



Zenitel Group 2011

Disclaimer

- Various statements contained in this document constitute “forward-looking statements”. Words like “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expects,” “estimates,” “projects,” “positioned,” “strategy,” “budget,” and similar expressions identify these forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted whether expressed or implied, by these forward-looking statements. These factors include: potential adverse developments with respect to our liquidity or results of operations; our significant debt payments and other contractual commitments; our ability to fund and execute our business plan; our ability to generate cash sufficient to service our debt; interest rate and currency exchange rate fluctuations; the impact of new business opportunities requiring significant up-front investments; our ability to attract and retain customers; our ability to compete against other communications businesses; our ability to maintain contracts that are critical to our operations; our ability to respond adequately to technological developments; our ability to develop and maintain back-up for our critical systems; our ability to design networks, obtain and maintain any required (governmental) licenses or approvals and finance construction and development, in a timely manner at reasonable costs and on satisfactory terms and conditions; our ability to have an impact upon, or to respond effectively to, new or modified laws or regulations. We assume no obligation to update these forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

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ZENITEL GROUP

Focus →

When communication is critical

SECURE COMMUNICATION SYSTEMS

NETWORKS



France
Italy
USA
UK
Singapore
Norway
-Global distr network

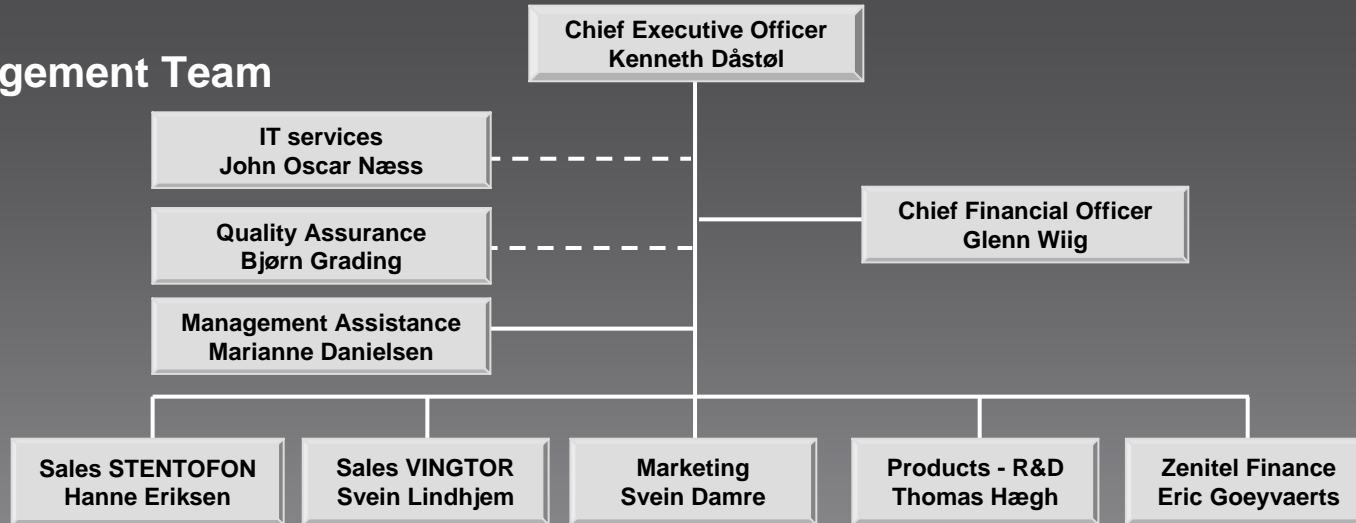
Wireless solutions
Norway
Finland
Denmark

Singapore
Croatia
Germany
Sweden
Singapore
China
Brazil
Norway
- Global customer network

Caribbean

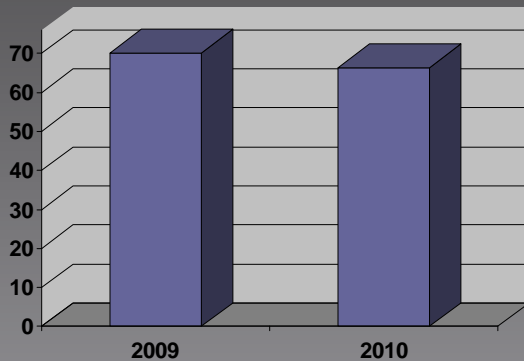
SENIOR

Management Team

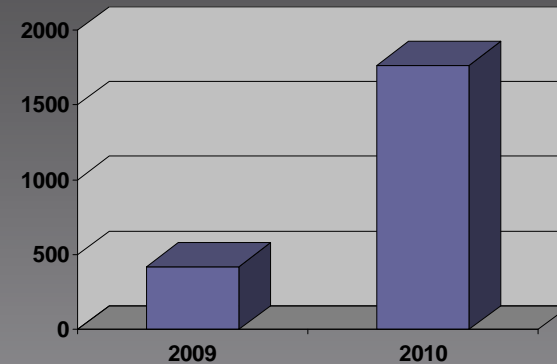


Zenitel results – Continuing Business

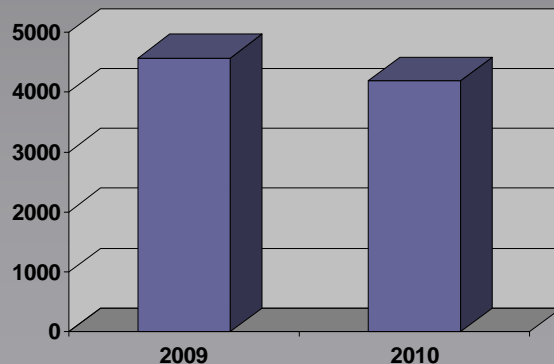
Turnover 66,4 M versus 70,1 M in 2009



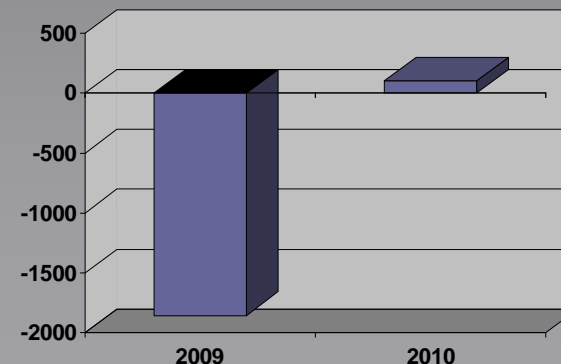
EBIT of 1.766K in 2010 versus 422K in 2009



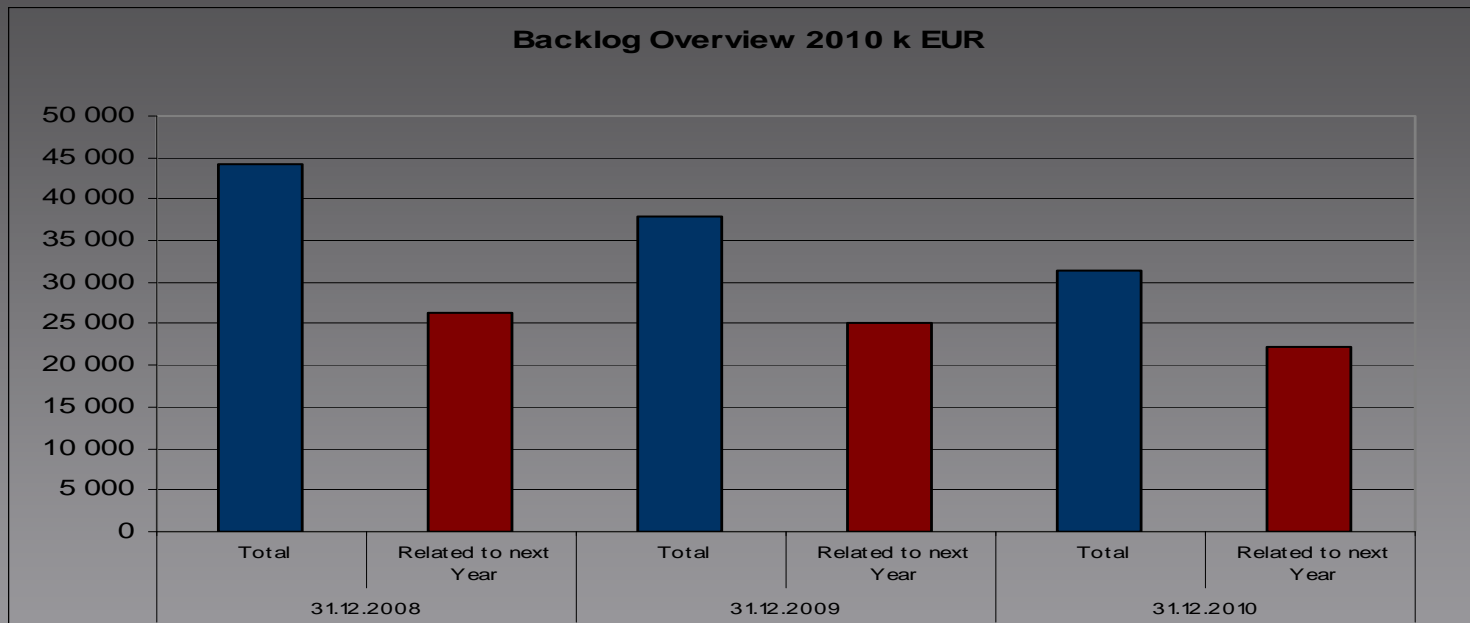
Recurrent EBITDA 4.189 K versus 4.573K in 2009



Net result 2010 103K versus a loss of 1.854K in 2009



Backlog – Overview



Backlog for 2008 restated to continuing business

- Backlog for current year delivery down with €3,0 million
- Total backlog down with €6,4 million

- **Banedanmark GSM-R project, Denmark, value 4,2 million €**
- **Great Belt project Denmark, value 1,6 million €**
- **Fuging power plant, China, Direct sales value k€280**
- **2 X Prisons in Spain, Direct Sales value k€580**
- **Special purpose vessel in Singapore, value k€329**
- **Retrofit offshore vessel, Zenitel Marine Norway value k€430**
- **21 ships to be built in China, Zenitel Marine Asia, k€540**
- **2 X Jails in USA, value k\$ 700**
- **Check Mate Security services, Caribbean, value k€216**
- **Curoil Zenitel Caribbean, value k€156**
- **Zenitel Marine Norway, 1 Ro-Pax vessel built in Croatia, value k€830**
- **Highways in France, value k€500**

VINGTOR and STENTOFON

- Own products
- Industrial design and R&D
- Manufacturing and assembly
- Global export
- Shore and marine
- Distribution channels

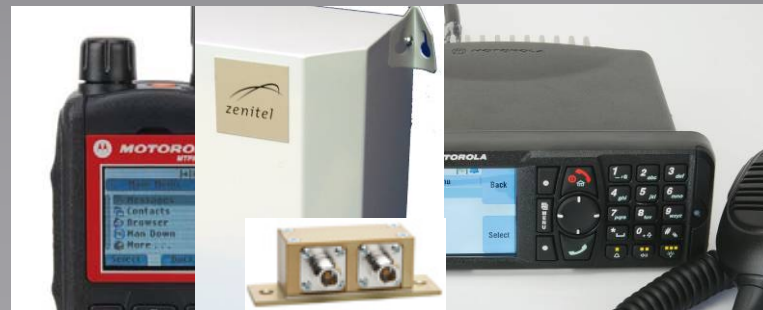




ZENITEL

Solutions, products and applications

- Distribution
- Engineering
- System Design
- Private security radio
- Networks and design
- Service



Curacao

Networks

- # of users end 2008: 6.676
- # of users end 2009: 6.765
- # of users end 2010: 6.936



St Maarten / St Martin



Aruba

- + *St Eustatius*
- + *Saba*
- + *Bonaire (dealer owned and operated)*
- + *extensions in Anguilla and St Martin*

Our brands



VINGTOR

Serving the shipping industry, VINGTOR is one of the world's largest suppliers of onboard critical communication systems for ships.



STENTOFON

STENTOFON analogue and digital (VoIP), state-of-the-art intercom solutions provide a highly dependable platform for critical communication.



Zenitel is a leading solution provider in professional radio communication serving markets requiring secure, critical communication.

Group facts

- Zenitel represented in 15 country in 2011
- Global Distribution Network
- 282 employees

- Belgium
- Caribbean
- China
- Croatia
- Denmark
- Finland
- France
- Germany
- Italy
- Netherlands
- Norway
- Singapore
- United Kingdom
- USA
- Brazil



World Wide distribution partners - our biggest assets

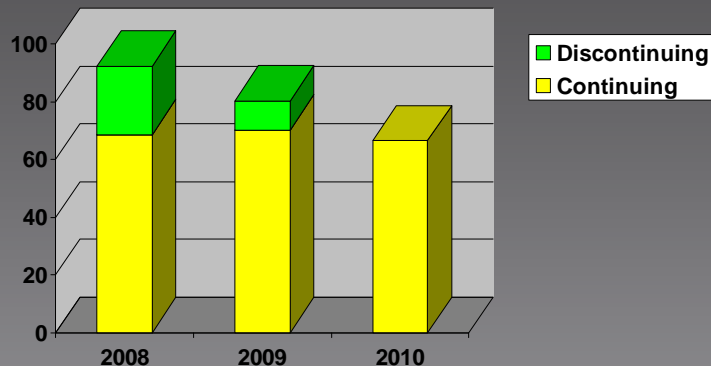
- Loyal and long term relationships
- High technical competence level
- Trained and dedicated customer support
- Engineering and installation
- Local service and customer support
- Partners for solutions and development

CONTENT

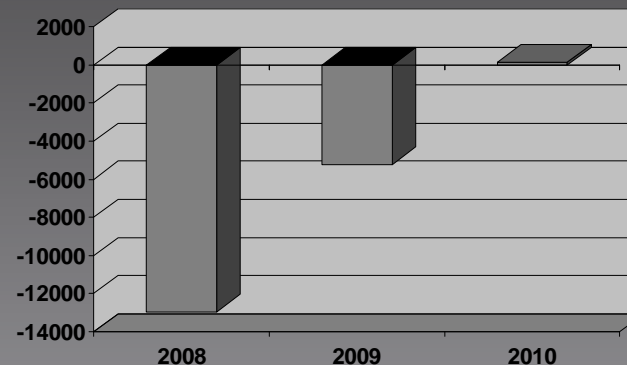
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Zenitel results

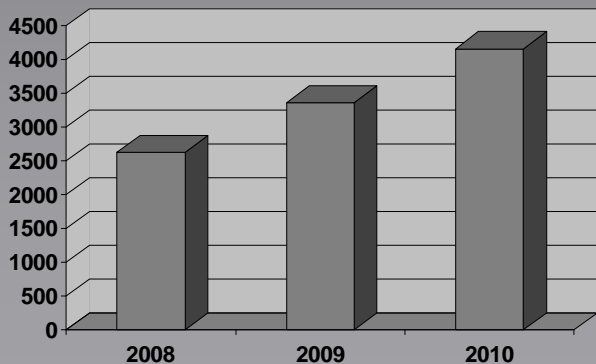
Turnover of 66,4 M. Drop in turnover from WS operations and Marine



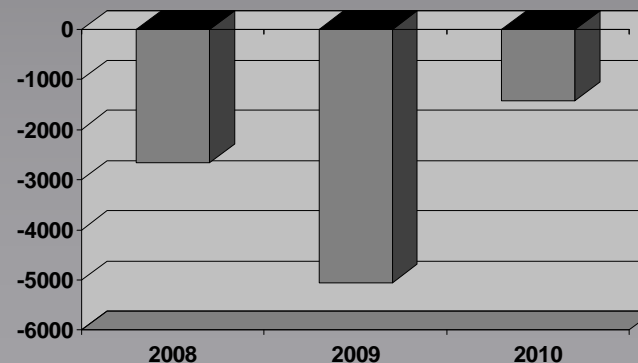
EBIT of 147K versus -5.229K in 2009 and - 12.978 in 2008



Recurrent EBITDA 4.157 versus 3.361K in 2009 and 2.627K in 2008



Non recurring items -1.432K related to divestment , restructuring and old projects



Consolidated income statement

(thousands of EUR)

Year ended December 31

	2010	2009
Continuing operations		
Revenue	66 390	70 113
Other gains and losses	1	469
Raw materials and consumables used	-32 457	-35 137
Employee benefits expenses	-20 842	-21 437
<i>of which reorganization expenses</i>	-399	-1 168
Depreciation and amortization expenses	-2 159	-2 044
Impairment of goodwill	-225	0
Net impairment on current assets	-194	-658
Consulting expenses	-1 566	-3 283
<i>of which reorganization expenses</i>	0	-231
Facility expenses	-4 015	-4 421
Other expenses	-3 168	-3 181
Operating Profit / (Loss)	1 767	422
Finance income	86	79
Finance costs	-1 156	-1 155
Net foreign exchange gains / (losses)	-516	-1 178
Profit / (Loss) before tax	181	-1 832
Income tax expenses / (income)	-78	-22
Profit/(Loss) from continuing operations	103	-1 854
Discontinued operations		
Profit / (Loss) from discontinued operations	-1 641	-6 199
Profit / (loss) for the year	-1 538	-8 053

➔ Revenue reduction driven by project business in Scandinavia.

➔ 5% revenue drop in Marine in 2010

➔ 24% revenue growth in USA and 32% growth in Caribbean

➔ Improved Margin in SCS business

➔ Volatile exchange rate markets

➔ Provisions old projects and claims, 1,7 mill. one time items

➔ Backlog for 2011 remains strong

Consolidated statement of financial position

(thousands of EUR)

Year ended December 31

2010 2009

ASSETS**Non-current assets**

Property, plant and equipment	4 155	4 451
Goodwill	4 139	4 037
Other intangible assets	1 391	1 412
Deferred tax assets	2 460	2 285
Financial assets	1 431	1 916
Other assets	0	16

➔ Deconsolidation and Exchange rate effects

➔ Proceeds from MCCN

Total non-current assets**13 575 14 117****Current assets**

Inventories	7 978	8 350
Contracts in progress	700	3 311
Trade and other receivables	15 136	13 566
Financial assets	430	406
Deferred charges and accrued income	780	976
Cash and cash equivalents	4 113	5 529

➔ Deconsolidation of France and less project business

➔ Repayment of debt

Total current assets**29 137 32 138****TOTAL ASSETS****42 712 46 255**

Consolidated statement of financial position - Cont

(thousands of EUR)

Year ended December 31

2010

2009

EQUITY AND LIABILITIES

Capital and reserves

Capital	25 274	25 274
Share premium account	15 115	15 115
Reserves	3 658	2 037
Retained earnings	-35 827	-34 290
Treasury shares	-2 958	-2 958
<i>Equity attributable to equity holders of the parent</i>	5 262	5 179
Total equity	5 262	5 179

➔ Opening balance 2009 restated with 2,4 millions due to retirement benefit obligations

➔ Total equity increase the same due to currency gains

Non-current liabilities

Interest bearing loans and borrowings	9 258	11 565
Retirement benefit obligations	626	1 446
Deferred tax liabilities	14	13
Provisions	1 625	1 945
Total non-current liabilities	11 523	14 969

➔ Down payments of loans

➔ Change of pension plans in Norway

Current liabilities

Trade and other payables	16 620	16 802
Borrowings	3 552	2 698
Current tax liabilities	522	692
Retirement benefit obligations	86	162
Provisions	5 147	5 754
Total current liabilities	25 927	26 107

➔ Total provisions decreases with 1,0 million due to deconsolidation impacts

TOTAL EQUITY AND LIABILITIES

42 712

46 255

CONTENT

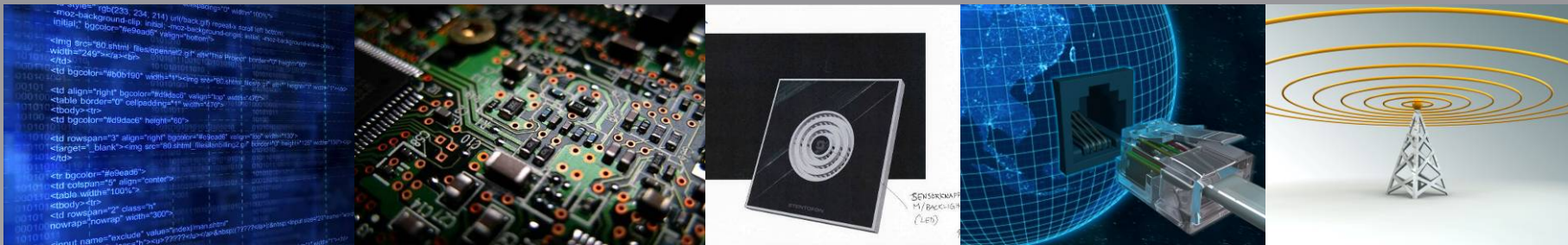
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Strategy

- **Continue to grow our profitable SCS and Chuchubi Network activities by investing in:**
 - Our People
 - Our Partners and Customers
 - Our Products
 - Our own brands; STENTOFON, VINGTOR and ZENITEL
- **Further expand geographical distribution**
- **High focus on solving customer needs by using Zenitel products**

Conclusions

- Divestments of non core business executed according to plan in 2009
- Financial position has improved due to debt reduction and repayment
- Continued investments in own products
- Finally, we are optimistic that economies will continue to recover, and are confident in our ability to grow and to leverage this growth with the cost structure changes and operational improvements we have made over the last two years.
- We therefore expect that the results of the company in 2011, will allow to further expand our Secure Communication Systems and ChuChubi businesses as well as to further reduce the financial debts.



Thank you for the attention

