

Telkonet Deploys Secure Powerline Communications Solution to Over 200 Department of Defense Sites

Telkonet announces an additional 600 sites have been scheduled for delivery between now and 2008, enabling network connectivity to DoD personnel

Germantown, MD, Telkonet, Inc. (AMEX: TKO), the leading technology solutions provider for broadband networking, end-to-end service support and energy management, today announced it has delivered its FIPS 140-2 validated, powerline networking solution to over 200 Department of Defense (DoD) sites nationwide. The unique Telkonet iWire System™ was competitively selected for use within these locations to foster the rapid, cost-effective delivery of secure unclassified network connectivity to DoD personnel. An additional 600 locations have been scheduled for deployment between now and through 2008. Under the engagement, Telkonet is supplying its award-winning hardware, software, fulfillment and delivery services.

John Vasilj, vice president of Telkonet's Government Systems division stated, "With this recent DoD-related effort, we are pleased to announce the continued expansion of the Telkonet iWire System footprint within the Federal, State and Local government markets. Having secured an enterprise-level position within a highly competitive government IT environment, multiple enterprise-grade government certifications and notable past performance references, we are anticipating significant growth in the contracting and delivery of Telkonet-enabled products and services related to network design, deployment, integration, support and maintenance."

Ron Pickett, chief executive officer of Telkonet added, "We have recently seen a significant acceleration in orders within our Government System division, which will be positively reflected in revenues during the second half of this year and well into 2008. The first 200 deployments of this DoD-related engagement represent the delivery of Telkonet-enabled network connectivity to over 1,000 DoD workstations within the last 90 days. We are expecting this aggressive deployment schedule to continue well into 2008."

About Telkonet

Telkonet specializes in advanced integrated solutions for broadband data networking and energy management, including its highly successful in-building powerline communications (PLC) technology. Headquartered in Germantown, Maryland, USA, Telkonet has over 175 employees and serves thousands of customers worldwide.

The company's unique broadband networking solutions currently support more than a million network users per month, with its energy management systems optimizing energy consumption in over 60,000 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

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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 iWire System™, which converts 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. Telkonet SmartEnergy 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.