

October 28, 2014



Telkonet, Inc. Accelerates Activities in Brazil with EcoSmart Product Certification

Revenue to be Recognized as Country Expansion Continues with Evolutix

MILWAUKEE, Oct. 28, 2014 /PRNewswire/ -- Telkonet, Inc. (OTCQB: TKOI), whose complementary business divisions include EcoSmart™, the leading energy management technology platform featuring Recovery Time™ technology, and EthoStream®, one of the largest hospitality High-Speed Internet Access providers in the world, today announced the receipt of official Anatel certification in Brazil for its EcoConnect, EcoSense, and EcoInsight product lines. Anatel certification provides official approval from the Brazilian government for distribution and use of communications products.



Communication products and accessories, including products that encompass modems, Wi-Fi routers and radio-electrical spectrum for signal transmission, used in Brazil are required to have certification and homologation by the Brazilian Telecommunication Agency (Agência Nacional de Telecomunicações or Anatel). Certification and homologation services for Anatel are provided through a series of testing and inspections performed by TÜV Rheinland, a global leader in independent testing, inspection, and certification services, ensuring quality and safety for people, the environment and technology in nearly all aspects of life. This certification permits legal importation of products made outside of Brazil and enables the use of relevant products in the country.

The Anatel certifications for Telkonet products were sponsored and paid for by the Company's partner in Brazil, Evolutix, as part of their collaboration for penetrating the Brazilian Hospitality market, which has been rapidly adopting energy efficiency and management solutions. Based in Brazil, 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.

"We're thrilled to have received approval following a five-month certification process that will now permit our products to be imported and used in Brazil," stated Jason Tienor, CEO of Telkonet. "We're very pleased with the positive outcome as well as the ongoing participation and support by our partner Evolutix. Telkonet will now be able to expand our activities in Brazil knowing that we have unfettered access to the market with a strong partner."

"We look forward to a mutually rewarding relationship with expanding opportunities for EcoSmart product installations and delighted clients in Brazil," said Pedro Moreira, Chief Executive Officer at Evolutix. "We are off to an excellent start with Telkonet and see a tremendous market opportunity for both of our companies."

Earlier this year, Telkonet announced its successful expansion in Brazil through its strategic relationship with channel partner Evolutix. The companies have been collaborating on the sale and installation of EcoSmart Energy Management technology in a number of hotel and hospitality properties, including the marque Hilton Barra Hotel project in Rio de Janeiro.

The Hilton Barra Hotel project calls for the use of [EcoInsight](#), a revolutionary energy management thermostat, [EcoSense](#), an in-room occupancy sensor, and [EcoConnect](#), which creates a fully networked energy management solution. The hotel's Property Management System (PMS) will be interfaced with EcoSmart platform products and its [EcoCentral Virtual Engineer™](#), the energy management command center that allows Telkonet's customer service team as well as property and asset managers the ability to monitor and manage cost savings room-by-room.

ABOUT EVOLUTIX

Evolutix, headquartered in Rio de Janeiro, Brazil, is a world leader in developing and implementing sustainable energy consumption strategies for both new construction and also retro-commissioning projects to maximize return on investment. For more information, visit, www.evolutix.net

ABOUT TELKONET

Telkonet is a leading energy management technology provider offering hardware, software and services to Commercial customers throughout the world. The Company's complementary business divisions include EcoSmart™, an energy management technology platform featuring Recovery Time™ technology, and EthoStream®, one of the largest hospitality High-Speed Internet Access networks in the world. www.telkonet.com

ABOUT ECOCENTRAL AND ECOSMART

The EcoCentral Platform, in conjunction with the EcoSmart Suite of products, provides comprehensive savings, management and reporting of a building's energy consumption. Telkonet's energy management products are installed in properties within the Hospitality, Military, Educational, Healthcare and Residential markets reducing energy consumption, Carbon footprints and eliminating the need for new energy generation. www.telkonet.com/products/ecosmart

ABOUT ETHOSTREAM

EthoStream is one of the largest public High-Speed Internet Access (HSIA) networks in the world providing services to more than 8 million users monthly across a network of greater than 2,400 locations. EthoStream's EGS line of public-access gateway servers provide real-time monitoring and management of guest-access networks while its 24/7 support center is known for the highest levels of quality and service. With a wide range of product and service offerings and one of the most comprehensive management platforms available for HSIA networks, EthoStream offers solutions for any public access location. www.ethostream.com

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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