



**Press release:
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Zenitel announces its third quarter trading update

Zenitel confirms a significantly improved EBITDA for the financial year 2006.

Currently, approximately 6,000 users are contracted on the Zenitel TETRA networks.

Year-to-date turnover, until September 2006, amounts to 83.4 million EUR, compared to 93.9 million EUR in 2005. This turnover is only partially driven by the last phase of the large, initial C2000 orders in the Netherlands and the ASTRID deliveries in Belgium to the police and fire brigades, mainly taking place in the first semester. A strong fourth quarter is expected, both in intercom and system integration revenues.

Zenitel is organized into three key areas, also with geographical focus: products and distribution, system integration and networks.

Europe 1 (Netherlands, UK (sold after the first half year), Denmark, the Czech Republic and the Caribbean) is Zenitel's primary network territory. This region closed in September with decreased turnover compared to 2005, mainly due to decreased turnover posted by Colsys (2005 heavily influenced by large Prague Airport contract), Denmark (market reluctance on eve of the TETRA introduction) and the Netherlands. These decreases were partially offset by increased revenue in the Caribbean, where the digital TETRA network roll-out is nearing its completion. Profitability in Europe 1 is under pressure due to a traditionally weak first semester, but also enforced by the worse than expected performance of the Danish subsidiary, which is, however, expected to pick-up in the fourth quarter, thanks to a large order for the authorities.

Europe 2 (Belgium and France) has a focus on system integration and product sales. The region saw a decrease in its turnover compared to the third quarter 2005, mainly due to lower revenues in Belgium and the former Zenitel Wireless France. However, gross margins have improved.

Lastly, the *NAUI* (Nordics, Asia, USA and Italy) region, strong in own and third party products and some system integration, increased its turnover compared to 2005. This was partly due to increased product sales in the Marine segment (mainly Asia) and system integration in Norway and Sweden. Margins have slightly increased and profitability is on track.



Contracts and growth

Zenitel announces a further increase in backlog of 14.5% compared to 31 December 2005, when it amounted to 58.6 million EUR. This increase is both the result of the major order signed with the Caracas subway, for the supply of a radio communication system covering line 1, a large order in Denmark for the authorities, a good evolution in the Marine deliveries and a number of long term contracts relating to the network business in both the Caribbean and the Netherlands. The evolution of the backlog is in line with the strategy of obtaining longer term stable revenue streams.

Since 31 December 2005, an additional 360 new VoIP (Voice over IP) switches have been sold, resulting in a total installed base of this new product of approximately 400 systems. At the same time, the new IP-based (sub-)stations are currently being presented to the market, enabling, in time, easier installation of the new intercom products.

At the end of this year, it is our ambition to have MCCN-network coverage in every Netherlands province. Zenitel has now almost reached its 6,000 RGU's (revenue generating users/units) on the TETRA networks (MCCN and ChuChubi), compared to 1,900 RGU's on 31 December 2005, and 5,000 RGU's in September. Zenitel is also pleased to announce that recently, the BIPT/IBPT (Belgisch Instituut voor Postdiensten en Telecommunicatie/Institut Belge des services postaux et des télécommunications) has granted Zenitel the permission to start building an MCCN (Mission Critical Communication Networks) Tetra Network in the Antwerp Harbour Area. We expect to have the first site(s) operational by 31st December 2006.

Outlook

Based on the Q3 performance, a slight decrease with 2005 is expected for turnover.

Zenitel forecasts a substantial improvement in recurrent EBITDA, given the restructuring measures of 2005.

Until today, no significant one-time-items have been recorded to date.

As mentioned in the half year press release, obtaining 10,000 RGU's on the TETRA networks at year-end will be difficult. Zenitel remains however, very positive about the market potential of and sales opportunities for its own TETRA networks.



Other items

Mr. Patrick De Groot, Mr. Guy Servotte & Mr. Marc Coppens have left Zenitel NV in 2005. They participated in a shareholders agreement dated March 21, 2003, together with 3D NV and De Wilg Gew. Comm. V. As a consequence of their departure at Zenitel NV, the shareholders decided to stop their participation to the shareholders agreement. The shareholders agreement will however continue to exist between the other participants, 3D NV and De Wilg Gew. Comm. V.

ZENITEL is a leading player in the market for reliable, fast, secure and safe communication. Its customers are professional users for whom communication is critical because their work involves protecting human lives or very valuable activities. Zenitel is a listed company (Euronext). The headquarters of Zenitel are in Brussels. For more information: www.zenitel.biz.

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