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Telkonet's EcoSmart Energy Management Technology to Provide Substantial Energy Savings for Prominent Northeast Universities

Importance of Energy Efficiency Investments Growing in Higher Education Marketplace

MILWAUKEE, Jan. 23, 2013 /PRNewswire/ -- Telkonet, Inc. (OTC BB: TKOI), developer of the EcoSmart energy management platform featuring Recovery Time™ technology, is pleased to announce that two highly-respected universities located in northeastern United States selected the Company's [EcoSmart solution](#) for installation across three residence halls.

Telkonet recently completed a 600-room installation of [EcoWave](#) intelligent thermostat packages at one of the residence halls. Prior to project completion, the nine-story building experienced annual utility costs of \$217,611. After integrating EcoSmart technology, the university expects to see annual utility costs for the residence hall closer to \$133,470--a 39% cost reduction and savings of \$84,141.

"Significant energy cost savings, as well as Telkonet's experience within the higher education market, allow any university to select an EcoSmart energy management system with confidence," said Gerrit Reinders, Telkonet's Executive Vice President for Sales and Marketing.

"By performing initial installations within a select number of campus residence halls, Telkonet allows a university to test EcoSmart system performance, student acceptance and savings potential," said Reinders. "Once we demonstrate the capability of our solution, we may work with each university on further upgrades to residence halls throughout campus."

With large-scale deployments and regional energy costs higher than the national average, both campuses will recognize considerable utility savings with the EcoSmart energy management solution.

"EcoSmart is the perfect energy efficiency investment because the technology funds itself through energy savings," Reinders said. "In addition, EcoSmart offers considerable improvements in operational efficiency for the facilities engineering staff."

Although colleges and universities in the United States spend close to \$2 billion annually on energy costs, campuses regularly forgo energy efficiency upgrades due to a shortage of capital for facility improvements. To minimize the out-of-pocket expense, Telkonet often works with a university to locate utility-funded energy efficiency programs that will provide

financial assistance.

In 2012, EcoSmart sales increased to a record-high \$1.2 million within the higher education market, including extensive installations at New York University and the University of California-Davis. The Company expects college and university contracts to remain a rapid-growth segment of annual energy management sales.

Any university representative interested in further information on Telkonet's EcoSmart energy management technology may call (888) 703-9398 or email sales@telkonet.com.

ABOUT TELKONET

Telkonet, a leading United States-based energy management technology provider, offers hardware, software and services to commercial customers worldwide. The EcoSmart suite of products, which includes EcoInsight and EcoWave intelligent thermostats, the EcoView occupancy sensor and the EcoGuard energy management outlet, can be deployed in most building environments to cut utility costs and enable remote monitoring and control using the EcoCentral management platform. Telkonet's energy management products have the power to reduce energy consumption, minimize carbon footprints and help eliminate the need for the construction of new power plants. For more information, 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 revenue 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).

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