

Telkonet Partners with Energy Management Solutions Provider in Vibrant Brazil Hospitality Market

Delivering World Class Energy Management Technology to Explosive South American Market

MILWAUKEE, June 2, 2014 /PRNewswire/ -- Telkonet, Inc. (OTC QB: TKOI), whose complementary business divisions include EcoSmart[™], an energy management platform featuring Recovery Time [™] technology and EthoStream[®], one of the largest high-speed Internet access ("HSIA") providers in the world, today announced their partnership with Evolutix, a comprehensive engineering and integration company in Brazil.



With offices in Rio de Janeiro, Sao Paulo and Miami, Evolutix focuses on commercial building projects that require the design and implementation of intelligent systems for building infrastructure, power grids, and lighting that minimize energy use and enhance sustainability.

Pedro Moreira, president of Evolutix said "Our partnership with Telkonet to supply the EcoSmart Intelligent Energy Management System to the Brazilian market is in perfect harmony with our mission to provide energy saving and sustainable technologies to dramatically reduce the cost of consumption and the impacts caused by carbon emissions. After evaluating many other solutions, we found that the EcoSmart system is the best solution for reducing energy in spaces with unpredictable occupancy patterns and we are enthusiastic to bring Telkonet's products to a market that is ripe for this technology."

Brazil is an emerging market for energy conservation. There are many government projects that have funding to improve energy efficiency. In addition, the Brazilian Olympic Committee is requiring LEED certification, as regulated by the US Green Building Council, for all their building projects leading up to the 2016 Summer Olympic Games. In addition the Brazilian Football Federation has promised that 2014 will be the first "Green World Cup." The Brazilian Development Bank underwrites that promise, with up to \$400 million available for financing new venues needed for these events.

Jason Tienor, Telkonet CEO commented, "We're very pleased to welcome Evolutix to our growing alliance of high technology partners in international markets that can effectively

deploy our EcoSmart solution. Their customers understand the balance of minimizing their energy consumption while maintaining the comfort of those who occupy commercial spaces and are concerned with leaving a minimal impact on our environment."

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 EcoGuard energy management outlet and the EcoSwitch energy-efficient light switch 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.

For news updates as they happen, follow <u>@Telkonet</u> on Twitter.

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FORWARD LOOKING STATEMENTS

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 Annual Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission.

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