



**Press release:  
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Zellik, 31 March 2009

**Stable revenues compared to 2007. Results negatively impacted by slow order intake and substantial transition and restructuring charges in System Integration.**

**Revenues 2008 amount to EUR 92.2 million.**

**Secure Communication Systems grows by 13% (+EUR 6.3 million), mainly thanks to growth in the Marine segment and the continued VoIP developments. Recurrent EBITDA improved by 41.5%.**

**Slow order intake in the System Integration business and delays in the realization of the expected savings, negatively impact the EBITDA. The full benefit of the 2008 restructuring measures will only be noted as from the second quarter of 2009.**

**Networks operations<sup>1</sup> generate slightly negative recurrent EBITDA, as both MCCN and ChuChubi register continued though slow user growth.**

**The group's recurrent EBITDA dropped to EUR - 2.6 million. The net result for the group amounts to EUR -13.5 million.**

**In the context of ensuring the company's going concern, divestments processes have started, especially in the System Integration activity. First results of these processes are expected within few weeks.**

Eugeen Beckers, Chief Executive Officer of Zenitel commented:

"2008 confirmed the trend of the previous years as our Secure Communication Systems segment showed a steady growth in both revenues and operational results, thanks to our continued investments in VoIP technology. At the same time, the already loss making System Integration activities were further negatively impacted by the global economic crisis and by the fact that the full benefits of the restructuring measures will not be realized until June 2009.

Hence, Secure Communications Systems business remains the area where we will continue to invest and to focus our operational efforts. Consequently and in the context of ensuring the company's going concern, we have started divestment processes mainly related to the System Integration parts of the business.

The results of these divestment processes will be carefully evaluated in the best interests of all stakeholders. The first results regarding these ongoing processes are expected in the coming weeks."

<sup>1</sup> Networks operations – Caribbean (ChuChubi) and Belgium & the Netherlands (MCCN)





Notwithstanding the important increase in revenues and recurrent EBITDA (Earnings Before Interest and Tax, Depreciation and Amortization) in 2008 in Secure Communication Systems (from EUR 3.0 million in 2007 to EUR 4.3 million in 2008), the overall recurrent EBITDA decreased from EUR -0.2 million in 2007 to EUR -2.6 million in 2008, mainly due to the decrease in recurrent EBITDA in System Integration, from EUR -0.7 million in 2007 to EUR -4.0 million in 2008. This lower profitability is both due to lower margins realized in the international business, given the slow order intake and low margin projects executed from backlog, and due to the fact that the planned savings from restructurings in Belgium, only started to have an impact as from the fourth quarter.

EBIT (Earnings Before Interest and Tax) in 2008 amounted to EUR -13.0 million compared to EUR -10.6 million in 2007. The 2008 one-time items are mainly influenced by the remaining restructuring provisions and the work on old projects.

YTD (in KEUR)	12/31/2008	12/31/2007
<b>One-time-items</b>	<b>2,658</b>	<b>6,850</b>
Total restructuring	2,324	5,415
Old projects	766	1,028
Reversal old claims for which legal claim period expired	432	-
Sale subsidiary	-	392
Other	-	15

Total net financial expense amounted to EUR -0.2 million compared to EUR -1.7 million in 2007. The higher interest charges, due to higher average borrowings during 2008, were almost completely offset by the foreign exchange gains, especially relating to the NOK.

The consolidated net result of the Zenitel Group shows a loss of EUR -13.5 million, compared to EUR -12.5 million in 2007. Earnings per share, after correction of the treasury shares were EUR -0.82, compared to EUR -0.89 in 2007.

The complete annual report 2008, including the consolidated financial statements and the report of the board of directors can be viewed on and downloaded from our website: [www.zenitel.com](http://www.zenitel.com)

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