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![telkonet](telkonet logo)

Telkonet Achieves 200,000 Guest Room Milestone for Innovative High Speed Internet Access (HSIA) Products, Services and Support

Delivering Guest Satisfaction Through High Performance Networks and Proactive Managed Guest Support Services

GERMANTOWN, Md.--

Telkonet, Inc. (AMEX:TKO), the leading provider of innovative, centrally managed solutions for integrated energy management, networking, building automation and proactive support services, announces that it has passed a significant milestone, with Telkonet now supporting more than 200,000 guest rooms with its differentiated HSIA guest support services. This achievement underscores Telkonet's market leadership in the hospitality industry, reflected in the steady growth of Telkonet's HSIA network and demand for its customized, comprehensive solutions across high-speed Internet access, occupancy-driven in-room energy management and proactive, integrated customer support.

Telkonet's hospitality network is one of the largest in the US, growing by 38% in the last 12 months and serving over 1.8 million users every month. Its established customer base of nearly 2,500 hotel properties includes some of the world's largest, most prestigious hotel franchises, including Choice Hotels International, Destination Hotels & Resorts, Marcus Hotels & Resorts, AmericInns and Vantage Hospitality. "This accomplishment demonstrates the success of our strategy to deliver a truly differentiated HSIA proposition to hotel management", said president and CEO Jason Tienor. "We are committed to lead the market through continual innovation, with advanced solutions matched by truly proactive support services. This is what sets us apart and gives our customers a uniquely different competitive advantage."

Access to high-performance, reliable HSIA is increasingly a fundamental requirement for hotel guests and an important factor in building loyalty and maintaining satisfaction. Telkonet's goal is to provide the best network performance for guests during their stay with 24/7 access to expert help at Telkonet's dedicated Support Center in Milwaukee, Wisconsin, to solve any Internet issues. The Support Center also proactively monitors on-site equipment, enabling any network issues to be identified and rectified before they impact guests. For hotel management, Telkonet provides a leading edge integrated technology platform that allows them to take real-time central control of their network, via its standards-compliant line of advanced gateways and the Telkonet Central web-based management platform. With this powerful platform, customers can make instant changes to the HSIA network, as well as view comprehensive reporting on Internet traffic, bandwidth and browsing statistics.

About Telkonet

Telkonet's unique broadband networking solutions currently support more than 1.8 million network users per month, with its energy management systems optimizing energy consumption in over 85,000 rooms. Telkonet's technology innovation is underpinned by the highest level of end-to-end quality of service, with comprehensive technical customer support. Its systems deliver wide-ranging functionality, from wired and wireless high-speed Internet access to energy management, IP surveillance and local area networking. Telkonet's platforms are widely deployed on the global stage - in single buildings and ships, in multi-building complexes, hospitality venues and multi-dwelling units, and at government, education and defense locations.

Telkonet's innovations include the revolutionary Telkonet Series 5 and the Telkonet iWire System(TM), which convert a site's existing internal electrical infrastructure into an IP network backbone - quickly, cost-effectively and without disruption. The portfolio also includes the integrated EthoStream product suite, providing a comprehensive and advanced technology management platform for the hospitality industry, differentiated by outstanding remote management tools and a dedicated customer support facility. Networked Telkonet SmartEnergy(TM) completes the line-up, delivering typical bottom line savings of 30% by controlling in-room energy consumption according to occupancy. For more information, please visit www.telkonet.com.

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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.