

CeoTronics AG Ad Hoc August 18. 2005

Ad hoc announcement §15 WpHG

CeoTronics AG: Consolidated results for the year as of May 31, 2005

Revenues up 17% to approx. EUR15,9 thousand / EBITDA EUR1.983 thousand / EBIT EUR1.559 thousand / EBIT margin 9.8% / net income for the year EUR1,001 Thousand / gross cash flow EUR 1,425 thousand / order backlog up 60% / proposed Dividend EUR0.20 per share

CeoTronics AG Audio - Video - Data Communication, listed in the Prime Standard (ISIN: DE0005407407) and in the "Technology All Share" Index, Adam-Opel-Straße 6, 63322 Rödermark, Germany, recorded year-on-year growth in consolidated revenues of 17% from EUR13,568 thousand to EUR15,878 thousand in the fiscal year 2004/2005. In comparison to the previous year EBITDA (earnings before interest, taxes, depreciation and goodwill amortization/impairment) improved by EUR666 thousand from EUR1,317 thousand in the prior year period to EUR1,983. EBIT rose by EUR693 thousand from EUR866 thousand to EUR1,559 thousand. The net income from previous year of EUR316 rose by EUR685 thousand to EUR1,001 thousand.

Gross cash flow improved by EUR658 thousand year on year from EUR767 thousand to EUR1,425 thousand. Earnings per share rose by EUR0.30 from EUR0.15 to EUR0.45. Consolidated equity amounted to EUR10,756 thousand as of May 31, 2005, while the equity ratio was 77% (previous year 70.2%). As of the balance sheet date the groups order backlog was 60% year-on-year compared to the high previous year level which (compared to 2002/2003) had already risen by 178% as of May 31. 2004. The number of employees fell by 1 as against the same period on the previous year from 125 to 124.

The Supervisory board agreed on their meeting August 18, 2005, with the Board of Management's proposal, to be submitted to the General Meeting, for a dividend payment of EUR0.20 per share from the parent company's net retained profits of EUR1,353 thousand.

The comparison of the results in the fourth quarter 2004/2005 with those of the fourth quarter of 2003/2004 shows a decline of revenues in the group by EUR1,291 thousand from EUR4,214 thousand to EUR2,923 thousand. EBITDA fell by EUR 752 thousand from EUR831 thousand to EUR79 thousand. EBIT went down by EUR755 thousand from EUR712 thousand to EUR-43 thousand. The net income of the previous years quarter of EUR311 thousand now faces a net income of EUR25 thousand as of May 31, 2005. The result for the quarter changes by EUR-286 thousand. Comparing the quarters the gross cash flow diminishes in the period March 1, to May 31, by EUR283 thousand from EUR430 thousand to EUR147 thousand. The quarterly result per share changed to EUR0.01 from EUR0.14 (previous period).

Issuer's information/explanatory remarks concerning this ad hoc announcement:

Already in the first nine months of the business year 04/05 depreciations of EUR700 thousand on the stake of the German mother company in CeoTronics, Inc. USA and depreciations of EUR300 thousand on accounts receivables against CeoTronics, Inc. USA have been made in the balance sheet (HGB) of the CeoTronics AG.

The relatively low sales in the fourths quarter and the resulting weaker results are a consequence of the late order incomes and the delivery wishes of certain clients that were outside the reporting period. Another reason are lower net working hours (due to necessary diminishing of overtime and holidays) in this quarter. Therefore some orders could not be delivered and billed by the end of the fiscal year. In the following quarters the orders due to the risen order backlog will be delivered and charged. The expectations of the Board of Management concerning revenue growth, enhancement of all performance ratios as well as order backlog have been fulfilled and partly exceeded. "We are pleased with the business performance and are sure that we will exceed those figures in the year 2005/2006. Reasons for that are the high order backlog, new innovative products, the necessities of authorities to invest due the Worldcup 2006 and the introduction of the new digital radio standard in Germany. This will lead to a rise in revenues and consequently to a positive result", says Thomas H. Günther (CEO). A forecast of revenues and income for the fiscal year 2005/2006 might be published in January 2006, when the half year figures will be presented.

Further information:

CeoTronics AG Audio Video Data Communication
Investor Relations, Adam-Opel-Straße 6, 63322 Rödermark, Germany
Tel: +49 6074 8751-722, Fax: +49 6074 8751-720
E-Mail: vorstand@ceotronics.com, Internet: <http://www.ceotronics.com>