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ZENITEL CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE SIX MONTH PERIOD ENDED JUNE 30 2016

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Introduction

Zenitel NV/SA (the "Company) is a limited liability company organized under the laws of Belgium. The condensed consolidated interim financial statements for the six month period ended 30 June 2016, 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 2015 annual report, published on 18 March 2016 (the "Annual Report"), which is available on our website at www.zenitel.com.

Basis of Preparation

The condensed consolidated interim financial statements were prepared in accordance with IAS 34 *Interim Financial Reporting*, issued by the IASB as adopted for use by the European Union.

The condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of IFRS financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2015. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's position and performance since the last annual consolidated financial statements.

New standards, interpretations and amendments adopted by the Group
The accounting policies applied when preparing the condensed consolidated interim financial statements are consistent with those used to prepare the Group's annual consolidated financial statements as of and for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016 as mentioned in note 3.8 accompanying the annual consolidated financial statements as of and for the year ended 31 December 2015.
The application of Amendments to IFRS 11, IAS 16, IAS 38, IAS 41, IAS 27, IFRS 10, IFRS 12 and IAS 28, Amendments to IAS 1, and the annual improvements to IFRS 2012-2014 did not have a material impact on the Group's condensed consolidated interim financial statements.

As the new standards and interpretations did not have a material impact on the Group's condensed consolidated interim financial statements, no retrospective application of the change in accounting policies and retrospective restatement of previous financial statements was needed.

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

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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 recommend you to read the sections of our 2015 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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INDEX

1. MANAGEMENT DISCUSSION & ANALYSIS

1.1. Introduction

The following management discussion and analysis is based on the condensed consolidated interim financial statements of Zenitel NV/SA for the six month period ended 30 June 2016 and 30 June 2015 (both unaudited), and the audited consolidated financial statements of Zenitel NV/SA for the year ended 31 December 2015, prepared in accordance with IFRS as adopted for use by the EU. You should read the condensed consolidated interim financial statements attached hereto, including the notes thereto, along with the following discussion and analysis.

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1.2 Financial highlights

FROM CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS	For the six month period ended 30 June Unaudited	
(thousands of Euro)	2016 YTD	2015 YTD [7]
Revenue (restated)	34 240	34 403
Profit before tax (restated)	1 223	865
Profit for the period	1 145	1 465

FROM CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	Unaudited 30 June	Audited 31 December
(thousands of Euro)	2016	2015
Total assets	47 575	54 652
Shareholders' equity	24 628	27 889
Working capital	3 656	2 453
Total financial debt[1]	2 358	1 889
Total provisions[2]	4 084	4 082
Cash and cash equivalents	14 405	17 551

FROM CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	For the six month period ended 30 June Unaudited	
(thousands of Euro)	2016 YTD	2015 YTD
Total cash flow	(3 964)	580
Net cash flows from operations	1 029	4 136

ALTERNATIVE INTERIM PERFORMANCE MEASURES	For the six month period ended 30 June Unaudited	
(thousands of Euro)	2016 YTD	2015 YTD [7]
EBITDA[3] (restated)	2 413	1 554
Operating profit (EBIT) (restated)	1 238	933

RATIOS	Unaudited 30 June	Audited 31 December
	2016	2015
Shareholder's equity ratio(4)	51.8%	51.0%
Net debt(5) and provisions / EBITDA	-3.3	-2.3
Weighted average number of shares (in thousands)(6)	33 109	33 109
Profit for the period/share (EUR)	0.03	0.04
Total equity / share (EUR)	0.74	0.84

OTHER KEY FIGURES	Unaudited 30 June	Audited 31 December
	2016	2015
Personnel (FTE) (restated)	277	282

(1) Total financial debt: long term and short term interest bearing loans and borrowings
(2) Total provisions: Retirement benefit obligations plus provisions (both current and non current)
(3) EBITDA: earnings before interest & taxes, depreciation and amortization plus write-offs on current assets
(4) Shareholders' equity ratio : Total equity / (Total liabilities and equity)
(5) Net debt: Total financial debt minus cash and cash equivalents
(6) Weighted average number of shares : Total number of shares minus treasury shares
(7) Restated due to divestment of Caribbean Company in 2015

1.3. Analysis results of the six month period ended 30 June 2016

Revenue of the first half year 2016 amounts to EUR 34.2 million compared to restated EUR 34.4 million in the first half of 2015, a small decrease on our top line figures of 0.6% mainly still due to reduced investments in the Oil and Gas industry. Due to the successful divestment of the Caribbean Company at the end of 2015, the comparable June 2015 financials have been restated in this report.

EBITDA amounted to EUR 2.4 million in 2016, 55.3% up from the restated previous year. We further strive to increase revenue on the one hand and operational efficiency improvements on the other hand. For the same reasons, ***Operating profit or EBIT*** amounted to EUR 1.2 million, EUR 0.3 million or 32.7% up from last year restated financials. Operating expenses (excluding depreciation and impairments) are kept at the same level as last year taking into account that since January 1st, 2016 all R&D expenses are no longer capitalized because the criteria for capitalization under IAS 38 are no longer met. The direct impact of the development costs for the first six months of 2016 accounts for EUR 0.6 million.

Financial expenses amounted to EUR 0.1 million in the first six months of 2016 and are in line with last year. ***Income tax expenses*** amounted to EUR 0.1 million in 2016 which is in line with previous year and can be explained due to increased business in Asia.

The ***Net result*** for the first six months of 2016 amounted to EUR 1.2 million, compared to EUR 1.5 million for the same period in 2015. The decrease is due to sale of the Caribbean Company, back in 2015 and the directly expensed R&D costs in the profit and loss statements since January 1st, 2016.

Earnings per share amounted to EUR 0.03 in the first semester of 2016 against EUR 0.04 in the first semester of 2015.

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Cash flow from operations before changes in working capital amounted to EUR 2.5 million against EUR 3.6 million in the previous year. Cash outflow from investing activities amounted to EUR 0.02 million against EUR 3.7 million the previous year. Total debt and provisions amounted to EUR 6.4 million as per 30 June 2016 EUR 0.2 million lower compared to last year.

1.4. Post balance sheet events

No items to report.

1.5. Forward-looking statements

The company is impacted by reduced investments in the Oil & Gas market that are expected to continue for at least another twelve months. Zenitel is however focusing on multiple markets and therefore expects full year results to be in line with comparable 2015 results.

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2. FINANCIAL DATA

2.1. Condensed consolidated interim statement of profit or loss and other comprehensive income

(thousands of Euro, except per share amounts)	For the six month period ended 30 June, Unaudited 2016 YTD	2015 YTD (1)
Revenue	34 240	34 403
Other gains and losses	0	0
Raw materials and consumables used	(16 576)	(17 108)
Salaries and employee benefits	(10 877)	(11 602)
Depreciation and amortization	(894)	(453)
Net impairment in current assets	(281)	(167)
Consulting expenses	(894)	(912)
Capitalized development costs	0	632
Facility expenses	(2 055)	(2 315)
Other expenses	(1 425)	(1 545)
Operating Profit / (Loss)	**1 238**	**933**
Finance income	110	76
Finance costs	(195)	(214)
Net foreign exchange gains / (losses)	70	69
Share of profit / (loss) from equity accounted investments	0	0
Profit / (Loss) before tax	**1 223**	**865**
Income tax expense	(78)	(72)
Profit / (Loss) for the period from continuing operations	**1 145**	**793**
Discontinued operations		
Profit / (loss) on discontinued operations, net of tax	0	672
Profit / (Loss) for the period	**1 145**	**1 465**

(1) Restated due to divestment of Caribbean Company in 2015

(thousands of Euro, except per share amounts)	For the six month period ended 30 June, Unaudited 2016 YTD	2015 YTD (1)
Other comprehensive income		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
None		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences arising on translation of foreign operations	561	1 401
Income tax relating to components of other comprehensive income	0	0
Other comprehensive income for the period (net of tax)	561	1 401
Total comprehensive income for the period	**1 705**	**2 866**
Profit / (loss) for the period attributabe to:		
Equity holders of the parent	1 145	1 465
Total comprehensive income attributable to:		
Equity holders of the parent	1 705	2 866
Earnings (loss) per share		
Weighted average number of ordinary shares in issue ('000)	33 109	33 109
Basic earnings per share	0.03	0.04
Diluted earnings per share	0.03	0.04

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2.2. Condensed consolidated interim statement of financial position

ASSETS (thousands of Euro)	Unaudited 30 June, 2016	Audited 31 December, 2015
Non-current assets		
Property, plant and equipment	646	705
Goodwill	3 447	3 371
Other intangible assets	3 119	3 737
Deferred tax assets	2 069	2 023
Financial assets	253	414
Total non-current assets	**9 533**	**10 250**
Current assets		
Inventories	6 864	6 959
Contracts in progress	815	3 109
Trade and other receivables	14 385	14 283
Deferred charges and accrued income	1 573	2 500
Cash and cash equivalents	14 405	17 551
Total current assets	**38 042**	**44 402**
TOTAL ASSETS	**47 575**	**54 652**

EQUITY AND LIABILITIES (thousands of Euro)	Unaudited 30 June, 2016	Audited 31 December, 2015
Capital and reserves		
Issued capital	20 000	20 000
Share premium account	5 339	5 340
Reserves	1 011	450
Retained earnings	-1 722	2 099
Equity attributable to equity holders of the parent	*24 628*	*27 889*
Total equity	**24 628**	**27 889**
Non-current liabilities		
Interest bearing loans and borrowings	120	127
Retirement benefit obligation	449	481
Deferred tax liabilities	17	17
Total non-current liabilities	**728**	**625**
Current liabilities		
Trade and other payables	16 218	20 676
Borrowings	2 238	1 762
Current tax liabilities	128	99
Retirement benefit obligation	71	136
Provisions	3 564	3 465
Total current liabilities	**22 220**	**26 138**
TOTAL LIABILITIES AND EQUITY	**47 575**	**54 652**

See notes to the condensed consolidated interim financial statements

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

(thousands of Euro)	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Attributabe to equity holders of the parent	Total
Balance on 1 January 2015						
As previously reported	**20 000**	**5 339**	**1 294**	**(5 405)**	**21 228**	**21 228**
Net result of the period				1 465	1 465	**1 465**
Exchange differences arising on translation of foreign operations			1 401		1 401	**1 401**
Total comprehensive income for the period			*1 401*	*1 465*	*2 866*	***2 866***
Other					0	**0**
Balance at 30 June 2015	**20 000**	**5 339**	**2 695**	**(3 939)**	**24 095**	**24 095**

(thousands of Euro)	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Attributabe to equity holders of the parent	Total
Balance on 1 January 2016						
As previously reported	**20 000**	**5 339**	**450**	**2 099**	**27 889**	**27 889**
Net result of the period				1 145	1 145	**1 145**
Exchange differences arising on translation of foreign operations			561	0	561	**561**
Total comprehensive income for the period			*561*	*1 145*	*1 705*	***1 705***
Payment of dividends				(4 966)	(4 966)	**(4 966)**
Balance at 30 June 2016	**20 000**	**5 339**	**1 011**	**(1 722)**	**24 628**	**24 628**

See notes to the condensed consolidated interim financial statements

2.4. Condensed consolidated interim statement of cash flows

(thousands of Euro)	For the six month period ended 30 June 2016 YTD	2015 YTD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period	**1 145**	**1 465**
Income tax expense recognized in profit or loss	78	72
Finance cost recognized in profit or loss	195	233
Investment revenue recognized in profit or loss	-110	-76
Impairment loss recognized on trade receivables	241	167
Impairment loss recognized on inventory	40	56
Depreciation and amortization of non-current assets	894	673
Development costs expensed	0	1 005
Cash generated from operating activities before changes in working capital	**2 483**	**3 595**
Changes in working capital	-1 181	846
Interest paid	-195	-233
Income taxes paid	-78	-72
Net cash generated from operating activities	**1 029**	**4 136**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	110	76
Payments for property, plant and equipment	-105	-251
Net cash outflow on acquisitions of subsidiaries	0	-1 710
Payments for intangible assets	-25	-801
Development costs paid	0	-1 005
Net cash (used in) / generated by investing activities	**-20**	**-3 691**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from acquiring subsidiary	0	294
Dividends paid to owners of the Company	-4 966	0
Repayment of borrowings	-7	-159
Net cash received / (used) in financing activities	**-4 973**	**135**
Net (decrease)/increase in cash and cash equivalents	**-3 964**	**580**
MOVEMENT IN CASH AND CASH EQUIVALENTS		
At start of the year	15 811	7 546
Increase / (decrease)	-3 964	580
Effect of exchange rate changes on the balance of cash held in foreign currencies	342	261
At the end of the period	**12 189**	**8 387**
Total Cash and cash equivalents	14 405	10 556
(Used factoring facility)	-2 216	-1 873
(Bank overdrafts)	0	-296
Net cash and cash equivalents at the end of the period	**12 189**	**8 387**

The accounting policies and notes refer to the notes included in the Zenitel 2015,2014 and 2013 Annual Report.

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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 2015 (hereafter 'the Annual Report') as they provide an update of previously reported information. They were approved for issue by the Board of Directors on 8 August 2016.

Note 2: Accounting policies

The accounting policies and methods of the Group used as of 30 June 2016 are consistent with those applied in the 31 December 2015 consolidated financial statements, with the exception that the Group adopted the new standards, interpretations and revisions that became mandatory for the Zenitel Group on 1 January 2016.

The comparatives have been reclassified or extended from the previously reported condensed consolidated interim financial statements to take into account the presentational changes made in the Annual Report or in these condensed consolidated interim financial statements. The preparation of the condensed consolidated 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 condensed consolidated interim financial statements. If in the future, such estimates and assumptions, which are based on management's best judgment at the date of the condensed consolidated 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.

Note 3: Risk management

During the six month period ended 30 June 2016, the Company did not change its financial risk management objectives or policies. As a result, they are still consistent with the disclosures in the Annual Report.

Note 4: Goodwill

Goodwill amounts to EUR 3.4 million as per the six month period ended 30 June 2016, which is in line with 31 December 2015. No impairment of goodwill has been accounted for the first semester of 2016. The minor change in goodwill balance between 31 December 2015 and the six month period ended 30 June 2016 is due to foreign currency translation. In the first semester of 2016, there were no indications that goodwill would be impaired. A new impairment analysis will occur as per 31 December 2016.

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 the six month period ended 30 June 2016 and 31 December 2015 is mainly attributable to the foreign currency translation impact.
In the first semester of 2016, there were no indications that the deferred tax asset would be impaired. A new analysis will occur as per 31 December 2016.

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Note 6: Financial assets

(thousands of Euro)	Unaudited 30 June 2016	Audited 31 December 2015
Available for sale investments	252	247
Long term guarantees paid in cash	1	167
	253	**414**
of which current	0	0
of which non current	253	414

Note 7: Financial debts

(thousands of Euro)	Unaudited 30 June 2016	Audited 31 December 2015
Non current		
Bank borrowings	0	0
Finance lease liabilities	120	127
	120	**127**
Current		
Used factoring facility	2 216	1 741
Finance lease liabilities	22	22
	2 238	**1 763**
Total borrowings	**2 358**	**1 889**

Non-current borrowings and current borrowings

Zenitel Norway AS has per the six month period ended 30 June 2016 a factoring agreement of NOK 44.0 million (EUR 4.7 million). This factoring agreement serves as a method to ensure collection of outstanding customer invoices of Zenitel Norway AS and allows for borrowing up to 80% of the value of customer invoices. As per the six month period ended 30 June 2016, a total of EUR 2.2 million of this factoring facility was used. In order to facilitate growth, credit lines are available up to NOK 15.0 million (EUR 1.6 million). As per the six month period ended 30 June 2016, this credit facility has not been used.

In addition, the Company also holds lines for bank guarantees at different credit institutions for, in total, EUR 3.2 million, of which EUR 3.1 million are used to secure the completion of customer contracts. EUR 0.1 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: Financial Instruments

The carrying amounts of financial assets and financial liabilities, recognized at amortized costs in the financial statements, approximate their fair values.

The following table provides an overview of the carrying values and classes of financial instruments and analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 and 3 based on the degree to which the fair value is observable:

- ✓ Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ✓ Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

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- ✓ Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(thousands of Euro)	Unaudited 30 June 2016 Carrying value	Fair value	Audited 31 December 2015 Carrying value	Fair value	Level	Balance sheet caption
Financial assets availabe for sale	**252**	**252**	**247**	**247**		**Financial assets**
Available for sale investments	252	252	247	247	3	Financial assets
Loans and receivables	**14 386**	**14 386**	**13 885**	**13 885**		
Long term guarantees paid in cash	1	1	166	166	3	Financial assets
Trade receivables	12 892	12 892	12 636	12 636	3	Trade and other receivables
Other receivables	1 493	1 493	1 083	1 083	3	Trade and other receivables
Financial liabilities at amortized cost	**18 576**	**18 576**	**21 256**	**21 256**		**Financial liabilities**
Interest bearing loans and borrowings	2 358	2 358	1 889	1 889	3	Interest bearing loans and borrowings LT and ST
Trade payables	8 725	8 725	8 817	8 817	3	Trade and other payables
Other payables	7 493	7 493	10 550	10 550	3	Trade and other payables

Net fair values of derivative financial instruments

The derivatives are not part of a hedging relationship that qualifies for hedge accounting. Consequently, changes in fair value are recognized in the income statement. As per the six month period ended 30 June 2016 there are only forward exchange contracts outstanding with regard to the NOK.

Note 9: Provisions

(thousands of Euro)	Retirement benefit obligations	Technical guarantees	Other	Total
On 1 January 2016	617	404	3 061	4 082
Additions to provisions	7	121	0	128
Payments	(104)	(2)	0	(106)
Reversal of provisions	0	(28)	0	(28)
Exchange differences	0	8	0	8
On 30 June 2016	**520**	**503**	**3 061**	**4 085**
of which non current	449	0	0	449
of which current	71	503	3 061	3 635

Retirement benefit obligations

The calculation of these pension liabilities is based on the recommendations of independent actuaries. A new actuarial calculation will occur as per 31 December 2016. The movements as per the six month period ended 30 June 2016 do relate to actual payments.

Technical guarantees

The assumptions used for the evaluation of the guarantee provision as per the six period ended 30 June 2016 are the same as those used for the Annual Report.

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.

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Note 10: 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 with respect to old projects, soil contamination, warranties given and redundancies. There are no changes to the contingencies as disclosed in the Annual Report.

Note 11.a: Segment reporting

Due to the sale in 2015 of Zenitel's Caribbean company, the Zenitel group is no longer organized in different business segments. The disclosure of the Caribbean sale can be found in our 2015 annual report, published on 18 March 2016 (the "Annual Report"), which is available on our website at www.zenitel.com.

Note 11.b: Business combinations

In April 2015 Zenitel acquired 100% of the shares of Nor Electronics AS (located in Kristiansund, Norway) to strengthen its position in the Oil & Gas and Industrial markets. The company is specializing in PAGA solutions (Public Address & General Alarm) focused on the Oil and Gas industry and has been a solid Partner of Zenitel for the past couple of years. The revenue of Nor Electronics included in the condensed consolidated interim financial statements for the six month period ended 30 June 2016 amounted in EUR 1.4 million and operating profit amounted to EUR 0.1 million.

(thousands of euro)	YTD June, 30					
	2016 Unaudited			2015		
	Book value	Adjustments	Fair value	Book value	Adjustments	Fair value
Non-current assets	45	0	45	47	0	47
Current assets	1 870	0	1 870	1 861	0	1 861
	1 915	**0**	**1 915**	**1 908**	**0**	**1 908**

Additionally to the above, the purchase price included an amount of EUR 0.9 million that can be allocated to know-how and client portfolio and that is shown into the other intangible assets of the condensed consolidated interim financial statements.

Note 12: Related parties

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

The company 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. There are no changes in the agreements and the amounts are consisted to the amounts disclosed in the Annual Report.

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. These elements cause uncertainty with regard to the trend in 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 and the price of its shares.

Management refers to the section "Risk factors and uncertainties" in the Annual Report, page 18, which remain valid for the second semester of 2016.

Two risk factors are worth highlighting:

Litigation risks

The Group has certain pending litigations that can be qualified as contingent liabilities according to the definition of IFRS. The outcome of these litigations is uncertain. No guarantee can be given that this will be the case and there is a risk that the Group will need to pay some or all of these contingent liabilities in the near future.

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 operate 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, there may be a negative impact 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) and the US dollar (USD).

The 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.

Since most of the Norwegian business is export in the euro currency, Zenitel Norway AS has a NOK deficit and a EUR surplus. The company has put in place hedging systems that secure minimum 50% of the needed exchange between EUR/NOK on a rolling 12-month basis.

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4. FAIR VIEW STATEMENT BY THE MANAGEMENT OF THE COMPANY

We the undersigned, Kenneth Dåstøl, CEO and Mark Küpers, CFO, declare that, to our knowledge:

- The set of condensed consolidated 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 Dåstøl CEO	Mark Küpers CFO

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Contact Zenitel:

For further information, please contact:
Mr. Kenneth Dastol, CEO: +47 4000 2511
Mr. Mark Küpers, CFO: +47 4000 2715
Mr. Johan Meersman, Corporate Controller (*): +32 478 47 58 42

Zenitel has firmly established itself at the intersection of two domains - communication on the one hand, security and safety on the other. As a leading player in instant audio and data communication, Zenitel is the preferred choice in situations that involve the protection of human lives, or the management of critical activities. Zenitel is committed to the success and future objectives of its Secure Communication Systems (SCS) activity that develops and distributes fully integrated communication platforms including Intercom, Public Address and two-way Radio Systems.

Zenitel has a strong presence in both the onshore and offshore secure communications market through its global brand, Vingtor-Stentofon. The brand is recognized globally for offering advanced offshore and onshore communication systems. Vingtor-Stentofon provides integrated security communications for environments where life, property and assets are at stake. Systems interface with other security devices including CCTV, access control and alarm for a comprehensive security solution. Vingtor-Stentofon's primary system offering is within Public Address, Intercom and Radio. The key markets include Building Security & Public Safety, Transportation, Industrial, Oil & Gas and Maritime.

Zenitel is a listed company (Euronext). The statutory headquarter of Zenitel is in Zellik (Brussels) and the operational headquarters is based in Norway.
(*) Representing MFA Projects BVBA

For more information: www.zenitel.com

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