

December 20, 2012



Increasing Demand for Telkonet's Energy Management Technology Necessitates Expansion of EcoSmart Sales Force

MILWAUKEE, Dec. 20, 2012 /PRNewswire/ -- Telkonet, Inc. (OTC BB: TKOI), developer of the EcoSmart energy management platform featuring Recovery Time™ technology, is pleased to announce that the Company is expanding its EcoSmart Sales division as a result of increasing market demands for efficient energy management solutions and the escalating recognition of its EcoSmart energy management technology.

(Logo: <https://photos.prnewswire.com/prnh/20111011/NY83909LOGO>)

"The United States has approximately 4.8 million commercial buildings, most of which are energy inefficient and susceptible to constant increases in energy costs," said Telkonet CEO Jason Tienor. "With these costs running property owners over \$107 billion a year, Telkonet sees a significant opportunity to educate these owners and demonstrate the tremendous savings available with our proprietary collection of energy management tools. As a result, we are initially adding four industry sales executives to our EcoSmart division and will continue to expand as warranted."

Existing properties that are most vulnerable to energy inefficiencies and clear candidates for Telkonet's EcoSmart platform are those with varying occupancy rates, such as hotels, residence halls, classrooms and assisted living facilities. EcoSmart offers a product suite capable of creating an in-room energy management network that can be configured to meet the requirements of most building environments including any combination of intelligent thermostats, occupancy sensors, door contacts, and plug load control devices. All products can be networked to enhance energy efficiency and provide remote monitoring capability.

"What remains a significant catalyst for Telkonet's growth and industry recognition is that the American Council for an Energy Efficient Economy has found that the cost of saving one unit of energy through energy efficiency is *one-fifth* the cost required to generate that same unit of energy. That's the concrete value proposition that Telkonet will continue to exploit and use as runway to expand our business" added Tienor.

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, along with the EcoCentral management platform, can reduce energy consumption, HVAC runtime and utility costs in most building environments. 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.

The EcoSmart Sales team can be reached at sales@telkonet.com or (888) 703-9398.

For news updates as they happen, follow [@Telkonet](https://twitter.com/Telkonet) on Twitter.

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).

Telkonet Investor Relations
414.721.7988
ir@telkonet.com

SOURCE Telkonet, Inc.