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First quarter trading update

Zenitel finalized a successful capital increase transaction per 9 May, 2007.

Zenitel Colsys s.r.o. sale was closed on 23 April, 2007.

Zenitel's turnover amounts to 25.7 million EUR, which is in line with expectations, excluding Colsys.

Capital Increase

Zenitel announced a public capital increase transaction on 24 April 2007. The subscription period for the capital increase was closed early on 3 May 2007 at 4pm. The Priority Tranche was subscribed at 74.3%. The Free Tranche was oversubscribed 2.1 times. The capital increase transaction has been finalized in front of a notary public on 9 May, 2007.

The capital increase was initiated to invest in two strategic initiatives, being the further roll-out of the TETRA radio networks, mainly in the Netherlands and Belgium and the further development and sales of Voice over IP (VoIP) applications for the STENTOFON intercom platform. The capital increase will also enable Zenitel to improve its balance sheet structure.

Zenitel Colsys s.r.o.

On 13 April, 2007, a share purchase agreement was signed regarding the sale of Zenitel Colsys s.r.o. The closing of the agreement occurred on Monday 23 April, 2007.

Zenitel Colsys s.r.o. realized 11.7 million EUR turnover in 2006. Zenitel Colsys s.r.o. is a leading Czech company in the field of security weak- and heavy-current installations, measurement, and regulation systems. Zenitel Colsys s.r.o. was deconsolidated per 31 March 2007. Approximately 0.5 million EUR has been accounted for in one-time-items, relating to this sale.

The divestment of Zenitel Colsys s.r.o. is in line with the group strategy, to focus on secure communication systems and services.



First Quarter Trading Update

Turnover in the first quarter of 2007 amounts to 25.7 million EUR compared to 30.2 million EUR in the first quarter of 2006. This turnover is in line with expectations, excluding Colsys. The turnover in 2006 was still 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.

Zenitel is organized into three key areas, also with geographical focus: Products and Distribution, System Integration and Networks.

The *NAUI* (Nordics, Asia, USA and Italy) region, strong in own and third party products and some system integration increased its turnover substantially compared to 2006. This was partly due to increased intercom product sales in the Marine segment (both Asia and Norway) and in the Direct Sales to Distributors. Margins also slightly improved compared to 2006.

Europe 1 (Netherlands, Denmark, the Czech Republic (until 31 March, 2007) and the Caribbean) is Zenitel's primary network territory. This region closed in March with decreased turnover compared to 2006, mainly due to decreased turnover in the System Integration business in the Netherlands (-4.6 million EUR), since the revenues in the first quarter of 2006 were still heavily influenced by LARA sales relating to the large initial C2000 orders. The Netherlands is now awaiting the signature of a new framework agreement relating to LARA2. In 2006, approximately 0.4 million EUR turnover was still included relating to Zenitel UK, as subsidiary that has been sold shortly after Q2 2006. After the capital increase, the focus for Europe 1 will be to further provide TETRA radio coverage in strategic areas and connect RGU's to the TETRA networks. Margins improved, mainly in the Netherlands, since the distribution of 3rd party products resulted in lower margins in 2006.

Lastly, Europe 2 (Belgium and France) has a focus on system integration and product sales.

The region's sales decreased mildly as a result of decreasing sales in Belgium, due to lower revenues relating to ASTRID, partially offset by higher revenues in Zenitel Wireless France.



Contracts and Growth

Zenitel announces a backlog of 57 million EUR per 31 March 2007, excluding Colsys, compared to 60.9 million EUR per 31 December 2006 excluding Colsys. This decrease is mainly the result of the further deliveries that occurred in Belgium mainly relating to deliveries of mobile data terminals to police and in France relating to the Caracas project, whereby the signing of some new contracts was postponed. Since 31 March 2007, Zenitel Belgium signed a large contract for Coastal Stations in Mozambique and Zenitel Wireless France an extension contract for the Caracas subway. It should also be noted that Zenitel Belgium has, in line with its strategy, been able to sign a first small confined area project in a private building. This project will provide for TETRA radio coverage for fire brigade and police, in case of emergencies.

Since 31 December 2006, an additional 222 new VoIP (Voice over IP) switches have been sold, resulting in a total installed base of this new product of approximately 758 systems. At the same time, the new IP-based (sub-)stations have been presented to the market, enabling, in time, easier installation of the new intercom products. After the capital increase, Zenitel will further invest in development of its new IP product line.

Thanks to the successful capital increase, Zenitel will also further invest in radio coverage in strategic areas in the Netherlands and the Belgian Antwerp Harbour area. These investments should allow Zenitel to further grow its RGU's on the MCCN networks (Mission Critical Communications Network) in Belgium and the Netherlands. Currently Zenitel holds a contracted total of 7,034 RGU's in its TETRA networks in the Caribbean and Belgium and the Netherlands.

Outlook

Management believes 2007 will still be a year of further consolidation and continued investments. This will allow Zenitel to prosper in the longer run.

Based on the Q1 performance and given the sale of Colsys, management confirms its outlook as presented in its press release per 30 March, 2007.

ZENITEL is a leading player in instant audio and data communication. Communication products, communication networks and system integration services that are so reliable, so fast and so secure, they are also used as critical communication tools at a time of crisis. Zenitel communication is the preferred choice for those in authority or whose work involves protecting human lives or managing vital activities.

Zenitel is organized into three regions, each of which has a focus on, but is not exclusively dedicated to, one of Zenitel's key principle offerings: own Intercom products, System Integration services and Network Services.

Zenitel is a listed company (Euronext). The headquarters of Zenitel are in Brussels. For more information: www.zenitel.com.

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