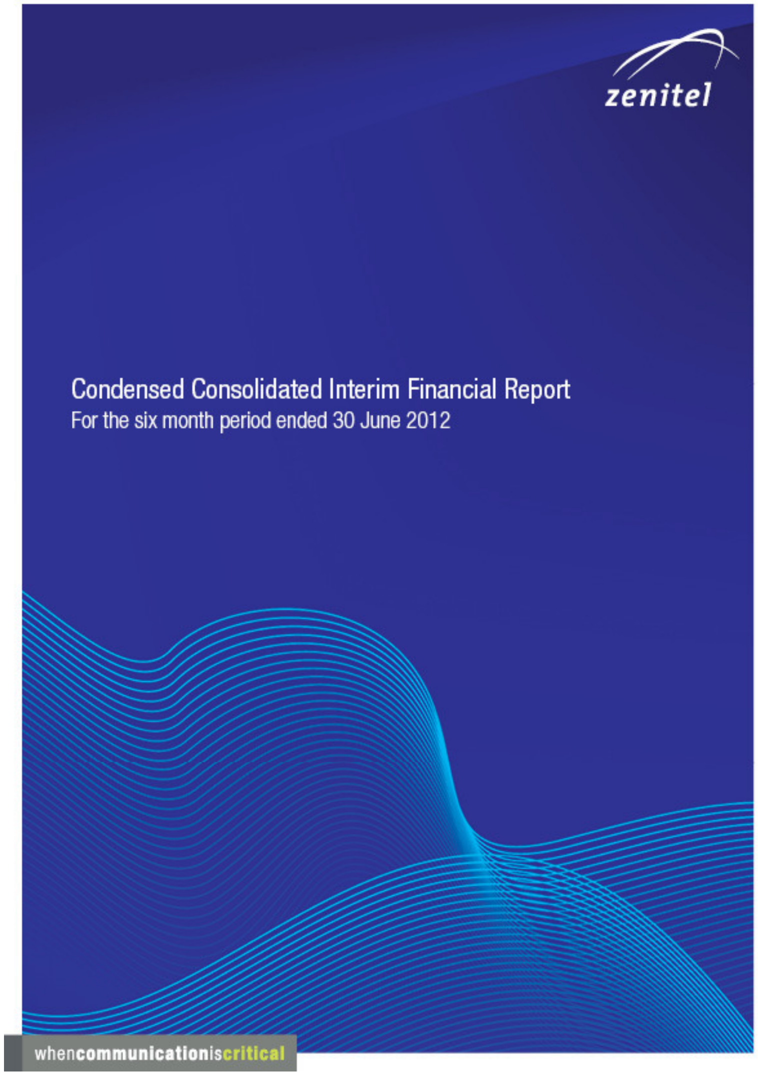

Introduction

Zenitel NV/SA (the “Company) is a limited liability company organized under the laws of Belgium. The Consolidated interim financial statements for the six months period ended 30 June 2012, comprise the company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities. Other notations and definitions herein apply as presented in our 2011 annual report, published on 22 March 2012 (the “Annual Report”). A copy is available on our website at www.zenitel.com.

Basis of Preparation

The condensed consolidated interim financial statements of Zenitel NV/SA as of and for the six months period ended 30 June 2012 and 2011, and the audited annual financial statements as of the year ended 31 December 2011 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and with IAS 34, Interim Financial Reporting.

Information regarding forward-looking statements

This document includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology including the terms “believes”, “estimates”, “anticipates”, “aims”, “expects”, “intends”, “may”, “will”, “would”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution that forward-looking statements are not guarantees of future performance. Our actual results of operations, financial condition and liquidity and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this report. In addition, even if our results of operations, financial condition and liquidity and the development of the industry in which we operate are consistent with the forward-looking statements contained in this report, those results or developments may not be indicative of results or developments in future periods.

We do not undertake any obligation and do not intend to review or confirm expectations or estimates or to release publicly any revisions to any forward-looking statements that reflect events or circumstances occurring after the date of this document.

We urge you to read the sections of our 2011 Annual Report for a more complete discussion of (risk) factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this document may not occur.

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ABOUT ZENITEL Zenitel is a leading player in instant audio and data communication. Zenitel's communication products and networks are so fast and so secure that 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 two key offerings, each of which has a focus on, but is not exclusively dedicated to, one of Zenitel's key principle offerings: Own Intercom Products and 3rd Party Products and Network Services. Zenitel is a listed company (Euronext). The headquarters of Zenitel are in Brussels.

1. MANAGEMENT DISCUSSION & ANALYSIS

1.1. Introduction

The following discussion and analysis are based on the condensed consolidated interim financial statements of Zenitel NV/SA for the six months ended 30 June 2012 and 2011, and the audited consolidated financial statements of Zenitel NV/SA for the period ended 31 December 2011, prepared in accordance with IFRS as adopted by the EU. We have included selected financial information on Zenitel NV/SA as of and for the relevant periods. You should read the condensed consolidated interim financial statements attached hereto, including the notes thereto, along with the following discussion and analysis.

1.2 Financial highlights

From condensed consolidated interim statement of comprehensive income	As at and for the six month ended June 30	
(In thousands of Euro)	2012	2011
Revenue	31,553	30,192
Recurrent EBITDA (1)	2,174	1,908
Operating profit - EBIT (2)	1,021	743
Net result for the period	349	228
From condensed consolidated interim statement of financial position	**June 30**	**December 31**
In thousands of Euro	2012	2011
Total balance sheet	38,946	41,221
Shareholders' equity	7,053	5,862
Working capital	1,218	2,171
Total debt (3)	10,092	11,475
Total provisions (4)	5,828	6,270
Cash and cash equivalents	4,430	4,294
From Cash flow statement	**As at and for the six months ended June 30**	
In thousands of Euro	2012	2011
Total cash flow	(80)	(375)
Cash flow from operations	2,427	1,546
Ratios	**June 30**	**December 31**
	2012	2011
Equity ratio	18.1%	14.2%
Weighted average number of shares (in thousands)	16,441	16,441
Basic earnings per share (EUR)	0.02	0.01
Diluted earnings per share (EUR)	0.02	0.01
Equity / Share (EUR)	0.43	0.36
Other key figures	**June 30**	**December 31**
	2012	2011
Personnel	245	246

(1) Recurrent EBITDA: earnings before interest & taxes, depreciation and amortization plus write-offs on current assets and one-time results - This is a non GAAP measure.

(2) EBIT: earnings before interest & taxes - This is a non GAAP measure.

(3) Total debt: long term and short term interest bearing loans and borrowings

(4) Total provisions: Retirement benefit obligations + provisions (both current and non-current)

1.3. Analysis results of the six months period ended 30 June 2012

Revenue of the first half year 2012 amounts to EUR 31.6 million. This represents an increase by EUR 1.4 million or 4.5% compared to the first half of 2011. Secure Communication Systems (SCS) revenue for the first half year of 2012 amounted to EUR 29.1 million, EUR 1.2 million or 4.5% up from last year. Revenue from the Caribbean business amounted to EUR 2.4 million, EUR 0.1 million or 5.1% higher than last year. The increase of the *SCS* revenue is mainly driven by an increase of project business in Scandinavia and the Stentofon business. The *Caribbean* business continues to generate stable revenues.

Recurrent EBITDA increased from EUR 1.9 million in the previous year to EUR 2.2 million in 2012, an increase of EUR 0.3 million or 14.0%. This increase is driven by the revenue increase on the one hand and operational efficiency improvements on the other hand. For the same reasons, ***Operating profit or EBIT*** increased from EUR 0.7 million in the previous year to EUR 1.0 million in 2012. Operating expenses stayed in line with the previous year.

The decrease of the ***Financial results*** by EUR -0.2 million to EUR -0.6 million is explained by a favourable non-recurrent item of EUR 0.2 million that was included in the 2011 half year financial income. ***Income tax expenses*** are small and stayed in line with last year.

The ***Net result*** for the first half year of 2012 amounts to EUR 0.3 million, EUR 0.1 million higher than the previous year. In 2012 there were no non-recurrent items, while in the previous year a total amount of EUR 0.3 million non-recurrent favourable items were included in the net result.

Earnings per share amount to EUR 0.02 in the first semester of 2012 against EUR 0.01 in the first semester of 2011.

Cash flow from operations amounted to EUR 2.5 million against EUR 1.5 million in the previous year. Cash flow from investing activities amounted to EUR -0.7 million (2011: -0.2 million) and a net amount of EUR 1.4 million borrowings were repaid in the first semester (2011: EUR 1.3 million). As a result Total debt and Total provisions decreased by EUR 1.8 million from EUR 17.8 million at year end 2011 to EUR 15.9 million as per June 30, 2012.

1.4. Post balance sheet events

No items to report.

1.5 Going concern

The board of directors is of the opinion that the application of the existing valuation rules under going concern is justified. It refers to the justification of the application of the valuation rules under going concern (Art 96.6° of the Belgian Company code) included in the board report on the annual results of 2011 (Annual Report 2011).

1.6. Forward-looking statements

We expect to continue to improve our balance sheet through sustained positive results and further debt reduction.

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2. FINANCIAL DATA

2.1. Condensed consolidated interim statement of comprehensive income

In thousands of Euro, except per share amounts	For the six months ended June 30, 2012	2011
Revenue	31,553	30,192
Other gains and losses	(0)	(3)
Raw materials and consumables used	(14,883)	(13,705)
Salaries and employee benefits	(10,020)	(10,240)
Depreciation and amortization	(895)	(942)
Net impairment in current assets	(259)	(354)
Consulting expenses	(556)	(293)
Facility expenses	(2,180)	(2,153)
Other expenses	(1,741)	(1,759)
Operating Profit / (Loss)	**1,021**	**743**
Finance income	7	240
Finance costs	(514)	(570)
Net foreign exchange gains / (losses)	(130)	(135)
Share of profit / (loss) from equity accounted investments	9	0
Profit / (Loss) before tax	**392**	**278**
Income tax expense	(43)	(50)
Profit / (Loss) for the period	**349**	**228**

In thousands of Euro, except per share amounts	For the six months ended June 30, 2012	2011
Other comprehensive income		
Exchange differences arising on translation of foreign operations	842	(366)
Income tax relating to components of other comprehensive income	0	0
Other comprehensive income for the period (net of tax)	842	(366)
Total comprehensive income for the period	**1,191**	**(138)**
Profit / (loss) for the period attributabe to:		
Equity holders of the parent	349	228
Total comprehensive income attributable to:		
Equity holders of the parent	1,191	(138)
Earnings (loss) per share		
Weighted average number of ordinary shares in issue ('000)	16,441	16,441
Basic earnings per share	0.02	0.01
Diluted earnings per share	0.02	0.01

See notes to the condensed consolidated interim financial statements

2.2. Condensed consolidated interim statement of financial position

ASSETS In thousands of Euro	June 30, 2012	December 31, 2011
Non-current assets		
Property, plant and equipment	3,625	3,568
Goodwill	4,279	4,161
Other intangible assets	1,680	1,496
Deferred tax assets	2,565	2,484
Financial assets	920	1,134
Total non-current assets	**13,069**	**12,844**
Current assets		
Inventories	6,772	6,870
Contracts in progress	589	969
Trade and other receivables	13,061	14,755
Financial assets	298	327
Deferred charges and accrued income	726	1,163
Cash and cash equivalents	4,430	4,294
Total current assets	**25,877**	**28,377**
TOTAL ASSETS	**38,946**	**41,221**

EQUITY AND LIABILITIES In thousands of Euro	June 30, 2012	December 31, 2011
Capital and reserves		
Issued capital	25,274	25,274
Share premium account	15,115	15,115
Reserves	4,351	3,509
Retained earnings	(34,729)	(35,078)
Treasury shares	(2,958)	(2,958)
Equity attributable to equity holders of the parent	*7,053*	*5,862*
Total equity	**7,053**	**5,862**
Non-current liabilities		
Interest bearing loans and borrowings	6,105	7,487
Retirement benefit obligation	1,532	1,725
Deferred tax liabilities	13	12
Provisions	351	585
Total non-current liabilities	**8,000**	**9,810**
Current liabilities		
Trade and other payables	15,820	17,324
Borrowings	3,987	3,988
Current tax liabilities	140	278
Retirement benefit obligation	409	307
Provisions	3,536	3,653
Total current liabilities	**23,893**	**25,550**
TOTAL LIABILITIES AND EQUITY	**38,946**	**41,221**

See notes to the condensed consolidated interim financial statements

2.3. Condensed consolidated interim statement of changes in shareholders' equity

In thousands of Euro	Share capital	Share premium	Treasury shares	Equity settled employee benefits reserve	Foreign currency translation reserve	Retained earnings	Attributabe to equity holders of the parent	Total
Period ended June 30, 2011								
Balance on January 1, 2011								
As previously reported	**25,274**	**15,115**	**(2,958)**	**200**	**3,458**	**(35,827)**	**5,262**	**5,262**
Transfer upon expiration of remaining warrants per January 1, 2011				(200)		200	0	**0**
Net result of the period						228	228	**228**
Exchange differences arising on translation of foreign operations					(366)		(366)	**(366)**
Total comprehensive income for the period				*(200)*	*(366)*	*428*	*(138)*	***(138)***
Other							0	**0**
Balance at June 30, 2011	**25,274**	**15,115**	**(2,958)**	**0**	**3,093**	**(35,399)**	**5,124**	**5,124**
Period ended June 30, 2012								
Balance on January 1, 2012								
As previously reported	**25,274**	**15,115**	**(2,958)**	**0**	**3,509**	**(35,079)**	**5,862**	**5,862**
Net result of the period						349	349	**349**
Exchange differences arising on translation of foreign operations					842		842	**842**
Total comprehensive income for the period					*842*	*349*	*1,191*	***1,191***
Other							0	**0**
Balance at June 30, 2012	**25,274**	**15,115**	**(2,958)**	**0**	**4,351**	**(34,730)**	**7,053**	**7,053**

See notes to the condensed consolidated interim financial statements

2.4. Condensed consolidated interim statement of cash flows

In thousands of Euro	For the six months ended June 30, 2012	2011
Cash flows from operating activities		
Profit / (Loss)	349	228
Adjustments to reconcile profit/(loss) to net cash provided by operating activities:		
Interest charges	378	418
Interest income	(7)	(38)
Income tax	43	50
Depreciation and amortization	895	942
Impairment of current assets	259	354
Change in long term provisions	(428)	(800)
Changes in the net asset of pension fund	-	117
Net cash from operating activities before changes in working capital	1,489	1,271
Changes in short term provisions	(15)	(804)
Changes in working capital	953	1,080
Cash flows from operations	2,427	1,546
Interest paid	(378)	(418)
Taxes paid	-	-
Net cash from operating activities	**2,049**	**1,128**
Cash flows from investing activities		
Additions to property, plant and equipment	(336)	(182)
Payments for intangible assets	(417)	(296)
Proceeds on disposal of minority shares	-	202
Proceeds on disposal of plant, property and equipment	-	29
Interest received	7	38
Net cash (used in) / generated by investing activities	**(746)**	**(209)**
Cash flows from financing activities		
Proceeds from borrowings	131	-
Repayments of borrowings	(1,514)	(1,294)
Net cash received / (used in) financing activities	**(1,383)**	**(1,294)**
(Decrease) / increase in cash and cash equivalents	**(80)**	**(375)**
Movement in cash and cash equivalents		
At start of the period	2,371	2,954
(Decrease) / increase	(80)	(375)
Effect of exchange rate changes	444	-
At the end of the period	2,735	2,579
Total Cash	4,430	4,084
(Bank borrowings)	(1,564)	(1,505)
(Bank overdrafts)	(131)	-
Net cash at the end of the period	**2,735**	**2,579**

See notes to the condensed consolidated interim financial statements

2.5. Notes to the condensed consolidated interim financial statements

Note 1: Basis of preparation

Zenitel prepared the financial information as disclosed in this half-year press release in accordance with the International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting'. These Interim Financial Statements should be read with the Consolidated Financial Statements for the year ended 31 December 2011 (hereafter 'the Annual Financial Statements') as they provide an update of previously reported information. They were approved for issue by the Board of Directors on 27 August 2012.

Note 2: Accounting policies

The accounting policies used are consistent with those used in the Annual Financial Statements. In the first half of 2012 there were no changes in these accounting policies that would have caused a material impact on the results.

The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements.

The comparatives have been reclassified or extended from the previously reported Interim Financial Statements to take into account the presentational changes made in the Annual Financial Statements or in these Interim Financial Statements. The preparation of the Interim Financial Statements require management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The accounting policies remained in the assumption of going concern.

Accounting standards effective for the first time this year:

During the current financial year, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, that are relevant to its operations and effective for the accounting period starting on January 1, 2012. The Group has not applied any new IFRS requirements that are not yet effective as per June 30, 2012.

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC are effective for the current period:

- IFRS 7 Financial Instruments: Disclosures (as amended in October 2010) – Amendments enhancing disclosures about transfers of financial assets.

The adoption of this amendment has not led to major changes in the Group's accounting policies

Note 3: Risk management

During the six months ended 30 June 2012, the Company did not change its financial risk management objectives or policies. As a result, they are still consistent with the disclosures in the consolidated financial statements for the year ended 31 December 2011.

Note 4: Goodwill

Goodwill amounts to EUR 4.3 million as per 30 June 2012, compared to EUR 4.2 million as per 31 December 2011. No additional impairment of goodwill has been accounted for in the first semester of 2012. The change in goodwill balance between December 31 2011 and June 30 2012 is explained by foreign currency translation. In the first semester of 2012 there were no indications that goodwill would be impaired. A new impairment analysis will occur as per 31 December 2012. Goodwill only relates to the Secure Communication Systems segment.

Note 5: Deferred tax assets

The deferred income tax asset relates to a part of the tax losses carried forward of Zenitel Norway AS. The difference between the balance as per 30 June 2012 and 31 December 2011 is fully attributable to the foreign currency translation impact.
In the first semester of 2012 there were no indications that the deferred tax asset would be impaired. A new impairment analysis will occur as per 31 December 2012.

Note 6: Financial assets

In thousands of Euro	June 30, 2012	December 31, 2011
Proceeds receivable arising from the sale of MCCN assets and contracts	674	977
Available for sale investments	432	423
Long term guarantees paid in cash	60	61
Participations accounted for using the equity method	51	0
	1,218	**1,461**
of which current	298	327
of which non current	920	1,134

Note 7: Financial debts

In thousands of Euro	June 30, 2012	December 31, 2011
Non current		
Bank borrowings	5,935	7,315
Shareholders' loan	0	0
Finance lease liabilities	169	172
	6,105	**7,487**
Current		
Bank overdrafts	131	0
Used factoring facility	1,564	1,923
Shareholders' loans	500	1,000
Current installment of long term loan	1,766	1,041
Finance lease liabilities	26	24
	3,987	**3,988**
Total borrowings	**10,091**	**11,475**

Non current borrowings

The next quarterly instalments relating to a loan of EUR 2.0 million with one of Zenitel's main lending financial institutions will become due as from March 2013 till September 2015. The applied interest rate amounts to EURIBOR + 3% and this bank borrowing is secured by a pledge on Zenitel NV's receivables, shares of certain subsidiaries and the eventual proceeds of future divestments.

In 2007 a long term loan of EUR 5 million was established. This borrowing is subordinated towards the other bank debts and the interest rate amounts to 6.0%. In June 2012 a second instalment of one twelfth of the loan was paid so that EUR 4.2 million is outstanding as per June 30, 2012. The next instalments amount to EUR 1.0 million each and they are due in the month of June of 2013 till 2016.

The long term borrowings in the Caribbean are on a non-recourse basis. These borrowings are secured by customer contracts. The terms of the loans, closed in Antillean guilder (ANG), were from three to six years. In 2012 both the repayment terms and the interest rate of these loans were renegotiated which resulted in a decrease of the interest rate to 6.95% and a final loan instalment in February 2015. The Caribbean group company uses the long term borrowings to locally finance its investments.

In 2004, Zenitel NV/SA took over a loan from its Danish subsidiary. The original amount of this loan was DKK 12 million. Repayment occurs every three months for 1.25% of the initial loan amount. The final settlement will occur as per 30 September 2014. The outstanding amount as per 30 June 2012 is EUR 1.0 million. The interest rate equals the interest on the international inter banks' currency markets plus 3.75%.

Current borrowings

In 2008 a shareholder loan was granted by 3D NV to the Company. In the first half of 2012 EUR 0.5 million was repaid and the last EUR 0.5 million of this loan is payable before December 2012. The interest rate amounts to EURIBOR + 3%.

Zenitel Norway AS has a factoring agreement of NOK 15 million. This factoring agreement allows for borrowing up to 80% of the value of customer invoices. As per 30 June 2012, a total of EUR 1.6 million of this factoring facility was used against EUR 1.9 million as per 31 December 2011. At the same time, a credit line up to a maximum of NOK 15 million is available. As per 30 June 2012, EUR 0.1 million of this credit facility was used.

The total credit lines held by the Company amount to EUR 12.5 million (Dec. 2011: EUR 13.4 million). In addition the Company also holds lines for bank guarantees at different credit institutions for in total EUR 7.4 million (Dec. 2011: EUR 8.3 million), of which EUR 2.4 million (Dec. 2011: EUR 3.3 million) are used to secure the completion of customer contracts. EUR 0.4 million (Dec. 2011: 1.6 million) of these used bank guarantees relate to activities which were discontinued/sold during previous reporting periods and they are counter guaranteed by the purchasers of these discontinued activities.

Note 8: Provisions

In thousands of Euro	Retirement benefit obligations	Restructuring	Technical guarantees	Other	Total
On 1 January 2012	2,032	223	678	3,337	6,270
Additions to provisions	71	0	40	0	111
Payments	(174)	(165)	(4)	(8)	(351)
Reversal of provisions	0	(5)	0	(221)	(226)
Exchange differences	12	1	11	0	24
On 30 June 2012	**1,941**	**54**	**725**	**3,108**	**5,828**
of which non current	1,532	0	0	351	1,883
of which current	409	54	725	2,757	3,945

Retirement benefit obligations

The actuarial assumptions used for the evaluation of the pension provisions are the same as those used as per year end 31 December 2011. The calculation of these pension liabilities is based on the recommendations of independent actuaries.

Restructuring

Restructuring provisions primarily relate to the restructuring obligations resulting from the reorganization measures taken in 2009 and earlier. Payments in 2012 relate to the restructuring obligations from divested activities in 2009 (MCCN network operations and Zenitel Belgium NV), where the buyer did not take over the existing restructuring obligations.

Technical guarantees

The assumptions used for the evaluation of the guarantee provision as per 30 June 2012 are the same as those used for the Annual Financial Statements.

Other

The other provisions cover principally risks related to the representations and warranties given, claims on deliveries, potential losses on projects, site restoration obligations or legal claims. Provisions were set up based on the current situation of the different files in order to cover the risks relating to some of these litigations.

Note 9: Contingencies

During the normal course of business, the Company and its subsidiaries are party to various legal claims and complaints resulting in contingent liabilities with uncertainty on timing and/or amount. The contingent liabilities of the Company relate to possible obligations in respect of old projects, soil contamination, warranties given and redundancies.

Note 10: Segment reporting

Zenitel manages its operations based on its two key activities: Secure Communication Systems and Caribbean.

The SCS unit consists of operations in Norway, Sweden, Denmark, Singapore, China, France, Finland, Italy, UK, Germany, Croatia, Brazil, USA and a worldwide distributor network. The sold products and services consist mainly of own products (intercom) and wireless solutions.

The business in Caribbean consists mainly of the operation of the TETRA network run under the ChuChubi brand and the delivery of mainly network related products, services and solutions.

The following table gives an overview of the segment revenues and results:

In thousands of Euro For the 6 months ended June 30	Segment revenue 2012	Segment revenue 2011	Segment result [1] 2012	Segment result [1] 2011
Secure Communication Systems (SCS)	29,133	27,890	1,459	1,005
Caribbean	2,420	2,301	101	144
All Segments	**31,553**	**30,192**	**1,561**	**1,149**
Unallocated operating expenses			(540)	(406)
Financial results			(628)	(465)
Profit before tax			**392**	**278**
Income tax expense			(43)	(50)
Total profit / (loss) for the period			**349**	**228**

[1] in the table above, the Segment result per segment comprises earnings before interest & taxes.

Revenue reported above represents revenue from external customers. There were no significant inter-segment sales in the first semester of 2012.

The *Secure Communication Systems* segment, strong in its own and third-party products, shows a revenue increase of 4.5% and an improvement of the segment results by 0.5 million EUR to EUR 1.5 million. The revenue increase is mainly driven by more Scandinavian projects business and growth of the Stentofon business. The continuing improvements in operational efficiency combined with stable operating expenses explain the strong increase of the SCS segment results.

In 2012, as in previous years, SCS continued its development efforts resulting in the introduction and launch of its new IP station series called “Turbine”. Feedback from the market is positive and the first orders have already been logged. Zenitel will continue to extend the “Turbine” series by bringing additional IP stations to the market.

Caribbean activities consist mainly of the operation of an own TETRA network (ChuChubi) and the offering of related secure communication solutions. Revenue increased by EUR 0.1 million or 5.1% and profited from a EUR 0.2 million favourable foreign currency conversion impact. The Caribbean segment results stayed in line with the previous year.

Unallocated operating expenses increased by EUR 0.1 million. This increase is explained by a non-recurring income of EUR 0.1 million that was included in the 2011 half-year unallocated operating expenses.

The decrease of the *financial results* by EUR -0.2 million to EUR -0.6 million is also explained by a favourable non-recurrent item of EUR 0.2 million that was included in the 2011 half-year financial income. *Income tax expenses* are small and stayed in line with the previous year.

The *Net result* for the first half-year of 2012 amounts to EUR 0.3 million, EUR 0.1 million higher than the previous year. In 2012 there were no non-recurrent items while in the previous year a total amount of EUR 0.3 million non-recurrent favourable items were included in the net result.

Note 11: Related parties

The related parties of the company mainly comprise its shareholders that have the ability to exercise significant influence or control.

The company has a shareholder loan of EUR 0.5 million from 3D NV. This shareholder loan has an interest percentage equal to EURIBOR + 3%, which is identical to the interest on the current borrowings received from the Company's bank.

The company also rents office space and services in Zellik (Belgium) from its shareholder 3D NV. The rent charged by 3D NV to Zenitel NV is determined on an 'at arm's length' basis.

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3. RISK FACTORS

General

Zenitel's core activities consist of providing integrated solutions and services for the professional market, where fast, reliable and secure communication is essential. The profitability and risk profile of the Company is defined by a number of factors described in the Annual Report 2011. These elements cause uncertainty with regard to the trend that will be followed by the value of Zenitel shares. Additional risks and uncertainties, that are currently not known to Zenitel or which the Company currently believes are immaterial, could likewise impair its business operations or have an adverse effect on Zenitel's cash flows, profitability, financial condition, its ability to continue as a going concern and the price of its shares.

Management refers to the section “Risk factors and uncertainties” in the Annual Report 2011, page 17, which remains valid for the second semester of 2012.

Two risk factors are worth highlighting:

Financial situation

Following the operating losses in the period before the reorganization of 2009 and after the reorganization of 2009 itself, the Company accumulated a significant amount of debt and liabilities. Since the strategic reorganization in 2009, the Company has been able to focus on its profitable Secure Communication Systems and Caribbean operations and through the cash generated by the business it was able to make down payments on long term debt and restructuring obligations in 2010, 2011 and in the first half of 2012. Although liabilities have already been reduced significantly since 2009, down payments of loans and restructuring obligations will stay an important element in the future cash flows of the Company. The financial results for 2010, 2011 and for the first half-year of 2012 show however that the Company is able to generate the cash needed to meet its obligations.

Currency Risk

The results of the Company are reported in euro. This means that the results of operations and the financial position of Zenitel entities that work in other currencies than the euro need to be translated to Euro in the consolidation process. As there is ongoing fluctuation between these foreign currencies and the euro, a negative impact may occur on the Company's consolidated results. The most important currency risk in this respect relates to the Norwegian krone (NOK), followed by the Singaporean dollar (SGD), the US dollar (USD) and the Antillean guilder (ANG).

Evolution of the exchange rate of these currencies against the euro cannot be predicted. This results in an ongoing risk in forecasting sales volumes for the Group, due to the time elapsing between order and actual delivery and invoice. At the same time, profit margins may be negatively affected.

4. FAIR VIEW STATEMENT BY THE MANAGEMENT OF THE COMPANY

We the undersigned, Kenneth Dastol, CEO of Zenitel NV/SA, and Glenn Wiig, CFO, declare that, to our knowledge:

- The set of condensed interim financial statements drawn in accordance with the prevailing accounting standards on Interim Financial Statements (IAS 34), gives a true and fair view of the assets, financial position and profit and loss of the issuer and the companies included within its consolidation
- The interim management's discussion and analysis provide a fair overview of the important events and major transactions between contracting parties which occurred during the first six months of the financial year, and their impact on the set of condensed financial statement, and a description of the main risks and uncertainties for the remaining months of the financial year.

Kenneth Dastol	Glenn Wiig
CEO	CFO

5. REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

To the Board of Directors of Zenitel NV

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Zenitel NV as of 30 June 2012 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Matter of emphasis

In the past the company and its subsidiaries (jointly “the group”) has incurred significant losses that fundamentally affected the financial position. Without modifying the above conclusion, we would like to draw your attention to the going concern paragraph in the interim financial information, in which the Board of Directors justifies the application of the valuation rules under the going concern assumption. The assumption to continue as a going concern is only valid in the case the group continues to have access to short and medium term financing. No adaptations have been made to the consolidated interim financial information as to the valuation or the classification of certain balance sheet items which would be necessary if the group is no longer able to continue its activities.

Merelbeke, 27 August 2012

BDO Bedrijfsrevisoren Burg. Ven. CBVA
Statutory auditor
Represented by Veerle Catry

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