (VoIP), video-on-demand and surveillance, with rate-limited bandwidth management per user.

Telkonet Series 5, with its enhanced capabilities, provides a versatile, high-level PLC solution for many new applications. Airports, schools and military installations can all benefit from Telkonet Series 5's digital video surveillance capabilities, with its significantly enhanced bandwidth, in the quest for public safety and heightened security. The rising tide of environmental awareness and energy conservation is another area that can successfully employ PLC, with Telkonet Series 5 providing the platform for integrated, efficient energy management.

"Telkonet Series 5 represents a major breakthrough in PLC networking technology, meeting the increased versatility, management, bandwidth and security needed to support the demanding applications of the industrial and commercial markets," as Telkonet's president and CEO Jason Tienor, explains. "Telkonet Series 5 does something genuinely different - it puts PLC on a completely new level as a next-generation solution that comprehensively addresses the needs of the wider commercial environment."

Rick Furtney, president and COO of Intellon Corporation, noted the successful working relationship between the two companies, commenting, "We have been very pleased to work with Telkonet and believe that the outcome of this work positions us to better address a much wider, more critical range of applications beyond the traditional SOHO market for PLC. We are excited that Telkonet selected our technology for this important new product."

This first release of Telkonet Series 5 also provides an optional Zigbee adaptor for the initial integration of the Telkonet SmartEnergy (TSE) advanced energy management system. This will provide a single solution that combines comprehensive Ethernet connectivity with wireless-based monitoring and management tools. Telkonet Series 5 enables this advance as a single solution for video surveillance applications, industrial controls, in-building wireless and energy management.

In summary, Telkonet Series 5 is an effective communications solution for:

- In-building networks where there are issues with wired and wireless solutions (thick/dense structural walls, asbestos, historic buildings or where security issues prevent the use of wireless);
- Installations requiring rapidly deployed communication or surveillance capability, for schools, airports, crisis control centers, disaster relief etc.;
- Implementations that involve adding communications to existing devices and applications in substations, power plants, or other industrial sites;
- Scenarios requiring the addition of site-access control and surveillance;
- Secure, physically diverse in-building networks;
- New constructions with a requirement for reduced infrastructure costs.

Telkonet Series 5 transforms a site's existing internal electrical infrastructure into an IP network backbone, without installing new cabling. It combines the traditional PLC benefits of fast, easy and non-disruptive installation, typically in hours or days rather than weeks. It

provides complete flexibility in locating communication interfaces and supports connectivity to any Ethernet or serial device or application, across data, voice and video. It incorporates Telkonet's comprehensive built-in network management, without the need for drivers or additional software, enabling the remote monitoring and troubleshooting of communications networks.

About Telkonet

Telkonet (www.telkonet.com) specializes in integrated solutions for broadband data networking and energy management, including in-building powerline communications (PLC) technology. Headquartered in Germantown, Maryland, USA, Telkonet serves thousands of customers worldwide. Telkonet's technology innovation is underpinned by end-to-end quality of service and comprehensive customer support. Its portfolio includes:

- The revolutionary Telkonet iWire System(TM), converting sites' existing internal electrical infrastructures into an IP network backbone.
- The integrated EthoStream platform for wired and wireless HSIA, differentiated by outstanding remote management tools and dedicated customer support facilities.

Telkonet SmartEnergy, achieving 30% energy savings through intelligent in-room energy management.

Statements included in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks and uncertainties such as competitive factors, technological development, market demand and the Company's ability to obtain new contracts and accurately estimate 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.