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KLOTZ DIGITAL AND CG GROUP DUBAI ANNOUNCE STRATEGIC ALLIANCE

Munich/Germany, Dubai/U.A.E., May 2006 – KLOTZ DIGITAL AG, the inventor of audio and control networking solutions for the Audio and Media Industry, announced today that it has joined forces with CG Group Dubai, a well known distributor of integrated high-tech solutions in the Middle East. CG Group Dubai will with immediate effect offer service and support and sell KLOTZ DIGITAL's complete product range, including VARIZONE - the digital Public Address and Voice Evacuation System as well as KLOTZ DIGITAL's wide range of mixing consoles and audio routers for the Broadcast Industry in GCC countries, Iraq, Syria, Lebanon and Jordan.

“This strategic alliance provides tremendous opportunities for both companies. It will facilitate us to expand and ensure our market presence in this region, while CG Group seized the chance to round off its product range for the security market and breaks into the promising RBC market”, says Thomas Klotz, CEO of KLOTZ DIGITAL AG. “The partnership allows us to fuse our market with high-tech expertise. Most of all our customers will benefit from this new situation, as we can work in close proximity to our customers and offer them a quick access to product information, sales issues, service and support.”

Norbert E. Bau to Spearhead RBC and Commercial Sound Market

CG Group Dubai has been the leading company in the security sector of Middle East where they have built an impressive track record with over 4,000 systems delivered. Best known are the fire communication and fire monitoring systems for JAFZA and the Sharjah civil defence central monitoring installation. With the convergence of the audio media industry, and the increasing potential of the broadcast market CG Group has appointed Norbert E. Bau of KLOTZ DIGITAL ASIA to explore these new areas of activity by insourcing KLOTZ DIGITAL's know-how in RBC technology. Mr. Norbert E. Bau will be spearheading both the Broadcast and Commercial Sound markets in the Middle East Region.

Norbert E. Bau who was with KLOTZ DIGITAL Asia for four years prior to joining CG Group Dubai has over 20 years experience in the broadcast industry and has vast technical expertise and know-how of the commercial sound market requirement. He will guarantee an ideal exchange of knowledge between the two companies and will be responsible for sales enquiries as well as provision of service and support for all KLOTZ DIGITAL's range of products.

“VARIZONE, KLOTZ Digital's Voice EVAC System, is a perfect match for CG Group's business orientation”, says Joe Mansour, City Group's Managing Director. “We work with our clients to offer the best solutions and to meet their requirements. VARIZONE – and all other KLOTZ DIGITAL products – offer the very latest technology in highest quality. They are reliable and with their modular and flexible structure, easily suit customers' individual needs. We are looking forward to a pleasant and successful cooperation with KLOTZ DIGITAL.”

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KLOTZ DIGITAL AG of Munich, Germany is the world leader in AudioMedia Platform Technology. KLOTZ DIGITAL manufactures a variety of digital audio mixing consoles, the VADIS AudioMedia Platform, and VARIZONE systems for music distribution, paging and safety announcement installations. KLOTZ DIGITAL has 15 years experience in manufacturing and installing digital radio consoles and audio infrastructures. In fact, KLOTZ DIGITAL has over 1250 digital radio consoles and more than 1000 VADIS frames in service today. For more information contact KLOTZ DIGITAL phone **+49-89-45672-100**, e-mail europa@klotzdigital.com or on the web at: www.klotzdigital.com