

Q2

**Half-yearly Financial
Report of CeoTronics AG
for Fiscal Year 2010/2011**



Key Group Figures as of November 30, 2010

€ thousand (if not indicated otherwise)	November 30, 2010 (6 months FY 2010/2011)	November 30, 2009 (6 months FY 2009/2010)	Change
Revenues	7,115	6,745	+5.5 %
Investments	94	513	-81.7 %
R & D expenses	836	893	-6.4 %
EBITDA	111	-191	T€ +302
EBIT	-206	-468	T€ +262
Profit before tax	-286	-536	T€ +250
Profit for the period	-249	-468	T€ +219
Profit attributable to shareholders of GeoTronics AG	-247	-461	T€ +214
Gross cash flow	68	-191	T€ +259
Cash and cash equivalents	504	1,707	T€ -1,203
Total assets	16,757	19,655	-14.7 %
Equity	10,749	12,072	-11.0 %
Equity ratio (%)	64.1	61.4	+2.7 %
Employees as of November 30	155	157	-2 MA
Earnings per share (in €)	-0.04	-0.07	+0.03
Gross cash flow per share (in €)	+0.01	-0.03	+0.04

Consolidated Half-yearly Financial Report of CeoTronics AG for Fiscal Year 2010/2011

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Letter from the Board of Management

Ladies and Gentlemen,
Dear Shareholders,

The CeoTronics Group generated revenues of €7,115 thousand in the first six months of fiscal year 2010/2011, a 5.5% year-on-year increase.

Clearly positive revenue growth compared with the previous year was recorded by CT-Video GmbH (+24.2%), CeoTronics Spain (+33.4%), CeoTronics Poland (+228.5%), and CeoTronics U.S.A. (+53.0%), in each case after consolidation and translation into euros.

The Group closed the first half of the fiscal year with EBIT of €-206 thousand (previous year: €-468 thousand), a loss before tax of €286 thousand (previous year: €-536 thousand), and a consolidated loss of €249 thousand (previous year: €-468 thousand). Gross cash flow amounted to €68 thousand (previous year: €-191 thousand).

One-time effects (consultancy costs in relation to CeoTronics' change of stock exchange segment, the FREP procedure, restructuring measures at CeoTronics Poland, etc., and exchange rate losses) amounted to just over €200 thousand. Without these special effects, administrative costs would also have fallen

compared to last year and the consolidated result for the first half of the year would have been much better.

Consolidated equity fell by €1,323 thousand year-on-year to €10,749 thousand (H1 2009/2010: €12,072 thousand) due, among other things, to impairment losses in connection with CeoTronics U.S.A. in the fourth quarter of fiscal year 2009/2010. Nevertheless, the equity ratio as of November 30, 2010 increased to 64.1% (previous year: 61.4%).

The consolidated order backlog as of November 30, 2010 fell, as expected, by 24.0% compared with the prior-year figure. The latter was unusually high as several major orders were recorded in the first quarter of 2009/2010. In particular, this included the largest single order in CT-Video GmbH's history to date, worth approximately €1.5 million.

After the half-yearly reporting date, the German Armed Forces placed an order worth approximately €3.3 million with CeoTronics AG in December 2010 and the state of Saxony ordered CeoTronics products worth between €1.4 million and €3.4 million. Thanks in particular to these major orders, the order backlog as of January 7, 2011 was up 87.7% year-on-year (only the guaranteed minimum amounts were included in this figure). However, it should be noted that a considerable portion of the current order backlog will only be delivered and invoiced after the close of fiscal year 2010/2011.

CeoTronics was unable to shake off the effects of the global economic crisis in all its markets. Despite this, the Group companies in Spain and Switzerland and CT-Video GmbH generated a profit for the half of the fiscal year. In addition, CeoTronics USA recorded a slight profit before currency effects after six months.

CeoTronics' goal was to increase momentum substantially in the second half of fiscal year 2010/2011. Total revenue and order backlog figures as of January 7, 2011 were up by 38.1% year-on-year overall. CeoTronics has met its 'interim target'.

CeoTronics' new products for firefighters and police/military special forces units were well received by the market. In particular the CT-Bluetooth Adapter, new versions of covert communication systems, CT-MultiCom (which combines a hand-held microphone and a push-to-talk button for connecting communication systems), as well as the CT-DigiCom digital induction receiver were marketed successfully. Services associated with communications accessories and transmission systems also developed into an attractive revenue earner. CT-Video GmbH again made a positive contribution to business growth thanks to the success of its video cameras and wireless video transmission systems.

In addition to its revenue performance as of November 30, 2010 and the current high order backlog, CeoTronics' positive outlook is based on projects currently being negotiated or prepared for the current fiscal year 2010/2011.

CeoTronics aims to end fiscal year 2010/2011 with consolidated revenues of approximately €17.0 million, consolidated EBIT of approximately €800 thousand, and consolidated profit of approximately €400 thousand. The revenue target for fiscal year 2010/2011 represents an increase of approximately 18% on prior-year consolidated revenue. The target improvement in consolidated profit is approximately €1,796 thousand.

If the economic recovery in its priority markets continues, CeoTronics should also see a long-term increase in revenues and earnings in the coming fiscal years due, among other things, to the switch to digital radio by governments and industry in Germany and Northern Europe.

Rödermark, January 14, 2011



Thomas H. Günther
Chairman of the Board of Management

Group Management Report as of November 30, 2010

Our Market

CeoTronics specializes in high-end communications under difficult conditions and develops, produces, and sells audio, video, and data communications systems. 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 professional 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. However, services associated with communications accessories and transmission systems are also developing into an attractive revenue earner.

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

One of CeoTronics AG's particular strengths is developing and supplying 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.

Of CeoTronics' priority markets, at least some European countries appear to have put the global economic and financial crisis behind them. However, economic growth to date has only been weak and economic output has not yet recovered to pre-crisis levels.

Many priority markets still need to increase the budgets of their security authorities and organizations, which have been redu-

ced over the course of many years; in other words, these must be adapted to the necessary investments and staffing requirements. Many industrial companies will again invest in new communication systems that accelerate work processes and increase occupational safety.

The global threat posed by international terrorism has not waned. As a result, the military also has to meet these challenges by upgrading the equipment of its special forces units.

Government security and law enforcement agencies in a number of priority European markets already began switching from analog to digital radio years ago. As a result, CeoTronics' subsidiaries in Spain, France, and Switzerland recorded sustained revenue increases, in some cases more than doubling their revenues.

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. The federal states of Berlin, Thuringia, Hamburg, and Saxony have ordered CeoTronics communication systems as part of the initial tenders for communications accessories in connection with the switch to digital radio. In other German federal states CeoTronics' products are being supplied for the switch by radio dealers.

The market launch of the new generation of Tetra/Tetrapol radios in countries that have already switched to digital radio will offer additional revenue potential. This also applies to replacement and follow-on orders in those markets that switched to digital radio years ago.

Most communication systems for analog radios – and in many cases also for older digital radios – in operation to date can no longer be used due to the different mechanical and electronic interfaces required by the new digital radios.

Since 1999, CeoTronics has manufactured and sold over 50,000 systems for connection to the new digital Tetra/Tetrapol

radios. These are used in Germany, France, Spain, Switzerland, Austria, Belgium, Croatia, the Czech Republic, Hungary, Luxembourg, Mexico, the Netherlands, Norway, Finland, and Sweden. Our experience in adapting communications accessories to digital radios is a major competitive advantage.

Business Developments

In the first six months of fiscal year 2010/2011 (June 1 to November 30, 2010), CeoTronics increased its revenues as against the prior-year period by €370 thousand or 5.5%, from €6,745 thousand to €7,115 thousand.

Expressed in euros after consolidation, revenues increased – substantially in some cases – at CeoTronics AG (+4.6%), CT-Video (+24.2%), CeoTronics Switzerland (+0.2%), CeoTronics Spain (+33.4%), CeoTronics Poland (+228.5%), and CeoTronics U.S.A. (+53.0%). Only CeoTronics France recorded a significant decline in revenues (-85.8%).

CeoTronics Poland's revenue increase from a low level was due to a single major order from the previous fiscal year that was delivered and invoiced in November 2010. Extensive restructuring measures were introduced at CeoTronics Poland in October 2010 due to persistently poor sales. The head of sales and co-managing director in Poland has left the company. Until a new head of sales is appointed, business is being handled by CeoTronics Poland's field sales force with support from CeoTronics AG.

The share of revenues generated outside Germany decreased to 46.1% in the first six months of fiscal year 2010/2011 (previous year: 50.5%). The proportion accounted for by Germany increased correspondingly to 53.9% (previous year: 49.5%). The shifts were due in particular to larger-scale deliveries to the federal states of Berlin and Thuringia as part of the switch to digital radio.

The consolidated order backlog as of November 30, 2010, fell as expected by 24.0% year-on-year. The prior-year comparative figure was unusually high as several major orders were recorded in the first quarter of 2009/2010. In particular, this included the largest single order in CT-Video GmbH's history

to date, worth approximately €1.5 million, which was delivered and invoiced in full in the third quarter of 2009/2010.

After the half-yearly reporting date, the German Armed Forces placed an order worth approximately €3.3 million with CeoTronics AG in December 2010 and the state of Saxony ordered CeoTronics products worth between €1.4 million and €3.4 million. Thanks in particular to these major orders, the order backlog as of January 7, 2011 was up 87.7% year-on-year (only the guaranteed minimum amounts were included in this figure).

Results of Operations

CeoTronics closed the first half of 2010/2011 with EBITDA of €111 thousand (previous year: €-191 thousand), EBIT of €-206 thousand (previous year: €-468 thousand), a loss before tax of €286 thousand (previous year: €-536 thousand), and a consolidated loss of €249 thousand (previous year: €-468 thousand). Earnings per share were €-0.04 (previous year: €-0.07).

One-time effects (consultancy costs in relation to CeoTronics' change of stock exchange segment, the FREP procedure, restructuring measures at CeoTronics Poland, etc., and exchange rate losses) amounted to just over €200 thousand. Without these special effects, administrative costs would also have fallen compared to last year and the consolidated result for the first half of the year would have been much better.

The share of the consolidated loss for the period attributable to shareholders of the parent amounted to €247 thousand for the first six months of fiscal year 2010/2011 (previous year: €-461 thousand). Gross cash flow amounted to €68 thousand (previous year: €-191 thousand).

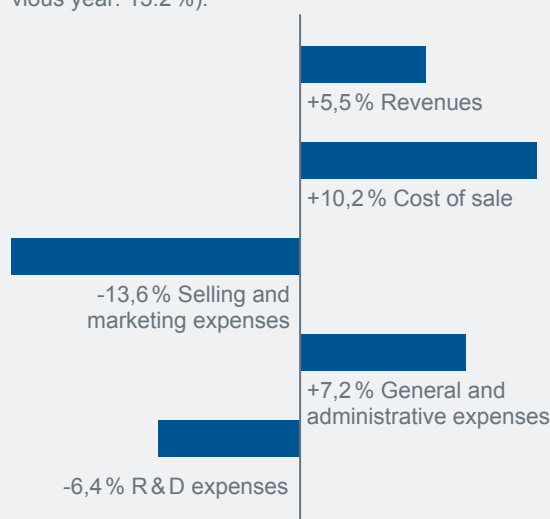
The cost of sales increased by 2.1% from 48.3% in the previous year to 50.4% due to changes in the order structure. Operating expenses (excluding cost of materials) accounted for 18.0% of revenues, down significantly from 20.3% in the previous year.

Selling and marketing expenses as a percentage of revenues amounted to 26.9% in the first six months of fiscal year 2010/2011 (previous year 32.8%). Absolute costs (€1,912

thousand) were reduced by €300 thousand compared with the prior-year period (€2,212 thousand). This was due in particular to savings made in trade fair, advertising, and employee expenses.

General and administrative expenses increased by €55 thousand to €818 thousand. The additional costs were mainly a result of increased legal and consulting expenses. The expenses now account for a slightly increased 11.5% of revenues (previous year: 11.3%).

Research and development costs fell by 6.4% year-on-year, mainly due to savings made in employee expenses. The ratio of research and development costs to revenues is 11.7% (previous year: 13.2%).



Investments and Depreciation

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

Investments in the first six months of fiscal year 2010/2011 totaled €94 thousand (previous year: €513 thousand).

Net Assets and Financial Position

Cash and cash equivalents of €504 thousand were down on the prior-year level (€1,707 thousand). Gross cash flow in the first half of fiscal year 2010/2011 amounted to €68 thousand (previous year: €-191 thousand).

As of November 30, 2010, equity fell by €1,323 thousand, from €12,072 thousand to €10,749 thousand. The main reasons for the decrease in equity were the impairment loss on the goodwill of CeoTronics U.S.A. at the end of fiscal year 2009/2010 (€643 thousand) and the deferred tax assets no longer recognized on CeoTronics U.S.A.'s loss carry forward amounting to €280 thousand. Nevertheless, the equity ratio rose to 64.1% (previous year: 61.4%), due in particular to the significant reduction in financial liabilities to €3,837 thousand (previous year: €5,402 thousand) and the decrease in total assets.

Workforce Development

The number of staff (including trainees) declined from 157 as of November 30, 2009 to 155 as of November 30, 2010.

The total number of staff at German CeoTronics' two sites rose by one to 141.

CeoTronics' Shares

The stock markets in Germany turned in a very mixed performance in the first six months of fiscal year 2010/2011 (June 1 to November 30, 2010). While the DAX and the MDAX started a year-end rally as of the beginning of October 2010, the TEC-DAX and Technology All Share technology segments moved within a narrow range.

In the first months, the performance of CeoTronics' shares was clearly negative, sinking by as much as 26.9%. Overall, CeoTronics' share price dropped by 19.2% during the reporting period, while the benchmark indices TECDAX (+2.8%), Technology All Share (+3.0%), and DAXplus Family-Index (+17.3%) outperformed it substantially.

Only once the two major orders were announced in December 2010 (after the reporting date for the first half of the year) did

the share price bounced back, climbing 28.7% between December 1, 2010 and January 12, 2011.

As announced in the Annual Report for the past fiscal year 2009/2010, CeoTronics will switch from the Prime Standard to the Entry Standard. The Entry Standard is the stock market segment best tailored to CeoTronics and its corporate and personnel structure. The segment switch will be implemented effective February 25, 2011.

To ensure the continuity of financial reporting, the Company will continue to use International Financial Reporting Standards (IFRSs) for financial reporting. Going forward, CeoTronics will publish a condensed half-yearly report and, as usual, a comprehensive annual report for the entire fiscal year.

The price performance of CeoTronics' shares (ISIN DE0005407407/WKN 540740) compared with benchmark indices for the period from June 01, 2010 to November 30, 2010 (indexed)



-19.2%

Source: DZ Bank

Report on expected developments

a.) Market and sector development

CeoTronics expects the global economy to recover slowly in fiscal years 2010/2011 and 2011/2012. The current low level of capital spending by companies worldwide and the ongoing strained situation on the labor markets in many countries are preventing a quick return to the growth rates seen before the global economic crisis. However, the economic stimulus programs implemented by the leading industrial nations and the stable development recorded by the emerging markets should have a positive effect.

Europe continues to be affected by the budgetary and debt crisis in Greece, Spain, Portugal, Italy, and Ireland with corresponding consequences for investment behavior.

Germany seems to be one of the few major nations to emerge stronger from the crisis. Economic growth in 2010 exceeded expectations and the unemployment rate has now fallen below pre-crisis levels. German exporters in particular are benefiting from the emerging recovery.

The investment backlog should ease, first in industry and later gradually among public-sector customers, after the entire sector suffered from a reluctance to invest, especially on the part of public-sector customers, in the past fiscal year.

Germany's switch to digital radio, which started in fiscal year 2009/2010, offers substantial revenue potential. Preparations are also being made in Northern Europe to switch to digital radio. In Germany, CeoTronics also expects major investments to be made by security authorities and organizations, the German Armed Forces, firefighters, and industry. The market launch of the new generation of Tetra/Tetrapol radios in countries that have already switched to digital radio will offer additional revenue potential. This also applies to replacements and follow-on orders in those markets that switched to digital radio years ago.

b.) Corporate development

CeoTronics will not change its basic Group strategy and culture, even in economically difficult times. The Company has prepared itself in good time in past fiscal years to meet future challenges by making targeted investments in employee capacity, technologies, market development, new developments, and production techniques and processes, and has made the necessary investments.

To this extent, CeoTronics has laid the foundations to profit from the recovery in the overall economy as well as from the end to muted spending by public-sector customers, and the switch to digital radio in particular.

c.) Opportunities from business development up to May 31, 2011

The switch to digital radio by the police, firefighters, and industrial enterprises in Germany and Northern Europe as well as the switch to a new generation of digital radio equipment in Switzerland, and possibly also in Spain, offers CeoTronics substantial market potential for audio products in fiscal year 2010/2011.

Apart from the European markets that are profiting from the switch to digital radio, North America is the market with the greatest sales potential for CeoTronics' products. Our successful sales and improved visibility in the United States resulting from our sales activities and marketing investments to date reinforce the assumption that CeoTronics U.S.A. can further increase its revenues in the current fiscal year.

CT-Video systems will continue to play an important role in fighting crime and terrorism. Evidence to support this assumption can be seen from public authority investments in monitoring areas at risk – especially those that are temporarily endangered – and in securing video evidence, as well as CT-Video GmbH's product innovations.

d.) Risks to business development up to May 31, 2011

If CeoTronics does not participate to the desired extent in the switch to digital radio by security authorities and organizations, firefighters, and industrial enterprises in Germany and Northern Europe, or if draw-downs under existing orders are received late, this could have an adverse effect on CeoTronics AG's projected revenues and earnings.

If the launch of digital radio and the switch to a new generation of digital radio devices in Spain and Switzerland are not continued and implemented in the near future, there is a risk that the CeoTronics companies in Spain and Switzerland will not be able to maintain the level of revenues seen in recent years in fiscal year 2010/2011.

Competitors, radio manufacturers and dealers, and importers are stepping up their efforts to penetrate CeoTronics' markets – especially Germany – using cheap products from Asia, among other things, in order to win tenders during the switch to digital radio. CeoTronics will remain positioned in the premium segment and will continue to attempt to keep price acceptance and the appreciation of its products and systems at a high level by offering outstanding quality and performance. Nonetheless, we will offer more economical standard products and components at the expense of European content in specific competitive situations and where the cheapest entry-level price is the key driver for customers.

In some cases, the CeoTronics sales companies outside Germany only have one or a maximum of two sales representatives. Equally, the markets in the Benelux countries, Southern Europe, Southeastern Europe, and Northern Europe only have one area sales manager each. This could result in temporary bottlenecks having an impact on revenue and income development, for example in the case of illness. CeoTronics will try to strengthen the indirect sales channel in these markets to minimize these risks. In addition, CeoTronics is seeking to increase CeoTronics AG's international sales team in the medium term to temporarily strengthen staff capacities in these markets on the one hand and to be better positioned to enter new markets outside of Europe and North America on the other.

A renewed recession, delay in the economic recovery in CeoTronics' priority markets, or a further deterioration in the financial crises facing governments in countries, such as Portugal, Spain, or the U.S.A. could negatively affect Group development.

If professional sales staff are not recruited quickly to strengthen the sales structure at the CeoTronics subsidiaries in Poland and France, this will continue to impact revenues and earnings trends there.

In its letter of August 31, 2010, the German Financial Reporting Enforcement Panel (FREP) announced that it had identified errors in the annual and consolidated financial statements for fiscal year 2008/2009. CeoTronics AG does not concur with these findings. Therefore a second examination will be carried out by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – German Federal Financial Authority).

Details of the FREP examination are given in the disclosures in the Annual Report for fiscal year 2009/2010. CeoTronics AG believes that the outcome of the examination will not have any more material adverse effects on the earnings of future reporting periods after the impairment losses in the financial statements for fiscal year 2009/2010.

e.) Outlook

CeoTronics expects a further increase in U.S. market revenues in fiscal year 2010/2011. According to current planning, annual earnings will be negative. In the rest of Europe, the migration to the new generation of digital radios in Switzerland and possibly Spain will be key factors contributing to rising revenues and earnings in fiscal year 2010/2011.

The start of the switch to digital radio, the new projects we are working on, our product innovations, and our current order backlog in Germany justify a positive outlook for fiscal year 2010/2011, with a significant increase in revenues and annual earnings that are in positive territory.

CeoTronics aims to end fiscal year 2010/2011 with consolidated revenues of approximately €17.0 million, consolidated

EBIT of approximately €800 thousand, and consolidated profit of approximately €400 thousand. The revenue target for fiscal year 2010/2011 represents an increase of approximately 18% on prior-year consolidated revenue. The target improvement in consolidated profit is approximately €1,796 thousand.

CeoTronics should continue to profit from the switch to digital radio in Germany and Europe in fiscal year 2011/2012, as well as from greater investment in internal and external security. According to our current information and estimates, revenues and earnings for the year will rise further.

In the United States, the expansion of the product portfolio to include CT-MultiCom (for firefighters, among others) and CT-ClipCom Digital (for SWAT teams, for example) as well as the establishment of a stronger indirect sales channel in the latter part of the year are key developments that are expected to contribute to an increase in revenues and earnings growth in fiscal year 2011/2012.

It is not currently possible to issue detailed multi-year projections for the CeoTronics Group, as many parameters cannot be estimated reliably and the global economic climate is uncertain. Providing information about potential revenues, EBIT, and earnings ranges for periods of two or more years would not improve transparency since the spread is too wide. This is due, among other things, to the role played by the switch to digital radio, which could potentially have substantial positive or negative effects.

Rödermark, January 14, 2011
CeoTronics AG



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



Berthold Hemer
Deputy Chairman of the Board of
Management, CTO



Günther/Thoma
Chief Operating Officer, COO

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CT-MultiCom, CT-DigiCom and CT-BluetoothAdapter.

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Consolidated Financial Statements as of November 30, 2010

Consolidated Balance Sheet as of November 30, 2010

IFRS, unaudited

Assets in € thousand	Half-yearly report (closing date of the current quarter) November 30, 2010	Annual report (closing date of last annual report) May 31, 2010
Current assets		
Cash and cash equivalents	504	358
Trade receivables	2,679	2,396
Inventories	4,823	4,648
Other current assets	947	409
Total current assets	8,953	7,811
Noncurrents assets		
Property, plant, and equipment	6,225	6,359
Intangible assets	248	309
Goodwill	623	634
Trade receivables	151	247
Deferred tax assets	557	457
Total noncurrent assets	7,804	8,006
Total assets	16,757	15,817



Consolidated Balance Sheet as of November 30, 2010

IFRS, unaudited

Equity and liabilities in € thousand	Half-yearly report (closing date of the current quarter) November 30, 2010	Annual Report (closing date of last annual report) May 31, 2010
Current liabilities		
Current financial liabilities	1,120	747
Trade payables	427	286
Advance payments received	144	36
Provisions	491	762
Current tax payables	29	51
Other current liabilities	996	244
Total current liabilities	3,207	2,126
Noncurrent liabilities		
Noncurrent financial liabilities	2,717	2,744
Deferred tax liabilities	84	84
Total noncurrent liabilities	2,801	2,828
Equity		
Subscribed capital	6,600	6,600
Capital reserves	4,471	4,471
Retained earnings	16	16
Cumulative other recognized income and expense	-131	-253
Net retained profit	-266	-19
Equity attributable to shareholders of CeoTronics AG	10,690	10,815
Minority interest	59	48
Total equity	10,749	10,863
Passiva, gesamt	16,757	15,817

Consolidated Income Statement as of November 30, 2010

IFRS, unaudited

€ thousand	Year-to-date (current fiscal year) June 1, 2010- November 30, 2010	Year-to-date (previous year) June 1, 2009- November 30, 2009
Revenues	7,115	6,745
Cost of sales	-3,589	-3,256
Gross profit	3,526	3,489
Selling and marketing expenses	-1,912	-2,212
General and administrative expenses	-818	-763
Research and development expenses	-836	-893
Other operating income and expenses	-166	-89
Impairment of goodwill	0	0
Operating profit/loss (EBIT)	-206	-468
Interest income / expense	-80	-68
Loss before tax	-286	-536
Income tax expense	37	68
Loss for the period	-249	-468
Consolidated profit/loss attributable to:		
Minority interest	-2	-7
Shareholders of CeoTronics AG	-247	-461
Earnings per share (basic) in €	-0.04	-0.07
Earnings per share (diluted) in €	-0.04	-0.07
Weighted average shares outstanding (basic)	6,599,994	6,599,994
Weighted average shares outstanding (diluted)	6,599,994	6,599,994

Consolidated Statement of Comprehensive Income as of November 30, 2010

IFRS, unaudited

€ thousand	Year-to-date (current fiscal year) June 1, 2010- November 30, 2010	Year-to-date (previous year) June 1, 2009- November 30, 2009
Loss for the period	-249	-468
Exchange differences on translating foreign operating	135	56
Total	-114	-412
Consolidated profit/loss attributable to:		
Minority interest	11	-20
Shareholders of CeoTronics AG	-125	-392

Consolidated Cash Flow Statement as of November 30, 2010

IFRS, unaudited

€ thousand	Year-to-date (current fiscal year) June 1, 2010- November 30, 2010	Year-to-date (previous year) June 1, 2009- November 30, 2009
Cash flow from operating activities		
Profit before tax	-286	-536
Income tax expense	37	68
Profit for the period	-249	-468
Dereciation, amortization, and impairment losses	317	277
Gross cash flow	68	-191
Changes in assets and liabilities		
Change in trade receivables	-187	629
Change in inventories	-175	-584
Change in other assets	-538	-254
Change in trade payables	141	45
Change in advance payments received	108	181
Change in other provisions	-271	-654
Change in tax payables	-22	-129
Change in other current liabilities	752	88
Change in deferred tax assets	-100	-74
Total changes in assets and liabilities	-292	-752
Net cash provided by/used in operating activities	-224	-943
Cash flow from investing activities		
Payments to acquire intangible assets	-2	-27
Payments to acquire property, plant, and equipment	-92	-488
Change in foreign currency differences	-17	48
Disposal of noncurrent assets (net carrying amounts)	0	3
Net cash uses in investing activities	-111	-464
Cash flow from financing activities		
Change in current financial liabilities	373	2,728
Change in noncurrent financial liabilities	-27	424
Dividend payment to minority interest	0	0
Dividend payment to shareholders of GeoTronics AG	0	-660
Net cash provided by financing activities	346	2,492
Change in cash and cash equivalents	11	1,085
Effect of exchange rate changes on cash and cash equivalents	135	56
Cash and cash equivalents at beginning of period	358	566
Cash and cash equivalents at end of period	504	1,707



Statement of Changes in Equity as of November 30, 2010

IFRS, unaudited

	Equity attributable to shareholders of CeoTronics AG								
€ thousand	Subscribed capital	Capital reserves	Statutory retained Earnings	Other retained Earnings	Net retained profit/net accumulated losses	Currency translation reserve	Total	Minority interests	Total equity
Balance at May 31, 2010	6,600	4,471	16	0	-19	-253	10,815	48	10,863
Comprehensive income for the period					-247	122	-125	11	-114
Balance at November 30, 2010	6,600	4,471	16	0	-266	-131	10,690	59	10,749
Balance at May 31, 2009	6,600	4,471	16	870	1,160	-47	13,070	74	13,144
Comprehensive income for the period					-461	69	-392	-20	-412
Dividend distribution					-660		-660		-660
Balance at November 30, 2009	6,600	4,471	16	870	39	22	12,018	54	12,072

The equity ratio of the CeoTronics Group was 64.1 % as of November 30, 2010 (previous year: 61.4 %).

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

Notes to the Consolidated Half-yearly Report

Accounting policies

The unaudited (interim) consolidated financial statements of CeoTronics AG as of November 30, 2010 were prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU. This interim report complies with IAS 34 Interim Financial Reporting.

The half-yearly report was prepared using the accounting, measurement, and consolidation principles applied in the preparation of the full-year consolidated financial statements as of May 31, 2010. Further details can be found in the Annual Report for fiscal year 2009/2010.

Consolidated group structure and shareholdings

There were no changes in the consolidated Group structure in the first six months of fiscal year 2010/2011.

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 the 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 statement of comprehensive income, the cash flow statement, and the statement of changes in equity.

Consolidated Segment Reporting

The CeoTronics Group's segment reporting is based on its internal organizational and reporting structure. The segment reporting format is geographic (management approach). The segment structure is based on the country of origin, i.e., the domicile of the operating company in question:

- Germany comprises CeoTronics AG (Germany) and CT-Video GmbH.

- Rest of Europe consists of CeoTronics Spain, CeoTronics France, CeoTronics Switzerland, and CeoTronics Poland.
- Rest of world comprises CeoTronics U.S.A.

The intersegment transfer prices are calculated using the resale price method, which is based on the resale price at which the foreign subsidiaries sell the products acquired from CeoTronics AG (Germany) on the market.

	Germany		Rest of Europe		Rest of world		Consolidation		Group	
€ thousand	Q2 2010/ 2011	Q2 2009/ 2010	Q2 2010/ 2011	Q2 2009/ 2010	Q2 2010/ 2011	Q2 2009/ 2010	Q2 2010/ 2011	Q2 2009/ 2010	Q2 2010/ 2011	Q2 2009/ 2010
Revenues										
External customers	5,423	4,971	1,343	1,547	349	227	0	0	7,115	6,745
Between segments	1,235	1,291	4	1	10	8	-1,249	-1,300	0	0
Segment revenues	6,658	6,262	1,347	1,548	359	235	-1,249	-1,300	7,115	6,745
of which major customers	1,048	0	0	0	0	0	0	0	1,048	0
Cost of sales	3,693	3,482	915	1,139	188	116	-1,207	-1,482	3,589	3,256
Selling and marketing expenses	1,523	1,696	295	394	116	122	-22	0	1,912	2,212
Administrative expenses	684	617	113	111	36	35	-15	0	818	763
R&D expenses	836	892	0	0	0	0	0	1	836	893
EBIT/segment profit or loss	-30	-357	13	-97	2	-45	-191	31	-206	-468
Net interest expense									-80	-68
Tax expense									37	68
Profit/loss									-249	-468
Segment assets	19,049	23,411	2,378	3,213	917	1,551	-5,587	-8,520	16,757	19,655
Segment liabilities	5,664	8,040	1,932	2,369	2,631	2,498	-4,302	-5,324	5,925	7,583
Investments	94	512	0	1	0	0	0	0	94	513
Depreciation, amortization, and impairment losses	272	256	38	16	7	5	0	0	317	277

The following table provides additional information on revenues at company level.

€ thousand	Q2 2010/2011	Q2 2009/2010
Revenues by Productsegments		
Audio	5,312	5,221
Video	1,438	1,190
Service	365	334
Total revenues	7,115	6,745
Revenues by customer country		
Germany	3,837	3,340
Rest of Europe	2,587	3,091
Rest of World	691	314
Total revenues	7,115	6,745

Executive Bodies

Changes in the Company's executive bodies

The Chairman of the Supervisory Board, Hans-Dieter Günther, resigned for health reasons on August 31, 2010. He was replaced as from September 1, 2010 by Matthias Löw, Rodgau, who was previously an alternate member of the Supervisory Board.

Shareholdings of the members of the executive bodies as of November 30, 2010:

		CeoTronics shares ISIN DE0005407407/WKN 540740 (quantity)
Board of Management		
Chairman of the Board of Management	Thomas H. Günther	28,494
Deputy Chairman of the Board of Management	Berthold Hemer	513,150
Chief Operating Officer	Günther Thoma	18,066
Supervisory Board		
Chairman	Matthias Löw	0
Deputy Chairman	Horst Schöppner	Held personally 10
		Other attributable shares held by 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 six months of 2010/2011.

Financial Calendar

End of fiscal year 2010/2011 May 31, 2011

Publication of preliminary revenue and
order backlog figures for the full
fiscal year 2010/2011 Calendar week 22, 2011

Annual Report End of August 2011

General Meeting 2011 November 4, 2011

Publication of preliminary revenue
and order backlog figures for the
first 6 months of the fiscal year
2010/2011 Calendar week 48, 2011

Interim Report as of November 30, 2011 January 13, 2012

All information subject to correction and change without notice.

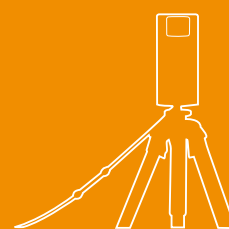
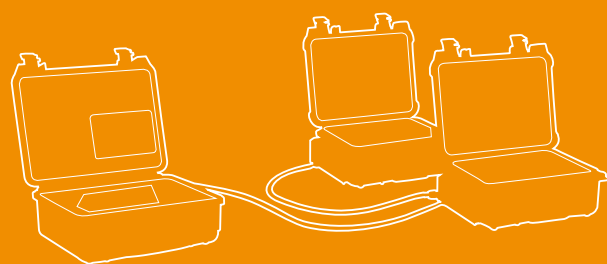
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Legal Notice:

This half-yearly 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 half-yearly 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.

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