



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

Secure Communication Systems division (SCS) (mainly Intercom) shows double digit growth (12%)

In the networks business, 320 users were added. Increased interest in TETRA networks also results in more tenders and offers sent out to customers.

System Integration business continues to under perform and order intake remains low.

Year-to-date turnover, until March 2008, amounts to 21.5 million EUR, compared to 23.2 million EUR in 2007, excluding Colsys (sold in April 2007). This 2008 turnover is the result of a growth in turnover in SCS by 12% compared to 2007, negatively impacted by a decline in turnover in System Integration.

Since 1 January, Zenitel is organized into its three key offerings: Secure Communications Systems (mainly Intercom), system integration and networks.

Secure Communication Systems focuses mainly on intercom sales in both the Marine and Onshore segment. Turnover grew by 12% compared to 2007, mainly thanks to important order intake in the Marine segment, especially in Asia and Norway. Also the onshore business is showing increased interest, thanks to our IP platforms and new station range. 2008 will be a year of continued development efforts, especially in the new VoIP master stations. These new stations will be launched on the IFSEC trade fair this week. Also the migration of the older intercom systems towards the Alphacom E platform remains on track. At the same time discussions are held in order to close OEM and/or partnership agreements.

In the *Networks* (ChuChubi and MCCN) business the Caribbean Network continuous to add additional users (+ 208 since 31/12) to its network. In the mean time the ChuChubi network has also been extended to the French Saint Martin.

The MCCN network has now been extended to Geel, where Janssen Pharmaceutica signed up with 114 users. In the Netherlands, some large tenders have been issued.



Lastly, the *System Integration* (Belgium, Netherlands, Denmark and International Sales) business remains difficult. Order intake in the first quarter has been very slow. Order intake from the EARS framework contract in the Netherlands is not yet up to speed. Also in Belgium new equipment sales remain slow. In Denmark, Zenitel is suffering from the direct competition of its main supplier. Given the poor results in this segment and as previously announced, Zenitel will further restructure the System Integration business. The first measures were taken by replacing sales and general management in Belgium. At the same time, negotiations with the Belgian Unions are going on, in order to substantially reduce headcount. On the other hand, the international business (coastal stations and metro's) shows increased opportunities.

Contracts and growth

Zenitel announces a further increase in backlog from EUR 67.6 million per 31 December 2007 to EUR 69.3 million. This increase is mainly the result of the large contracts signed in Marine Asia (increase by EUR 4 million).

Outlook

Total revenue is expected to grow mildly, compared to 2007. Despite the challenges and disappointing revenue in the System Integration business, our focus will remain on restoring the profitability of this business.

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 key offerings: Secure Communication Services (mainly Intercom), 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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