

# Q3

**Consolidated Interim  
Report of CeoTronics AG  
for the first 9 months of  
Fiscal Year 2009/2010**



# Key Group Figures as of February 28, 2010

IFRS, unaudited

€ thousand (if not indicated otherwise)	February 28, 2010 9 months FY 2009/2010	February 28, 2010 9 months FY 2009/2009	Change
Revenues	11,003	14,140	-22.2%
Investments	656	688	-4.7%
R & D expenses	1,314	1,235	+6.4%
EBITDA	179	1,985	T€ -1,806
EBIT	-248	1,593	T€ -1,841
Profit before tax	-367	1,513	T€ -1,880
Profit for the period	-288	1,189	T€ -1,477
Profit attributable to shareholders of CeoTronics AG	-282	1,173	T€ -1,455
Gross cash flow	139	1,581	T€ -1,442
Cash and cash equivalents	827	810	+2.1%
Total assets	17,504	17,761	-1.4%
Equity	12,167	12,916	-5.8%
Equity ratio (%)	69.5	72.7	-3.2%
Employees as of February 28, 2010	153	156	-3
Earnings per share (in €)	-0.04	0.18	-0.22
Gross cash flow per share (in €)	+0.02	0.24	-0.22

## Consolidated Interim Report of CeoTronics AG for the Third Quarter of Fiscal Year 2009/2010

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# Letter from the Board of Management



Ladies and Gentlemen,  
Dear Shareholders,

The worst global economic and financial crisis in 80 years negatively impacted the business performance of CeoTronics. All CeoTronics priority markets in Europe and North America saw a decline in the willingness of private-sector customers to invest. Public-sector customers are also reducing their budgets owing to the severe strain on their budgets. The investment backlog in industry is expected to clear gradually with the coming economic upswing. However, the financial situation among public-sector customers will not improve so quickly.

If the orders relating to the digital radio tender from the federal state of Berlin won by CeoTronics had been released in time, as originally planned by the authorities, the Company would have been able to partially offset the drop in revenues resulting from the weak economic situation. In other federal states in Germany, there were also delays in the preparations for the switch to digital radio among security authorities and organizations and in the tendering procedures for this. In Northern Europe, too, the switch to digital radio is only progressing slowly.

Although the delay in this process has had a negative impact on the 9-month result for the current fiscal year 2009/2010, it nonetheless leads us to believe that CeoTronics will be able to benefit from the positive effect of the major public-sector investments required in the coming months and years. In the first three quarters of fiscal year 2009/2010 (June 1, 2009, to February 28, 2010), revenues generated by the CeoTronics Group fell from €14.1 million to €11.0 million (-22.2%).

In the U.S.A., CeoTronics bucked the trend by increasing consolidated revenues in euros by 202.9%. CT-Video GmbH also boosted its revenues by a substantial 71.1%. The considerable

decline in consolidated revenues meant that it was not possible to match the key earnings figures and financial indicators recorded in the previous year. The first three quarters of fiscal year 2009/2010 closed with EBIT of €-248 thousand, a loss before tax of €367 thousand and a consolidated loss of €288 thousand. Gross cash flow was positive at €139 thousand.

Consolidated equity fell by €749 thousand year-on-year in the reporting period, from €12,916 thousand to €12,167 thousand. The equity ratio was 69.5% (previous year: 72.7%), which is still very good.

The order backlog fell by 42.2% compared with the very high level on the previous year's closing date. The new level is still satisfactory in view of the economic crisis. However, this order backlog also contains master orders whose production lots are not expected to be called in the next three months, or which can no longer be produced, delivered, and invoiced in full by May 31, 2010.

Due to the continual weak order intake (-8.9% in the first three quarters, -19.3% in Q3) and the as yet unreleased orders for the tender for digital radio accessories that the Company won from the federal state of Berlin, short-time working is being continued at the production location in Rödermark and, to a certain extent, at Lutherstadt Eisleben, too.

Short-time working will be reduced or lifted once the switch to digital radio by security authorities and organizations in Germany and Northern Europe leads to further contracts/awards and released orders for CeoTronics, or once orders generally pick up and capacity utilization rates improve.

CeoTronics is also in a position to withstand more difficult fiscal years thanks to its adequate cash funds and credit lines, high equity ratio (69.5%), expert and dedicated employees, strong sales structure, and product quality. We are currently focusing on cost management, developing new products, intensifying sales activities again in the priority markets, and tapping new sales markets in order to have an edge on our competitors when the economic crisis is over.

Consolidated revenues of approximately €14.8 million and a consolidated loss of approximately €-0.4 million are predicted for fiscal year 2009/2010, a year that has been impacted substantially by negative external factors.

In the subsequent fiscal years, CeoTronics is set to achieve higher revenues and earnings figures due, among other things, to the economic recovery and the switch to digital radio by governments and industry in Germany and Northern Europe. These difficult times do not prevent us from looking to the future with optimism.

Rödermark, March 25, 2010



Thomas H. Günther  
Chairman of the Board of Management

# Group Management Report as of February 28, 2010

## Our Market

CeoTronics specializes in high-end communications under difficult conditions, and develops, produces, and sells audio, video, and data communications solutions. The primary requirement in this niche market is to ensure clear and precise interaction: in noisy or hazardous areas, while wearing protective helmets or protective clothing, in explosion hazard zones, in undercover operations, and in hands-free communication.

Our broad range of products for extremely diverse applications meets the toughest demands and focuses in particular on end-to-end system solutions in addition to traditional headsets and other communication systems for connecting to analog and digital radio systems. For example, mobile or fixed digital radio networks that can be set up in seconds and used on the move.

Our customer base includes well-known companies in industry, the service sector and sports, airlines, airports, and ground handling service companies as well as firefighters, civil defense, and rescue services.

A particular strength of CeoTronics AG is the development and supply of custom communications solutions for the German State and Federal Police, customs authorities, and the army, navy, and air force. A wide range of systems is available in this field. Fully and partially covert communication systems as well as miniature radio cameras are used for the wireless digital transfer of video images during undercover investigations and for preserving evidence.

All of CeoTronics' priority markets were dominated by the worst global economic and financial crisis in 80 years during the 2009/2010 nine months reporting period.

Many priority markets still need to increase their budgets, which have been reduced over the course of many years, i.e., to adjust them for necessary investments and staffing requirements. Better communication systems enable industrial enterprises to accelerate their workflows and increase occupational safety at the same time.

The global threat posed by international terrorism has not waned. Accordingly, government security and law enforcement agencies must upgrade their equipment in order to maintain the highest degree of security for citizens, as well as to protect freedom and democracy.

Government security and law enforcement agencies in a number of priority European markets already began switching from analog to digital radio many years ago. As a result, CeoTronics' subsidiaries in Spain, France, and Switzerland have significantly increased their revenues in recent years.

Preparations are being made for the switch in several other priority European markets. CeoTronics expects large investments in Germany on the part of security authorities and organizations (BOS – Behörden und Organisationen mit Sicherheitsaufgaben), the Armed Forces, firefighters, and industry. Those responsible for Germany's switch to digital radio at the federal and state levels are projecting 500,000 BOS digital radio users and plan to invest a total of over €4.5 billion. Additionally, CeoTronics expects to see its revenues grow through the switch to digital radio in industry and by firefighters.

As CeoTronics has produced and sold over 50,000 systems for connection to the new digital TETRA/TETRAPOL radios since 1999, the Company has a pool of experience that is certainly a major competitive advantage.

## Business Developments

In the first nine months of fiscal year 2009/2010 (June 1, 2009, to February 28, 2010), CeoTronics was unable to match the revenues of the previous year, the second highest in the Group's history. Consolidated revenues fell by €3,137 thousand (22.2%), from €14,140 thousand to €11,003 thousand.

Expressed in euros after consolidation, revenues increased substantially at CT-Video (+71.1%) and CeoTronics U.S.A. (+202.9%). As expected, CeoTronics Spain (-35.7%), CeoTronics France (-15.6%), CeoTronics Switzerland (-38.1%) and CeoTronics

Germany (-37.6%) were unable to match the previous year's very high level of revenues. CeoTronics Poland suffered a 78.5% drop on the previous year's figure for revenues, which itself was low.

The share of revenues generated outside Germany decreased to 37.4% in the first nine months of fiscal year 2009/2010 (previous year: 43.1%). The proportion accounted for by Germany increased correspondingly to 62.6% (previous year: 56.9%).

While CeoTronics recorded a significant rise in incoming orders in the first quarter of the current fiscal year, they fell well short of original expectations in the second and third quarters, with year-on-year declines of 49.6% and 19.3% respectively. Overall, incoming orders in the first three quarters of the year were down 8.9% on the previous year.

As of February 28, 2010, the order backlog contracted by 42.2% year-on-year.

## Results of Operations

The decline in revenues meant that CeoTronics was unable to match the key earnings figures and financial indicators recorded in the same period of the previous year, which developed as follows:

The first nine months of fiscal year 2009/2010 closed with an EBITDA of €179 thousand (previous year €1,985 thousand), an EBIT of €-248 thousand (previous year: €1,593 thousand), a loss before tax of €367 thousand (previous year: profit of €1,513 thousand), and a consolidated loss of €288 thousand (previous year: consolidated profit of €1,189 thousand). Earnings per share were €-0.04 (previous year: €0.18). Gross cash flow amounted to €139 thousand (previous year: €1,581 thousand).

The share of profit for the period attributable to shareholders of the parent amounted to €-282 thousand for the first nine months 2009/2010 (previous year: €1,173 thousand). Earnings per share (after tax) were €-0.04, down from €0.18 in the prior-year period.

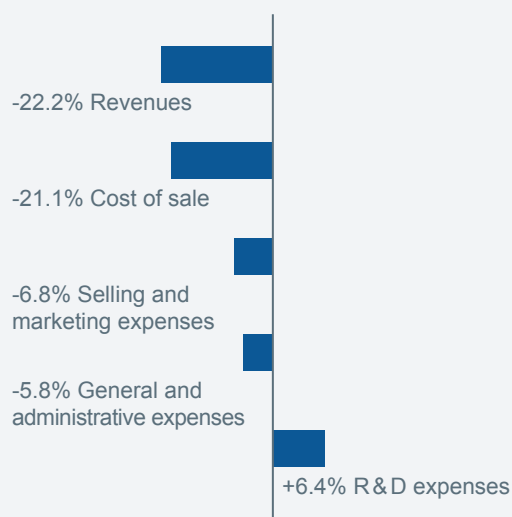
Due to the changed orders structure the cost of sales rose by 0.7% from 51.6% in the previous year to 52.3%.

Operating expenses (excluding cost of materials) accounted for 19.1% of the revenues. Due to the lower revenues this figure is up on the previous year (16.6%).

Selling and marketing expenses as a percentage of revenues amounted to 28.6% in the first nine months of fiscal year 2009/2010 (previous year: 23.9%). Absolute costs (€3,149 thousand) were reduced substantially compared with the prior-year period (€3,379 thousand). This was due in particular to savings made in personnel and freight costs.

General and administrative expenses were reduced by €70 thousand to €1,135 thousand. We were primarily able to reduce personnel costs in this area as well. Nonetheless, the significant fall in revenues meant that the ratio of these costs to revenues increased to 10.3% (previous year: 8.5%).

Research and development costs increased year-on-year, climbing by 6.4%. The ratio of research and development costs to revenues is now 11.9% (previous year: 8.7%).



## Investments and Depreciation

CeoTronics has prepared itself in good time to meet future challenges by investing in employee capacity, markets, technologies, developments, and production technologies and processes.

Investments in the first nine months of fiscal year 2009/2010 totaled €656 thousand and were slightly lower than in the previous year (€688 thousand).

## Net Assets and Financial Position

Gross cash flow fell year-on-year from €1,581 thousand to €139 thousand.

Cash and cash equivalents rose by €17 thousand as against the prior-year to €827 thousand.

As of February 28, 2010, equity declined by €749 thousand, from €12,916 thousand to €12,167 thousand. This produces an equity ratio of 69.5% (previous year: 72.7%).

## Workforce Development

The number of staff (including trainees) declined from 156 as of February 28, 2009, to 153 as of February 28, 2010.

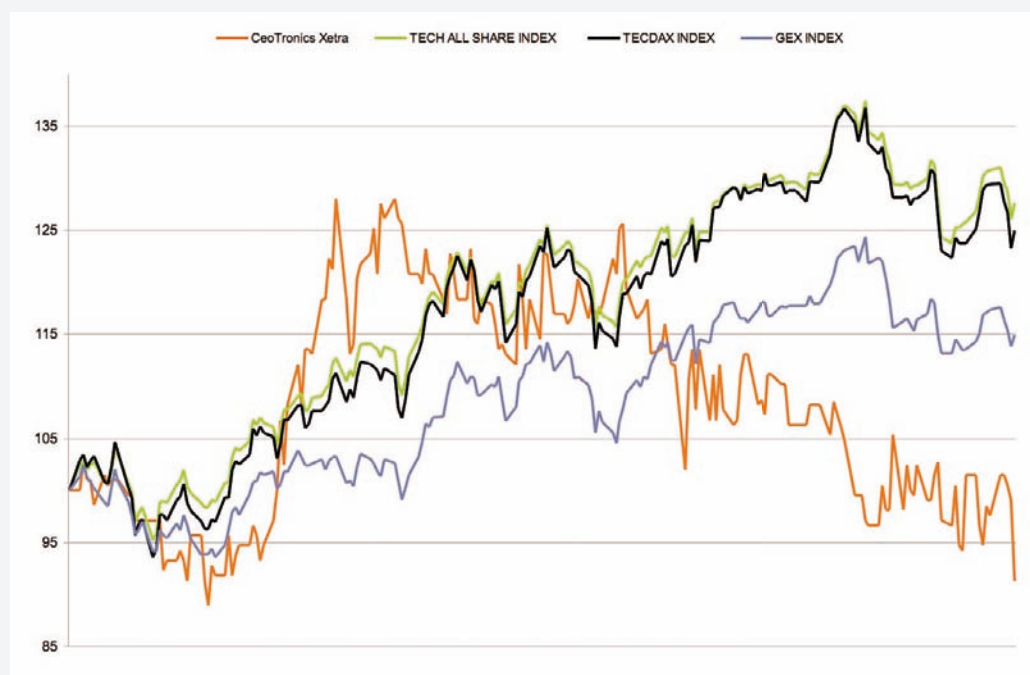


## CeoTronics' Shares

Reflecting the year-on-year decline in revenues and earnings figures, the price of CeoTronics shares also fell in the first 9 months of fiscal year 2009/2010.

The price of CeoTronics shares dropped by 8.7% during the reporting period, while the benchmark indices TECDAX (+24.9%), Technology All Share (+27.6%), and GEX (+14.9%) improved, in some cases substantially.

**CeoTronics' shares (ISIN DE0005407407/WKN 540740), compared with the indices for the period from June 1, 2009 to February 28, 2010 (indexed)**



Source: DZ Bank



-8.7%

## Report on Risks and Opportunities up to May 31, 2010

It became clear in the course of 2009 that the current global financial and economic crisis has significantly exceeded all economic crises of the past decades in terms of both its duration and its severity. This negative development also impacted the course of business at CeoTronics.

CeoTronics is focusing on developing new products and new sales markets, intensifying its activities on existing priority markets, and on cost management so as to be ideally positioned once the economic crisis is over.

Competitors, radio manufacturers and dealers, and importers are stepping up their efforts to penetrate CeoTronics' markets – especially Germany – using components from Asia, among other things, in order to win tenders during the switch to digital radio. CeoTronics will not leave the premium segment and will continue to attempt to keep price acceptance and appreciation for its products and systems at a high level by offering outstanding quality and performance.

Nonetheless, CeoTronics will offer more economical standard products and components in special competitive situations and if a cheaper entry price is of prime importance for customers.

The switch to digital radio by the police, firefighters, and industrial enterprises in Germany, Northern Europe, and Austria offers CeoTronics attractive market potential for audio products. However, if CeoTronics does not participate to the desired extent in the switch to digital radio in the above-mentioned markets and in the continuation of the switch in Switzerland and Spain, or if the switch is delayed further in Germany and Northern Europe, this could have a more adverse effect on CeoTronics AG's revenues and earnings development.

CT video systems will play an even more important role in fighting crime and terrorism in future. The CeoTronics Group's long-term revenue growth will be boosted by authorities investing in monitoring areas at risk – especially those temporarily at risk – and in securing video evidence and trial monitoring, as well as by CT-Video GmbH's new product innovations.

The development and marketing of new products ensure CeoTronics' market position and open up new opportunities. This also applies to markets outside of the defined geographical priority markets in Europe and North America.

## Report on Expected Developments

Consolidated revenues of approximately €14.8 million and a consolidated loss of approximately €-0.4 million are predicted for fiscal year 2009/2010.

In the subsequent fiscal years, CeoTronics is set to achieve higher revenues and correspondingly positive earnings figures due, among other things, to the economic recovery and the switch to digital radio by governments and industry in Germany and Northern Europe.

It is not possible to make detailed projections for the CeoTronics Group over several years, as there are many parameters that cannot be estimated reliably and the global economic climate is uncertain. Information about potential revenues, EBIT, and earnings over two or more years would not improve transparency since the spread is too wide. This is due, among other things, to the potentially substantial positive or negative influence of the switch to digital radio.

Rödermark, March 25, 2010  
CeoTronics AG

  
Thomas H. Günther  
Chairman of the Board of  
Management, CEO

  
Berthold Heme  
Deputy Chairman of the Board of  
Management, CTO

  
Günther Thoma  
Chief Operating Officer, COO

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New

# Multifunctional\*



\*CT-MultiCom: The CeoTronics remote unit for two-way radios with integrated speaker mike and connectors for communication systems

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 **CeoTronics**  
Audio • Video • Data Communication



# Consolidated Financial Statements as of February 28, 2010

## Consolidated Balance Sheet as of February 28, 2010

IFRS, unaudited

<b>Assets</b> in € thousand	<b>Quarterly report</b> (closing date of the current quarter) February 28, 2010	<b>Annual report</b> (closing date of last annual report) May 31, 2009
<b>Current assets</b>		
Cash and cash equivalents	827	566
Trade receivables	2,358	3,577
Inventories	4,943	4,919
Other current assets	292	418
<b>Total current assets</b>	<b>8,420</b>	<b>9,480</b>
<b>Noncurrent assets</b>		
Property, plant, and equipment	6,359	6,091
Intangible assets	298	355
Goodwill	1,296	1,269
Trade receivables	334	374
Deferred tax assets	797	572
<b>Total noncurrent assets</b>	<b>9,084</b>	<b>8,661</b>
<b>Total assets</b>	<b>17,504</b>	<b>18,141</b>



## Consolidated Balance Sheet as of February 28, 2010

IFRS, unaudited

Equity and liabilities in € thousand	Quarterly report (closing date of the current quarter) February 28, 2010	Annual report (closing date of last annual report) May 31, 2009
<b>Current liabilities</b>		
Current financial liabilities	944	260
Trade payables	291	682
Advance payments received	100	37
Provisions	558	1,177
Current tax payables	166	252
Other current liabilities	400	418
<b>Total current liabilities</b>	<b>2,459</b>	<b>2,826</b>
<b>Noncurrent liabilities</b>		
Noncurrent financial liabilities	2,794	2,087
Deferred tax liabilities	84	84
<b>Total noncurrent liabilities</b>	<b>2,878</b>	<b>2,171</b>
<b>Equity</b>		
Subscribed capital	6,600	6,600
Capital reserves	4,471	4,471
Retained earnings	886	886
Cumulative other recognized income and expense	-56	-47
Net retained profit	211	1,160
<b>Equity attributable to shareholders of GeoTronics AG</b>	<b>12,112</b>	<b>13,070</b>
Minority interest	55	74
<b>Total equity</b>	<b>12,167</b>	<b>13,144</b>
<b>Total equity and liabilities</b>	<b>17,504</b>	<b>18,141</b>

## Consolidated Income Statement as of February 28, 2010

IFRS, unaudited

€ thousand	Quarterly figures (current quarter) December 1, 2009 - February 28, 2010	Quarterly figures (comparative quarter of previous year) December 1, 2008 - February 28, 2009	Year-to-date (current fiscal year) June 1, 2009 - February 28, 2010	Year-to-date (previous year) June 1, 2008 - February 28, 2009
<b>Revenues</b>	<b>4,258</b>	<b>3,947</b>	<b>11,003</b>	<b>14,140</b>
Cost of sale	-2,502	-2,015	-5,758	-7,299
<b>Gross profit</b>	<b>1,756</b>	<b>1,932</b>	<b>5,245</b>	<b>6,841</b>
Selling and marketing expenses	-937	-1,164	-3,149	-3,379
General and administrative expenses	-372	-371	-1,135	-1,205
Research and development expenses	-421	-439	-1,314	-1,235
Other operating income and expenses	194	86	105	571
<b>Operating profit (EBIT)</b>	<b>220</b>	<b>44</b>	<b>-248</b>	<b>1,593</b>
Interest income/expense	-51	-43	-119	-80
<b>Profit before tax (EBT)</b>	<b>169</b>	<b>1</b>	<b>-367</b>	<b>1,513</b>
Income tax expense	11	18	79	-324
<b>Profit for the period</b>	<b>180</b>	<b>19</b>	<b>-288</b>	<b>1,189</b>
Consolidated profit/loss attributable to:				
Minority interest	1	-4	-6	16
Shareholders of CeoTronics AG	179	23	-282	1,173
Earnings per share (basic) in €	0.03	0.00	-0.04	0.18
Earnings per share (diluted) in €	0.03	0.00	-0.04	0.18
Weighted average shares outstanding (basic)	6,599,994	6,599,994	6,599,994	6,599,994
Weighted average shares outstanding (diluted)	6,599,994	6,599,994	6,599,994	6,599,994



## Consolidated Statement of Cash Flow as of February 28, 2010

IFRS, unaudited

€ thousand	Year-to-date (current fiscal year) June 1, 2009 - February 28, 2010	Year-to-date (previous year) June 1, 2009 - February 28, 2009
<b>Cash flow from operating activities</b>		
Profit before tax	-367	1,513
Income tax expense	79	-324
<b>Profit for the period</b>	<b>-288</b>	<b>1,189</b>
Dereciation, amortization, and impairment losses	427	392
<b>Gross cash flow</b>	<b>139</b>	<b>1,581</b>
<b>Changes in assets and liabilities</b>		
Change in trade receivables	1,259	3,093
Change in inventories	-24	-376
Change in other assets	126	-45
Change in trade payables	-391	-151
Change in advance payments received	63	473
Change in other provisions	-619	-385
Change in tax payables	-86	-324
Change in other current liabilities	-18	-487
Change in deferred tax assets	-225	-63
<b>Total changes in assets and liabilities</b>	<b>85</b>	<b>1,735</b>
<b>Net cash provided by/used in operating activities</b>	<b>224</b>	<b>3,316</b>
<b>Cash flow from investing activities</b>		
Payments to acquire intangible assets	-34	-151
Payments to acquire property, plant, and equipment	-623	-537
Change in foreign currency differences	-31	-167
Disposal of noncurrent assets (net carrying amounts)	22	0
<b>Net cash uses in investing activities</b>	<b>-666</b>	<b>-855</b>
<b>Cash flow from financing activities</b>		
Change in current financial liabilities	684	-1,262
Change in noncurrent financial liabilities	707	-57
Dividend payment to minority interest	-6	-15
Dividend payment to shareholders of CeoTronics AG	-660	-990
<b>Net cash provided by financing activities</b>	<b>725</b>	<b>-2,324</b>
<b>Change in cash and cash equivalents</b>	<b>283</b>	<b>137</b>
Effect of exchange rate changes on cash and cash equivalents	-22	-235
Cash and cash equivalents at beginning of period	566	908
Cash and cash equivalents at end of period	827	810



## Statement of Changes in Equity as of February 28, 2010

IFRS, unaudited

	Equity attributable to shareholders of CeoTronics AG							
€ thousand	Subscribed capital	Capital reserves	Retained earnings	Net retained profit/net accumulated losses	Cumulative other recognized income and expense	Total	Minority interest	Total equity
<b>Current year</b>								
<b>Balance at May 31, 2009</b>	6,600	4,471	886	1,160	-47	13,070	74	13,144
Profit for the period				-288		-288	6	-282
Dividend distribution				-660		-660	-6	-666
Currency translation adjustments				-1	-9	-10	-12	-22
Change in minority interest							-7	-7
<b>Balance at February 28, 2010</b>	6,600	4,471	886	211	-56	12,112	55	12,167
<b>Previous year's figures for comparison</b>								
<b>Balance at May 31, 2008</b>	6,600	4,471	886	898	52	12,907	60	12,967
Profit/loss for the period				1,173		1,173	16	1,189
Dividend distribution				-990		-990	-16	-1,006
Currency translation adjustments					-237	-237	2	-235
Change in minority interest				-15		-15	16	1
<b>Balance at Februar 28, 2010</b>	6,600	4,471	886	1,066	-185	12,838	78	12,916

The equity ratio of the CeoTronics Group was 69.5% as of February 28, 2010 (previous year 72.7%).

There were no material changes to equity compared with the last annual financial statements.



## Notes to the Consolidated Quarterly Report

### Accounting policies

The Unaudited consolidated financial statements (interim) of CeoTronics AG as of February 28, 2010 was prepared in accordance with the International Financial Reporting Standards (IFRSs). This interim report complies with IAS 34 Interim Financial Reporting.

The preparation of the quarterly financial statements using the accounting, measurement, and consolidation principles applied in the preparation of the consolidated annual financial statements as of May 31, 2009. Further details can be found in the Annual Report for fiscal year 2008/2009.

### Consolidated group structure and shareholdings

There were no changes in the consolidated Group structure in the first nine months of fiscal year 2009/2010.

The following companies are included in the consolidated financial statements:

- CT-Video GmbH (Lutherstadt Eisleben, Germany)
- CeoTronics S.L (Madrid, Spain)
- CeoTronics AG (Rotkreuz, Switzerland)
- CeoTronics S.A.R.L. (Brie Comte Robert, France)
- CeoTronics Ltd. (Aberdeen, United Kingdom)
- CeoTronics Inc. (Virginia Beach, U.S.A.)
- CeoTronics Sp. z o.o. (Lodz, Poland)

Subsidiaries in which the parent directly or indirectly holds the majority of shares and hence of the voting power are consolidated in accordance with the principles of acquisition accounting under IFRSs.

We account for the 25% minority interest in CeoTronics Sp. z o.o. by deducting the minority interest and the resulting effects on profit or loss within equity in the balance sheet, in the income statement, the cash flow statement, and the statement of changes in equity.

## Consolidated Segment Reporting

The Company assesses the performance of the subsidiaries on the basis of their pre-tax profit. The accounting and reporting principles used for regional reporting comply with the group accounting principles. The subsidiaries in the individual countries are legally independent and have their own management teams.

The Company's product groups are comparable in terms of both the production process used and the marketing methods. Internal and external reporting primarily follows geographic criteria.

The information below is presented by region.

### Revenues

Revenues for the first nine months of 2009/2010 and 2008/2009 are attributable as follows, broken down by country of origin (primary segment):

€ thousand	9 Months 2009/2010	9 Months 2008/2009
Germany	8,524	8,932
Rest of Europe	2,032	5,060
Rest of world	447	148
<b>Revenues</b>	<b>11,003</b>	<b>14,140</b>

By customer country (secondary segment):

€ thousand	9 Months 2009/2010	9 Months 2008/2009
Germany	6,893	8,050
Rest of Europe	3,576	5,822
Rest of world	534	268
<b>Revenues</b>	<b>11,003</b>	<b>14,140</b>

### Profit/loss

The profit or loss for the first nine months 2009/2010 and 2008/2009 is attributable as follows to the subsidiaries in the various regions (primary segment):

€ thousand	9 Months 2009/2010	9 Months 2008/2009
Germany	-221	734
Rest of Europe	-149	239
Rest of world	82	216
<b>Profit for the period</b>	<b>-288</b>	<b>1,189</b>

### Segment assets

Segment assets are attributable as follows to the subsidiaries in the various regions (primary segment) as of February 28, 2010 and February 28, 2009:

€ thousand	Feb. 28, 2010	Feb. 28, 2009
Germany	13,135	11,849
Rest of Europe	2,285	3,794
Rest of world	2,084	2,118
<b>Total segment assets</b>	<b>17,504</b>	<b>17,761</b>

### Segment liabilities

Segment liabilities are attributable as follows to the subsidiaries in the various regions (primary segment) as of February 28, 2010 and February 28, 2009:

€ thousand	Feb. 28, 2010	Feb. 28, 2009
Germany	4,951	3,915
Rest of Europe	271	886
Rest of world	31	44
<b>Total segment liabilities</b>	<b>5,253</b>	<b>4,845</b>

**Noncurrent assets**

Noncurrent assets are attributable as follows to the subsidiaries in the various regions (primary segment) as of February 28, 2010 and February 28, 2009:

€ thousand	Feb. 28, 2010	Feb. 28, 2009
Germany	6,554	6,151
Rest of Europe	531	538
Rest of world	868	951
<b>Total noncurrent assets</b>	<b>7,953</b>	<b>7,640</b>

**Investments**

Investments in the first nine months of 2009/2010 and 2008/2009 are attributable to the subsidiaries in the various regions (primary segment) as follows:

€ thousand	9 Months 2009/2010	9 Months 2008/2009
Germany	616	631
Rest of Europe	40	17
Rest of world	0	40
<b>Total investments</b>	<b>656</b>	<b>688</b>

**Depreciation, amortization, and impairment losses**

Depreciation, amortization, and impairment losses are attributable as follows to the subsidiaries in the various regions (primary segment) in the first nine months of 2009/2010 and 2008/2009:

€ thousand	9 Months 2009/2010	9 Months 2008/2009
Germany	393	360
Rest of Europe	24	24
Rest of world	10	8
<b>Total depreciation, amortization, and impairment losses</b>	<b>427</b>	<b>392</b>

# Executive Bodies

## Changes in the Company's executive bodies

There were no changes in the Company's executive bodies in the first nine months of 2009/2010.

## Shareholdings of the members of the executive bodies as of February 28, 2010

(ISIN DE0005407407/WKN 540740)		CeoTronics shares (quantity)
<b>Board of Management</b>		
Chairman	Thomas H. Günther	28,494
Deputy Chairman	Berthold Hemer	513,150
Chief Operating Officer	Günther Thoma	18,066
<b>Supervisory Board</b>		
Chairman	Hans-Dieter Günther	1,113,600
Deputy Chairman	Horst Schöppner	hold personally 10
		other shares attributable belonging to the Schöppner Vermögensverwaltung GbR 810,400
		Total 810,410
Member	Stephan Haack	0

The total number of CeoTronics AG shares at the reporting date amounted to 6,599,994.

## Related party disclosures

No significant related party transactions were conducted in the first nine months of 2009/2010.

## Financial Calendar\*

End of fiscal year 2009/2010	May 31, 2010
Publication of preliminary revenue and order backlog figures for the full fiscal year 2009/2010	Calendar week 22, 2010
Annual report 2009/2010	August 13, 2010
Annual earnings press conference and Analyst meeting	August 26, 2010
Publication of preliminary revenue and order backlog figures for the first 3 months of the fiscal year 2010/2011	Calendar week 35, 2010
Report on 1st quarter as of August 31, 2010	October 8, 2010
General Meeting 2010	November 5, 2010

\*(Dates may change)

### Legal Notice:

This quarterly report contains forward-looking statements that reflect the current views of CeoTronics AG's Board of Management. These statements are based on the Company's current plans, estimates, projections, and expectations and are therefore subject to risks and uncertainties that could cause actual results to differ from expected results. The forward-looking statements are only valid at the time of publication of this quarterly report and cannot be guaranteed. CeoTronics AG assumes no obligation to the public to update or correct forward-looking statements. This does not affect the Company's statutory obligation to fulfill its information and reporting duties.



# CeoTronics Update

## Motorcycle helmets and communication systems for security authorities and organizations – exclusively from CeoTronics

CeoTronics AG and Magdeburg-based helmet manufacturer Schuberth GmbH have finalized an extensive sales cooperation. This encompasses the exclusive sale of C3 motorcycle helmets (including communications system) by CeoTronics to security authorities and organizations in Germany, Austria, and Switzerland. As one of the world's leading manufacturers of motorcycle helmets, Schuberth GmbH has been involved for over 70 years in developing and producing high-performance helmet systems and technologies for police, military, industrial safety, firefighters, etc. As well as its own helmet production, Schuberth is a supplier for BMW AG and Scuderia Ferrari and produces helmets for a number of Formula 1 drivers including Michael Schumacher, Nico Rosberg, Fernando Alonso, Felipe Massa or Nico Hülkenberg. This shows that Schuberth always works together with the cream of the crop – such as CeoTronics, if it is about motorcycle helmet communication solutions for security authorities and organizations.



## CT-MultiCom – the multifunctional hand-held microphone

User-friendliness, universality, and quality – this is what two-way radio users expect from their accessories. The new CT-MultiCom offers this and much more besides. CeoTronics therefore expects to generate a high level of interest in this innovative control unit in its core sales markets: security authorities, security organizations, and firefighters.

More than just a hand-held microphone, this universal manual control unit is designed to facilitate the use of two-way radio devices in everyday work situations. It comes with several headset connections, an extra-large user-friendly PTT button and two freely programmable soft keys.

CT-MultiCom is an integral part of current and planned tenders for digital radio accessories, reinforcing the Company's optimistic outlook for future sales success.



[www.ct-video.com](http://www.ct-video.com)

# Wireless Video Transmission Systems



[ctv.info@ceotronics.com](mailto:ctv.info@ceotronics.com)

 **Video GmbH**  
Video · Audio · Data Communication



# 8

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