



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

### NCTI REPORTS FIRST QUARTER RESULTS

WESTPORT, Conn. May 26, 2006 – NCT Group, Inc. (OTCBB: NCTI) reported that total revenue for the three months ended March 31, 2006 was \$1.0 million, compared to total revenue of \$1.6 million in the same period in 2005, a decrease of 37.5%. This decrease was primarily the result of having fully recognized the remaining \$0.5 million of license fee revenue from the New Transducers Ltd. license in the three months ended March 31, 2005. Net loss for the three months ended March 31, 2006 was \$14.0 million, compared to a restated net loss of \$19.8 million for the same period a year ago, a decrease of 29.3%. Interest expense continues to constitute the majority of total costs and expenses. This expense was \$9.2 million in the three months ended March 31, 2006 versus a restated \$18.1 million in the same period in 2005, a decrease of \$8.9 million or 49.2%. The decrease in interest expense was primarily attributable to the decrease in the expensing of the original issue discount arising from the allocation of proceeds to the fair value of warrants and the beneficial conversion features of the related debt.

#### About NCT Group, Inc.

NCT Group, Inc. is an innovative, high-technology development company rich in intellectual property with hundreds of patents and related rights. The Company is strategically focused on communications initiatives through its subsidiaries, Artera Group, Inc., a developer of software-based network optimization solutions for service providers as well as small business, enterprise and government networks; Pro Tech Communications, Inc. (OTCBB: PCTU), a manufacturer of audio and communications solutions and other products for business users, industrial users and consumers; and NCT (Europe) Ltd., a developer of ClearSpeech® noise and echo cancellation algorithms for 3G phones, hands-free car kits, “drive thru” intercoms, Formula 1 and NASCAR radio systems, business intercom products and radio communication devices. For more information visit [www.nctgroupinc.com](http://www.nctgroupinc.com).

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NCT Group, Inc. (Unaudited)	For The Three Months Ended March 31,	
	2005 Restated	2006
(in millions, except per share amounts)		
Total revenue	\$ 1.6	\$ 1.0
Operating cost and expenses	\$ 2.5	\$ 2.9
Non-operating items	\$ 18.9(a)	\$ 12.0(b)
Net loss	\$ (19.8)	\$ (14.0)
Net loss per share	\$ (0.03)	\$ (0.02)
Weighted average number of common shares outstanding	645.0	856.4

**Footnotes:**

- (a) Includes \$18.1 million for interest expense and \$0.8 million for penalties and other costs associated with our financing activities.
- (b) Includes \$9.2 million for interest expense and \$2.8 million for penalties and other costs associated with our financing activities.

*Cautionary Statement Regarding Forward-Looking Statements*

Statements in this press release that are not historical are forward-looking. These statements are subject to numerous risks and uncertainties that could cause actual results to differ materially, including but not limited to: NCTI's ability to generate sufficient funds to execute its business plan; its ability to obtain additional financing if and when necessary; its ability to repay or refinance indebtedness as it becomes due; the results of litigation; general economic and business conditions; the level of demand for NCTI's products and services; the level and intensity of competition in the technology industry; NCTI's ability to develop new products and the market's acceptance of those products; and its ability to manage its operating costs effectively. These forward-looking statements speak only as of the date of this press release. NCTI undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. These and other factors affecting NCTI's business and prospects are discussed in greater detail in NCTI's filings with the Securities and Exchange Commission, which are available online in the EDGAR database at <http://www.sec.gov>.