

**CeoTronics AG**

**April 13, 2007**

**Ad hoc disclosure in accordance with section 15 WpHG (German Securities Trading Act)**

**Consolidated nine-month report for FY 2006/2007**

**Revenues +4.3% / EBITDA +10.3% / EBIT +17.3% / Profit after tax for the first nine months +25.4% / second-largest order backlog**

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 revenues of €14,036 thousand in the first nine months of fiscal year 2006/2007 in accordance with IFRSs. The Company therefore exceeded the previous year's record Q1-3 revenues by 4.3%.

The consolidated order backlog as of February 28, 2007 fell by 15.9% 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) rose by €190 thousand compared with the prior-year period, from €1,845 thousand to €2,053 thousand. EBIT improved by €244 thousand in the same period, from €1,411 thousand to €1,655 thousand; and the profit after tax for the first nine months rose by €197 thousand, from €776 thousand in the previous year to €973 thousand.

Gross cash flow increased by €143 thousand (+11.8%) year-on-year in the nine-month period under review, from €1,210 thousand to €1,353 thousand.

Investments rose by €2,599 thousand as against the previous year, from €267 thousand to €2,866 thousand. Excluding real estate investments (which totaled €2,590 thousand including transaction costs), the level is somewhat higher than in the previous year.

Earnings per share improved by €0.09 to €0.44, compared to €0.35 for the same period last year.

Consolidated equity as of February 28, 2007 amounted to €11,616 thousand, while the equity ratio was 67.6% (previous year: 74.9%). The change is due to the real estate acquisition, among other things.

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

This improvement in revenues is due among other things to continued government investment in digital radio technology in Spain (+61.7%) and France (+29.6%). CT-Video GmbH increased its consolidated revenues by a substantial 28.7%.

The high level of revenues in the German market could not be maintained in the first nine months of fiscal year 2006/2007 (-5.4%). The planned investments in the switch to digital radio (expected launch in late 2007/early 2008) have led to a temporary downturn in spending by German law enforcement customers.

Revenue levels in Switzerland returned to normal as of February 28, 2007 at -35.9%. However, the high order backlog (+287.4%) confirms our assumption in the 2006/2007 half-yearly report that the country's government security and law enforcement agencies will continue the switch to digital radio in 2007.

Revenues in United Kingdom rose by 15.9% year-on-year in the period under review.

In Poland and the U.S.A., revenues fell from a low level by 15.9% and 28.4% respectively. CeoTronics U.S.A. reduced its losses by 58.1% year-on-year for the nine-month period. CeoTronics U.S.A.'s current revenues, cost, and earnings forecasts for the next six years do not dictate any further adjustments of goodwill and the carrying amount of the investment at present.

The number of employees in the Group (including trainees) increased to 147 as of February 28, 2007 (February 28, 2006: 144).

At +13.6%, CeoTronics' share price performed positively in the period under review (June 1, 2006 to February 28, 2007) (+17.9% after adjustment for the deduction of the dividend of €0.30).

Thomas H. Günther, Chairman and CEO: "We are satisfied with the Company's nine-month results. Revenue and earnings are on target to meet our expectations of revenues of approximately €18.2 million by the end of the fiscal year on May 31, 2007 and a profit for the year of approximately €1,040 thousand."

On April 2, 2007, CeoTronics announced its largest single order to date in an ad hoc disclosure. The German Armed Forces awarded an order to CeoTronics to supply a total of approximately 3,700 CT noise protection helmets with the accompanying communication technology, comprising the CT ContactCom (cranial microphone) and the CT-DECT digital radio system, worth approximately €5.5 million. CeoTronics plans to deliver and invoice approximately 2,000 of these CT-DECT JetCom systems (worth approximately €3.0 million) in fiscal year 2007/2008. The approximately 1,700 remaining systems from the order described above are expected to be delivered and invoiced by the end of September 2008, and thus in fiscal year 2007/2008.

This order increased the CeoTronics Group's euro order backlog as of April 2, 2007 by around 134% (year-on-year), thus pushing it to its highest level by far since the Company was founded.

CeoTronics is prepared for the smooth completion of the order, so that all other orders can be produced and delivered on schedule.

The tender won by CeoTronics also includes the option for a further approximately 2,200 systems. In the event that the German Armed Forces exercises this option during calendar year 2009, the entire order volume would increase by approximately €3.3 million to approximately €8.8 million.

The outlook for fiscal year 2007/2008, which begins on June 1, 2007, is positive due to the planned start of the switch to digital radio in Germany, among other things. CeoTronics expects business to continue its positive trend in fiscal year 2008/2009 due to the aforementioned delivery of the remaining CT-DECT JetCom systems to the German Armed Forces and e.g. expected investments by German law enforcement customers in communications accessories for the new digital radios.

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: [chairman@ceotronics.com](mailto:chairman@ceotronics.com), Internet: <http://www.ceotronics.com>