

CeoTronics AG

Ad hoc

January 12, 2007

**Consolidated Interim Report for H1 2006/2007**

**Revenues +15.0% / EBITDA +48.2% / EBIT +70.7% / H1 profit after tax +75.1% / second-highest order backlog / 2006/2007 revenues target: approx. €18,200 thousand / 2006/2007 target profit for the year: approx. €1,040 thousand**

CeoTronics AG Audio Video Data Communication (ISIN: DE0005407407), Adam-Opel-Strasse 6, 63322 Rödermark (Germany), listed in the Prime Standard's Technology All Share segment of the Frankfurt Stock Exchange, recorded consolidated group H1 revenues of €9,331 thousand in accordance with IFRSs. The company therefore exceeded the previous year's record H1 revenues (€8,111 thousand) by 15.0%.

The consolidated order backlog as of November 30, 2006 fell by 13.6% as against the record level in the previous year. The order backlog is the second highest in the company's history.

EBITDA (Earnings before Interest, Taxes, Depreciation and goodwill Amortization/impairment) increased by €508 thousand compared with the Group's prior-year H1 figure, from €1,055 thousand to €1,563 thousand; EBIT improved by €520 thousand in the same period, from €736 thousand to €1,256 thousand; and the profit after tax for H1 rose by €307 thousand, from €409 thousand in the previous year to €716 thousand.

Gross cash flow increased by €295 thousand year-on-year in the six-month period under review, from €728 thousand to €1,023 thousand.

Investments rose by €2,557 thousand as against the previous year, from €203 thousand to €2,760 thousand. Excluding real estate investments (which totaled €2,590 thousand including transaction costs), the level is somewhat lower than in the previous year.

Earnings per share improved by €0.14 to €0.32, compared with €0.18 for the same period last year.

Consolidated equity as of November 30, 2006 amounted to €11,368 thousand, while the equity ratio was 65.1% (previous year: 77.4%). The change is mainly due to the real estate acquisition.

Revenues, EBITDA, EBIT and the profit before and after tax all improved as well in Q2 as against the prior-year figures

The number of employees in the Group (including trainees) increased to 142 as of November 30, 2006 (November 30, 2005: 135). All seven new jobs were created in Germany.

At +14.3%, CeoTronics' share price performed positively in the period under review (June 1 to November 30, 2006) (+18.6% after adjustment for the deduction of the dividend of €0.30).

For fiscal year 2006/2007, CeoTronics is aiming to generate revenues of approx. €18.2 million and a profit for the year of approx. €1,040 thousand (approx. +6.2%).

If business continues to develop positively and the revenue and earning targets are met, the Board of Management plans to propose a dividend for the fourth consecutive time.

Issuer's information and explanatory remarks on this ad hoc disclosure:

The improvement in revenues is due among other things to continued government investment in digital radio technology in Spain (+67.6%) and France (+66.3%). However, CT-Video GmbH also increased its consolidated revenues by a substantial 11.1%.

The high level of revenues in the German market remained stable in the first 6 months of fiscal year 2006/2007 (+1.1%).

Revenue levels in Switzerland returned to normal as of November 30, 2006 at -61.6% because the country's government security and law enforcement agencies will continue the switch to digital radio technology not earlier than 2007.

Revenues in United Kingdom rose in the period under review from a low level by +10.0% year-on-year.

In Poland and the U.S.A., revenues fell from a low level by 6.1% and 33.0% respectively. As a result of the optimization of CeoTronics U.S.A.'s cost structure, we continue to believe that if earnings targets are met the result before depreciation and amortization/impairment will be narrowly positive. In the opinion of the Board, CeoTronics U.S.A.'s current revenues, cost, and earnings forecasts for the next six years do not necessitate any further adjustments of goodwill and the carrying amount of the investment at present.

Thomas H. Günther, Chairman and CEO: "We are extremely satisfied with our 6-month results. The outlook for fiscal year 2007/2008 is positive due to the planned start of the switch to digital radio in Germany, among other things."

Further information:

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