

CeoTronics AG

Ad Hoc

August 17, 2007

Consolidated annual earnings figures (IFRSs) as of May 31, 2007 / Figures for Q4 2006/2007 / Proposed dividend payment

Revenues €17,939 thousand / EBITDA €2,437 thousand / EBIT €1,919 thousand / EBIT margin 10.7% / Profit for the year €1,047 thousand / Gross cash flow €1,565 thousand / scheduled development of Q4 / Order backlog up 147.1% / Proposed dividend per share: €0.30

CeoTronics AG Audio Video Data Communication (ISIN: DE0005407407), Adam-Opel-Strasse 6, 63322 Rödermark, Germany, listed in the Prime Standard and in the Technology All Share index of the Frankfurt Stock Exchange, generated consolidated revenues of €17,939 thousand in fiscal year 2006/2007. The Company only narrowly failed to match its record revenues figure from the previous year of €18,060 thousand (-0.7%).

EBITDA (Earnings before Interest, Taxes, Depreciation and goodwill Amortization/impairment) increased by €198 thousand compared with the prior-year period, from €2,239 thousand to €2,437 thousand. EBIT rose by €221 thousand from €1,698 thousand to €1,919 thousand.

Consolidated profit for fiscal year 2006/2007 (in accordance with IFRSs) amounted to €1,047 thousand, up €68 thousand or 6.9% as against the previous year (€979 thousand). Consolidated profit attributable to parent company shareholders (excluding minority interests) amounted to €1,046 thousand for the past fiscal year (previous year: €961 thousand). Earnings per share increased by €0.04 from €0.44 to €0.48.

Consolidated equity as of May 31, 2007 amounted to €11,705 thousand, while the equity ratio was 66.8% (previous year: 79.5%).

Gross cash flow for the period under review improved by €45 thousand year-on-year, from €1,520 thousand to €1,565 thousand.

The Group's order backlog increased to €8,478 thousand as of the reporting date, up 147.1% on the previous year's high level.

The number of employees (including trainees) as of May 31, 2007 rose by 8 as against the prior-year period, from 136 to 144.

In its meeting on August 17, 2007, the Supervisory Board concurred with the Board of Management in proposing to the General Meeting a €0.30 per share dividend payment (previous year: €0.30) from the parent company's net retained profit of €2,610 thousand.

Q4 2006/2007 recorded a fall in consolidated revenues of €697 thousand, from €4,600 thousand to €3,903 thousand, and an improvement in EBITDA of €8 thousand, from €394 thousand to €402 thousand, compared with Q4 2005/2006. EBIT decreased by €83 thousand, from €287 thousand to €264 thousand. Profit for the quarter fell by €111 thousand, from €185 thousand to €74 thousand. Gross cash flow declined by €98 thousand year-on-year for the quarter from March 1 to May 31, from €310 thousand to €212 thousand. Quarterly earnings per share fell to €0.04, compared with €0.09 in the prior-year quarter.

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

CeoTronics generated consolidated revenues of €17,939 thousand in fiscal year 2006/2007, almost matching the record figure for the previous year (an increase of 13.7% at the time). The Company narrowly missed its revenue target by 1.4% due to a number of orders that were received later than planned (e.g., the German Armed Forces' order for CT-DECT JetCom systems) and to delayed decisions to award other projects.

CeoTronics also noted a certain reluctance to invest on the part of German security authorities and organizations (BOS – *Behörden und Organisationen mit Sicherheitsaufgaben*) due to the upcoming switch to digital radio.

Despite missing its revenue target by €261 thousand, CeoTronics slightly exceeded its consolidated earnings target of €1,040 thousand. At €1,047 thousand (up 6.9% year-on-year), the Company generated the second-highest consolidated profit (in accordance with IFRSs) in its history in fiscal year 2006/2007. EBITDA and EBIT reached new record levels.

As expected, cash and cash equivalents declined from their high level as of May 31, 2006; however, at €783 thousand they remain sufficiently high despite the acquisition of real estate used by the Company worth a total of €2,490 thousand. This was the main reason for the 12.7% fall in the equity ratio year-on-year to 66.8% as of May 31, 2007 (previous year: 79.5%).

Investments in fixed assets increased by €2,546 thousand (+496%) as against the prior year to €3,059 thousand.

The extremely high order backlog as of May 31, 2007 (€8,478 thousand) is a new record and is dominated by the €5,500 thousand order for CT-DECT JetCom systems from the German Armed Forces.

As Q4 2005/2006 closed particularly successfully, CeoTronics was unable to match the strong prior-year figures in the fourth quarter of fiscal year 2006/2007.

“In addition to the encouraging order backlog at the end of the fiscal year, we are pleased with the orders we have received to date and the projects currently being negotiated or prepared, as well as the decision by the German Interior Ministers (Conference) to introduce BOS digital radio in Germany for fiscal year 2007/2008. In keeping with tradition, CeoTronics expects to issue its revenues and earnings targets for fiscal year 2007/2008 in January, at the time of publication of its interim results for the first half of the year,” announced Thomas. H. Günther, Chairman of the Board of Management.

Further information:

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