Press release:
30 March 2007 – 8h30 am

Zellik, 30 March 2007

Zenitel realizes a positive recurrent EBITDA of EUR 2.3 million in 2006, an improvement of EUR 4.1 million compared to 2005.

Due to the successful restructurings and reorganizations that started in 2005, EBITDA in 2006, including one-time items, was favourably impacted (increase from EUR – 5.6 million to EUR 1.7 million).

The new Stentofon intercom product (Voice over IP) Alphacom-E was successfully launched and welcomed by Zenitel's customers in 2006.

The Zenitel TETRA radio networks in the Caribbean (ChuChubi) , the Netherlands and in the Antwerp harbour region (MCCN) will prove to be important enablers of future sustainable growth.

1. YEAR 2006 VERSUS YEAR 2005

Group turnover[1] decreased by 7.8% from EUR 125 million in 2005 to EUR 115 million in 2006.
The revenue decrease is mainly due to lower revenues realized in Belgium (EUR -5.2 million), the Netherlands (EUR -6.6 million) and Colsys (EUR -3.4 million).

During 2005, in **Belgium** large deliveries were made relating to equipment for the ASTRID network. Even though revenues decreased in 2006, a better margin could be generated on this revenue. The same occurred in **The Netherlands**, where in 2005 more equipment for the police, fire brigades and emergency services on the Dutch public C2000 TETRA network were delivered.

The revenues of Colsys decreased substantially, since 2005 was a very good year, thanks to the finalization of a large project at Terminal 2 of Prague Airport.

Denmark realized a very good year (EUR +0.9 million) thanks to a large police project, relating to the installation of command and control centers in different regions of Denmark.

International Projects revenue in **France** (EUR + 0.8 million) improved mainly because of the subway installations in both Caracas and Los Teques.

The Networks revenue in the **Caribbean** increased (EUR +1.2 million) due to the growth in the number of users on the ChuChubi network.

Revenues in both the **onshore and marine intercom** business increased, also thanks to the introduction of the new VoIP product (EUR +1.6 million).

1 Turnover: Sales and change in contracts in progress

Total order backlog increased over the past year from EUR 58.6 million (of which EUR 14.4 million related to revenue beyond 2006) to EUR 70.1 million (of which EUR 27.9 million relates to revenue beyond 2007).

The decrease in other operating income from EUR 2.2 million to EUR 0.5 million can mainly be explained by the fact that during 2005, EUR 1.3 million related to the sale of a building in Deurne.

During 2005, the negative recurrent EBITDA[2] of EUR -1.8 million was severely impacted by the company's actions in trying to bring some problematic projects to an end. The recurrent EBITDA of 2006, is EUR 4.1 million better, and amounts to EUR +2.3 million. This is the highest since financial year 2001.

EBITDA[3] in 2006, including one-time items to the amount of EUR -0.6 million, increased to EUR 1.7 million compared to EUR -5.6 million in 2005. One-time items in 2006, mainly relate to old projects and litigations Zenitel is trying to finalize.

YTD (in KEUR)	**31/12/2006**	**31/12/2005**
One-time-items	**581**	**3.784**
Total restructuring	- 53	4.094
Old projects	501	585
Start-up MCCN	-	282
Capital gains building	- -	1.378
Legal case	-	200
Sale subsidiary	84	-
Other	50	-

EBIT[4] in 2006 amounted to EUR -1.6 million, an improvement from 2005, when it was EUR – 8.5 million.

Total net financial expense amounted to EUR -1.9 million compared to EUR -1.3 million in 2005. This increase is due to the higher debt position in 2006. During 2005, Zenitel was able to benefit from the cash proceeds from the capital increase of February 2005. At the same time, in 2005 and during 2006, Zenitel continued to invest in its Network business. This resulted in additional debt for MCCN and ChuChubi.

Income taxes amount to EUR -0.2 million compared to EUR -1.2 million in 2005. The tax expense in 2005 mainly related to the reversal of the deferred asset for Zenitel NV (relating to carry forward losses).

The consolidated net result of the Zenitel Group shows a loss of EUR -3.7 million, compared to EUR -10.9 million in 2005. Earnings per share, after correction of the treasury shares were EUR – 0.38, compared to EUR -1.23 in 2005.

[2] Recurrent EBITDA(Earnings Before Interest, Taxes, Depreciations and Amortizations) : Profit/ (Loss) from operating activities plus depreciation & amortization and plus impairment losses on current assets, excluding the one-time items

[3] EBITDA : Profit/ (Loss) from operating activities plus depreciation & amortization and plus impairment losses on current assets

[4] EBIT (Earnings Before Interest & Taxes) = Profit/ (Loss) from operating activities

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Zenitel - Consolidated income statement per 31 December 2006

Analysis of operating results by nature	**Year ended 31 December**	
(thousands of EUR)	**2006**	**2005**
Sales	118.383	123.571
Change in the value of contracts in progress (increase / (decrease))	-3.070	1.467
Other operating income	523	2.203
Total revenues	***115.836***	***127.241***
Change in inventories of finished goods and work in progress	-1.403	-430
Cost of goods & services sold	63.303	73.957
Salaries and employee benefits expense	35.585	36.596
Depreciation and amortization	2.623	1.935
Impairment losses on goodwill	-	401
Write offs on current assets	720	588
Other operating charges	16.612	22.702
Total operating expenses	***117.440***	***135.749***
Net finance costs	-1.891	-1.267
Profit/(Loss) from ordinary operating activities before tax	**-3.495**	**-9.775**
Income tax expense	-156	-1.170
Profit / (loss) for the year	**-3.651**	**-10.945**
Atributable to:		
Equity holders of the parent	-3.651	-10.945
Earnings per share		
From continuing and discontinued operations		
Weighted average number of ordinary shares in issue ('000)	9.614	8.874
Basic earnings per share	-0,38	-1,23
Diluted earnings per share	-0,38	-1,23

- We refer to the annual report of 2006, for the valuation rules and for the detailed notes to the financial statements, which form an integral part of the financial statements.
- The annual report is available via www.zenitel.com or at the company's headquarters (Z1. Research Park Zellik, Pontbeek 63, 1731 Zellik, Belgium)

Segment Reporting

As from 1 January 2006, the operations are organized in three regions, each with a focus on one of Zenitel's key offerings. In 2005, Zenitel was still organized in two business units, Wireless Solutions and Communication and Security Systems. For the purpose of this report, the 2005 figures have been restated following the regional reporting structure.

Europe 1[5]
Segment report EU1
In EUR ('000)

	31/12/2006	31/12/2005
Turnover (sales inc WIP)	44,311	51,720
Recurrent (*) EBITDA	2,795	1,805
Recurrent (*) EBIT	467	449

* Before restructuring costs, excluding capital gain from divestments or other one-time items and before allocation of corporate expenses

The turnover of the Europe 1-region decreased by EUR 7.4 million. The decrease is mainly due to lower revenues realized in the Netherlands (EUR -6.6 million), since 2005 sales included sales for LARA, and Colsys (EUR -3.4 million), offset by the Danish revenue increase (EUR 0.9 million) thanks to a large police project - relating to the installation of command and control centers in different regions of Denmark - and the increase in networks revenue in the Caribbean (EUR 1.2 million) due to the growth in the number of users on the ChuChubi network.

The EBITDA increased substantially, which is mainly due to the increased EBITDA in the Caribbean (EUR 0.8 million). The remaining increase is due to the fact that during 2005, Zenitel UK was consolidated for 12 months. Zenitel UK was loss-making in 2005 (EUR -0.4 million). Per 30 June 2006, Zenitel UK has been sold.
Due to the depreciation charges, relating to the investments in both networks (ChuChubi and MCCN), EBIT has not increased.

[5] Countries – Netherlands, Dutch Antilles, Denmark, Czech Republic, UK

Europe 2[6]
Segment report EU2
In EUR ('000)

	31/12/2006	31/12/2005
Turnover (sales inc WIP)	28,943	33,303
Recurrent (*) EBITDA	2,266	(601)
Recurrent (*) EBIT	2,167	(618)

* Before restructuring costs, excluding capital gain from divestments or other one-time items and before allocation of corporate expenses

The decrease in turnover is mainly due to lower revenues realized in Belgium (EUR - 5.2 million), compensated by better revenues in **France** (EUR + 0.8 million) thanks to the subway installations in both Caracas and Los Teques.

The improved recurrent EBITDA is largely related to the improvement in the recurrent EBITDA of Zenitel Wireless France by EUR 2.4 million. The same movement can be seen in the recurrent EBIT.

NAUI[7]
Segment report NAUI
In EUR ('000)

	31/12/2006	31/12/2005
Turnover (sales inc WIP)	44,989	42,963
Recurrent (*) EBITDA	4,692	700
Recurrent (*) EBIT	4,333	(355)

* Before restructuring costs, excluding capital gain from divestments or other one-time items and before allocation of corporate expenses

Revenues in both the **onshore and marine intercom** business increased (EUR +1.6 million), also thanks to the introduction of the new VoIP product.

The increased EBITDA is due to much better results in Zenitel Wireless Norway (recurrent EBITDA improvement of EUR 1.0 million), but is also due to the fact that operating costs relating to R&D, marketing and product management have been reallocated during 2006 to the support centers (EUR 2.8 million).

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[6] Countries – Belgium, France and International Projects
[7] Countries – Nordics (Sweden, Finland, Norway), Asia (Singapore, China), USA, Italy

2. MAJOR EVENTS

Stentofon VoIP (Voice over IP)

The fully IP-based STENTOFON AlphaCom E intercom system was launched on 1 June, 2006. The commercial launch has been a success and sales picked up more rapidly than expected. During 2006, 495 systems were sold, compared to 41 systems during 2005. Zenitel is now in the process of developing the IP Substations. The combination of both the IP platform and the IP Substations, will result in a substantial decrease of cost of ownership for Zenitel customers, because of the fact that there is no need for proprietary cabling. In 2007, Zenitel will continue to develop IP applications and equipment, in order to be able to serve different customer segments.

ChuChubi

From 2004 onwards, Zenitel started to convert its analogue network in the Caribbean to a TETRA technology based network, called ChuChubi. The digital TETRA technology has superior features, and is considered the new standard for Radio Communication (during 2006, also German and Danish public authorities have chosen TETRA). At the end of 2006, the migration of all analogue users in the Caribbean finished. The total number of users in the Caribbean reached 5,754 RGU (revenue generating users). Further growth in the Caribbean will come from the expansion to some smaller islands and from the sale of applications on TETRA.

MCCN

As of 1 January, 2006, the Dutch TETRA network, MCCN (Mission Critical Communication Networks) became operational. The network started in Amsterdam city, and has now been expanded to the The Hague, Utrecht and the Rotterdam area. At the end of 2006, 1,027 users were contracted. During Q4 2006, Zenitel obtained the permission to start building an MCCN (Mission Critical Communication Networks) TETRA Network in the Antwerp Harbour Area. The first site was operational on 1 January, 2007.

The total operating costs included in EBITDA, relating to the start-up of the MCCN Network in 2006 is estimated at approximately EUR 0.7 million. Zenitel is very positive about the market potential for private TETRA-based networks. However, due to a slower than desired roll-out and the longer than expected sales cycle, the total expected number of RGU's has not been reached. Nevertheless, Zenitel is elated that is has now gained more customers in very important and different customer segments such as private and public safety (city guard ('stadstoezicht'))and museums.

Review of ongoing projects

Still a result of its past, Zenitel is trying to complete some remaining difficult projects. Five projects were identified at the end of 2005. During 2006, three of these have been completed.
One project is approaching its finalization stage, and another project is in the course of renegotiation. An additional one-time-cost relating to this last project has been recorded, amounting to EUR 0.8 million. This one time cost, has been partially offset by the release of a provision, relating to an old litigation (EUR 0.3 million).

Results of restructurings that started in 2005

The restructuring measures that started in 2005 were further executed in 2006. The largest restructuring has been done in France and was completed in 2006. Here the total number of employees reduced from 42 to 16. Besides this decrease, the organization of Zenitel Wireless France started to work in a more integrated way with the Belgian organization, resulting in important synergies and efficiencies. EUR 0.05 million of the restructuring provision was released through one-time items.

The integration of the logistics and administrative department between Marine Sweden and Marine Norway was completed. On a net base, this resulted in an additional saving of 3 FTE’s.
During 2006, and in view of reduced profitability in the USA, a smaller reorganization took place. This reorganization has been performed in order to better align the sales organization with the market and to increase profitability. The associated costs have been recorded in recurrent EBITDA.

3. OUTLOOK 2007

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

Zenitel will further invest and grow in the areas that are important to it, through its AlphaCom E Product, its Networks in the Caribbean, the Netherlands and Belgium, and in Confined Areas.

Zenitel expects the topline in its strategic businesses to grow mildly from the level of 2006. Given however the potential divestment of Colsys, total turnover will be lower in 2007.

The potential divestment of Colsys, the start-up and roll-out of the Networks in the Netherlands and Belgium, and the further required development costs related to the new AlphaCom E applications, will impact the EBITDA. Management believes that these investment efforts in the strategic key offerings of Zenitel are of crucial importance, to ensure future sustainable growth.

Zenitel will substantially grow the number of customers on its networks. It aims to triple the number of RGU's in Belgium and the Netherlands and realize a mild growth on the network in the Caribbean.

Zenitel will also grow the number of new AlphaCom E's that it sells.

Furthermore, management wishes to continue streamlining the organization, like it has done in 2005 and 2006, by integrating different organizational entities successfully. Zenitel sees further potential in this area, especially in the System Integration entities.

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4. RISKS AND UNCERTAINTIES

Liquidity of the company – In accordance with Article 96, 6° of the Belgian Companies Code, the board of directors has to justify the application of the principle of continuity if the balance sheet shows a loss carried forward. In this context the board of directors believes that the significant restructuring efforts from the past and mainly in 2005, and the focus on three core activities (Products & Distribution (mainly intercom), System Integration and Networks) has lead to improved results in 2006. These efforts will be further continued. At the same time, the focus on network revenues and the shift from product distribution to more license driven revenues, will enable the group to realize more recurring and long term income. The company has obtained further support from its main credit providers and financial investors relating to the current lines of credit and investigates alternative financing scenarios. In line with its strategy of focus on critical communication, the divestment of Colsys, will also enable the group to further finance its network activities and development efforts in VoIP.

Contingent liabilities – On December 31, 2006, the Group had contingent liabilities (€ 0.7 million) based on estimated probability of possible obligations, with uncertainty on timing and/or amount, arising in the course of the business. The contingent liabilities relates to possible obligations in respect of soil contamination, local authorities and redundancies.

At the same time, the company still has to close one difficult project. The company is still of the opinion that it will be able to finalize the project. The total recorded net asset related to this project amounts to EUR 1.5 million.

Provisions were set up, based on the current situation of the different files, in order to cover the risks linked to some of these litigations.

5. IMPORTANT SUBSEQUENT EVENTS

Colsys – A share purchase agreement is expected to be signed in 2007, between Zenitel Norway AS, a subsidiary of Zenitel NV, and an industrial investor in the Czech Republic, regarding 100% of the shares of Zenitel Colsys s.r.o..
Zenitel Colsys s.r.o. realized EUR 11.7 million turnover in 2006. Zenitel Colsys s.r.o. (‘Colsys’ or ‘Company’) is a leading Czech company in the field of security, weak- and heavy-current installations, measurement, and regulation systems. It is located in Kladno (20km West of Prague) with offices in Prague, Brno and Louny.
The divestment of Zenitel Colsys s.r.o. is in line with the group strategy, to focus on secure communication systems only. The transaction will most probably result in a transaction loss of EUR 0.5 million, which will be included in the one-time items line of the group results of 2007.

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6. SHAREHOLDER ITEMS

The Board of Directors will propose to the General Assembly the renomination of Mr. Frank Donck and 'De Wilg GCV' represented by Mr. Dirk Van Tricht as directors.

The Board of Directors will also propose the renomination of Deloitte Bedrijfsrevisoren BV ovve CVBA, represented by Mr. William Blomme.

The financial information has been confirmed by the Board of Directors per March 29th 2007.

7. FINANCIAL CALENDAR 2007

2007	
30/03/2007	Results 2006
30/04/2007	Annual General Shareholders' Meeting
11/05/2007	Q1 Trading Update
07/09/2007	Half-year Results 2007
09/11/2007	Q3 Trading Update
2008	
31/03/2008	Results 2007
28/04/2008	Annual General Shareholders' Meeting

8. REPORT BY THE CERTIFIED AUDITOR

The statutory auditor confirmed that his audit work has been finalized in-depth and did not reveal any significant adjustments to the financial information included in the press release.

The statutory auditor will, unless the circumstances should meanwhile modify, include an emphasis of matter paragraph in his opinion drawing the attention to the following uncertainty.

Although the group has incurred significant losses that fundamentally affect the financial position, the board of directors, assuming the group's ability to continue as a going concern, evaluated the net book value of capitalized development expenses, goodwill, deferred tax assets, work in progress and related receivables and has confirmed that the depreciations and provisions as recognized in the financials as per 31 December 2006 are sufficient.
This assumption is valid, only to the extent that the group realises its financial, technical and commercial goals, as foreseen in its business plan to attain sufficient future profitability to sustain the carrying value of these assets. The assumption to continue as a going concern is only valid in case the group has access to short and medium term financing. The group is dependent on the continued financial support of the shareholders and other financing sources.

Brussels, 29 March 2007

Certified auditor
Deloitte Bedrijfsrevisoren
BV ovve CVBA
Represented by
Mr. William Blomme

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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APPENDIX 1
CONSOLIDATED BALANCE SHEET

(thousands of EUR)	Year ended December 31	
ASSETS	**2006**	**2005**
Non-current assets		
Property, plant and equipment	15,598	15,130
Goodwill	8,555	8,617
Other intangible assets	1,657	1,613
Available-for-sale investments	301	296
Receivables	2,054	3,095
Deferred tax assets	2,348	2,381
Total non-current assets	***30,513***	***31,132***
Current assets		
Inventories	10,647	12,042
Contracts in progress	6,502	9,578
Trade debtors	25,533	26,894
Other amounts receivable	2,782	2,324
Deferred charges and accrued income	1,103	1,026
Cash and cash equivalents	3,594	6,642
	50,161	58,506
Assets classified as held for sale	6,440	0
Total current assets	***56,601***	***58,506***
TOTAL ASSETS	**87,114**	**89,638**

(thousands of EUR)	Year ended December 31	
EQUITY AND LIABILITIES	**2006**	**2005**
Shareholders' Equity		
Ordinary shares	14,850	14,850
Share premium account	6,795	6,795
SOP Reserve	170	121
Consolidated reserves	-2,920	731
Translation differences (+) (-)	2,192	2,244
Treasury shares	-2,958	-2,958
Equity attributable to equity holders of the parent	18,129	21,783
Total equity	***18,129***	***21,783***
Non-current liabilities		
Interest bearing loans and borrowings	7,542	7,255
Retirement benefit obligations	4,616	5,266
Deferred tax liabilities	-	8
Provisions	178	310
Other liabilities	70	103
Total non-current liabilities	***12,406***	***12,942***
Current liabilities		
Trade payables	20,258	26,102
Other payables	11,694	13,449
Borrowings	14,058	7,648
Current tax liabilities	1,652	1,546
Provisions	5,010	6,168
	52,672	54,913
Liabilities directly associated with assets classified as held for sale	3,907	0
Total current liabilities	***56,579***	***54,913***
TOTAL EQUITY AND LIABILITIES	**87,114**	**89,638**

APPENDIX 2
CONSOLIDATED CASH FLOW STATEMENT

(thousands of EUR)	Year ended December 31	
	2006	2005
Cash flows from operations		
Cash flows generated from operations	-4,183	-4,852
Interest paid	-1,349	-948
Taxes paid	-148	-81
Net cash from operating activities	***-5,680***	***-5,881***
Cash flows from investing activities		
Acquisition of subsidiary, net of cash	-10	-113
Payments for property, plant and equipment	-4,955	-4,928
Payments for intangible assets	-508	-1,343
Disposal of subsidiary, net of cash	77	-
Proceeds from sale of plant, property and equipment	623	1,176
Interest received	84	74
Net cash used in investing activities	***-4,689***	***-5,134***
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	14,211
Proceeds from borrowings	8,367	1,861
Loan repayment received	391	-
Loans made	-	-638
Repayment of borrowings	-1,237	-897
Net cash used in financing activities	***7,521***	***14,537***
Net (decrease)/increase in cash and cash equivalents	**-2,848**	**3,522**
Movement in cash and cash equivalents		
At start of the year	39	-3,380
(Decrease)/increase	-2,848	3,522
Effect of exchange rate changes	47	-103
At the end of the year	***-2,762***	***39***
Total Cash and cash equivalents	4,162	6,642
(Bank overdrafts)	-420	-608
(Bank borrowings)	-6,504	-5,995
Net cash and cash equivalents at the end of the year	***-2,762***	***39***

APPENDIX 3
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(thousands of EUR)	Share capital	Share premium	Treasury shares	Accumulated TRANSLATION adjustments	Reserve for warrants	Retained earnings	Total
Year ended December 31, 2005							
Balance on January 1, 2005							
As previously reported	33,631	40,456	-2,958	1,893	0	-54,976	18,046
Capital increase (net of costs)	2,871	11,339					14,210
Transfer from one heading to another*	-21,652	-45,000				66,652	0
Currency translation difference				351			351
Other					121		121
Net loss 2005						-10,945	-10,945
Balance on December 31, 2005	***14,850***	***6,795***	***-2,958***	***2,244***	***121***	***731***	***21,783***
Year ended December 31, 2006							
Balance on January 1, 2006							
As previously reported	14,850	6,795	-2,958	2,244	121	731	21,783
Capital increase (net of costs)							0
Transfer from one heading to another							0
Currency translation difference				-52			-52
Net profit/(loss) 2006					49	-3,651	-3,602
Balance on December 31, 2006	***14,850***	***6,795***	***-2,958***	***2,192***	***170***	***-2,920***	***18,129***

*: Transfer relates to a capital decrease by incorporation of accumulated losses.