

CeoTronics AG Ad hoc disclosure in accordance with section 15 WpHG (German Securities Trading Act) January 13, 2006

Consolidated Report on H1 2005/2006 as of January 13, 2006

Revenues with €8,111 thousand above plan / EBITDA €1,056 thousand / EBIT €734 thousand / net income after taxes for H1 €400 thousand / gross cash flow €722 thousand / order backlog up 49.8% / revenue target 2005/2006: approx. €17,000 thousand / earnings target 2005/2006: approx. €800 thousand

CeoTronics AG Audio Video Data Communication, Adam-Opel-Strasse 6, 63322 Rödermark, Germany, listed in the PRIME Standard and the Technology All Share Index (ISIN: DE0005407407), recorded a year-on-year decline in consolidated revenues (in accordance with U.S. GAAP) for the first six months of fiscal year 2005/2006 of €549 thousand as of November 30, 2005, from €8,660 thousand to €8,111 thousand. This corresponds to a decrease of only 6.3% as against the record half-year in 2004/2005; the order backlog as of November 30, 2005 increased by 49.8% year-on-year.

EBITDA (Earnings before Interest, Taxes, Depreciation and goodwill Amortization/impairment) dropped by €155 thousand compared with the prior-year period, from €1,211 thousand to €1,056 thousand. EBIT decreased by €282 thousand, from €1,016 thousand to €734 thousand. Net income after taxes declined by €195 thousand, from €595 thousand to €400 thousand. Earnings per share fell by €0.09, from €0.27 to €0.18.

Gross cash flow declined by €68 thousand year-on-year, from €790 thousand to €722 thousand.

The Group's shareholders' equity amounted to €10,741 thousand as of November 30, 2005, and the equity ratio was 77.4% (previous year: 70%).

CeoTronics increased its headcount by 6 in Germany for a total of 129 employees in the Group due to the extremely high order backlog and to enable it to leverage all possible opportunities in the priority markets.

Investments rose by 203% compared with the prior-year period.

After only six months of the current fiscal year 2005/2006, it is possible to confirm on the basis of invoiced revenues and the order backlog that CeoTronics France, CeoTronics Spain, and CT Video GmbH will all generate their highest revenues and earnings ever in fiscal year 2005/2006.

For fiscal year 2005/2006 as a whole, the CeoTronics Group aims to increase total revenues by around 7 % year-on-year to roughly €17,000 thousand, and to generate earnings of approximately €800 thousand.

In addition, the Board of Management plans continuity in dividend payments, if these targets are reached.

A comparison with Q2 2004/2005 reveals a drop in consolidated revenues of €1,593 thousand from €5,861 thousand to €4,268 thousand, a fall in EBITDA of €598 thousand from €1,052 thousand to €454 thousand, and a decrease in EBIT of €620 thousand from €959 thousand to €339 thousand. Net income after taxes declined quarter-on-quarter by €381 thousand, from €584 thousand to €203 thousand. Earnings per share for the quarter decreased from €0.27 to €0.09, a drop of €0.18.

Gross cash flow declined by €359 thousand in the period from September 1 to November 30 as against the previous quarter, from €677 thousand to €318 thousand.

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

As expected, the Company was unable to repeat the extremely high revenues, EBITDA, EBIT and cash flow generated in H1 2004/2005 in the period ending November 30, 2005. This was because the largest single order in the Company's history to date, amounting to €1.92 million, was delivered and invoiced to the German Air Force in November 2004.

Although revenues rose year-on-year by 14.1% (in €) business in the U.S.A. was slightly below our expectations in the first half of the year. Due to a lot of projects in preparation and an order backlog development of +38.1% (in €) of January 6, 2006, we assume an ongoing positive development in the business year 2005/2006.

Revenues in accordance with the HGB (*Handelsgesetzbuch* – German Commercial Code) for the German parent company CeoTronics AG, domiciled in Rödermark, decreased by 17.9% as against H1 2004/2005 with its record results, while EBITDA declined by €1,100 thousand from €1,815 thousand to €715 thousand, and EBIT by €1,205 thousand from €1,641 thousand to €436 thousand. Net income after taxes for the half-year declined by €489 thousand, from €1,151 thousand to €662 thousand because the depreciation the carrying amount of the investment in the parent company's HGB balance sheet in this half year was substantially lower and the dividend payments of some daughter companies to the CeoTronics AG were higher.

In the period under review, the price of CeoTronics shares increased by a further 13.4%, outperforming the positive trend on the TECDAX (+9.5%) and the Technology All Share Index (+11.6%).

"Our consolidated revenues of €10,582 thousand (only -1%) to date (January 6, 2006), together with the extremely high order backlog (+71.8%, also as of January 6, 2006) and the sizable market potential for CeoTronics products (e.g. the football World Cup in 2006), form a good basis for continuing the CeoTronics Group's success story in fiscal year 2005/2006. Increased capital expenditure in new markets, human resources, and the development of new products assure the future of the CeoTronics Group", said Thomas H. Günther, Chairman of the Board of Management.

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, Internet: <http://www.ceotronics.com>