AFRICA CELLULAR TOWERS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2000/027374/06)
(JSE code: ATR ISIN: ZAE000088084)
("ACTOWERS" or "the company" or "the group")

AUDITED CONDENSED FINANCIAL RESULTS

for the year ended 29 February 2008 including the revised reviewed interim results
for the six months ended 31 August 2007

HIGHLIGHTS

- Revenue up 66% to **R327 million**
- Gross profit up 99% to **R122 million**
- Headline earnings up 45% to **R45 million**
- Headline earnings per share up 10% to **17,7 cents**
- Net tangible asset value per share up 18% to **64,6 cents**

CONDENSED GROUP INCOME STATEMENTS

	Audited 12 months February 2008 R'000	Audited 12 months February 2007 R'000	Revised[2] reviewed 6 months August 2007 R'000	Unaudited 6 months August 2006 R'000
Revenue	**326 572**	197 251	176 924	71 241
Gross profit	**122 353**	61 555	56 903	23 265
Other income	**14 868**	11 610	1 232	7 152
Operating costs	**(70 740)**	(29 364)	(18 659)	(12 149)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**66 481**	43 801	39 476	18 268
Depreciation	**(2 216)**	(1 125)	(1 234)	(404)
Profit before interest and taxation	**64 265**	42 676	38 242	17 864
Net interest received	**5 156**	2 439	977	2 706
Profit before taxation	**69 421**	45 115	39 219	20 570
Taxation	**(24 396)**	(13 650)	(11 374)	(5 965)
Earnings attributable to ordinary shareholders	**45 025**	31 465	27 845	14 605
Reconciliation of headline earnings:				
Earnings attributable to ordinary shareholders	**45 025**	31 465	27 845	14 605
Adjusted for:				
Profit on sale of property, plant and equipment	**(13)**	(385)	–	–
Headline earnings attributable to ordinary shareholders	**45 012**	31 080	27 845	14 605
Weighted average shares in issue on which earnings per share are based[1] ('000)	**254 658**	193 425	253 772	180 000
Fully diluted weighted average shares in issue ('000)	**260 195**	196 329	257 885	180 000
Earnings per share (cents)	**17,7**	16,3	11,0	8,1
Headline earnings per share (cents)	**17,7**	16,1	11,0	8,1
Fully diluted earnings per share (cents)	**17,3**	16,0	10,8	8,1
Fully diluted headline earnings per share (cents)	**17,3**	15,8	10,8	8,1

Notes:

(1) The weighted average number of shares in issue includes the weighted average number of shares issued in terms of the JK Shelters (Pty) Limited transaction ("JK Shelters transaction") with effect from 1 March 2007. The 23 772 083 shares issued in terms of the JK Shelters transaction were listed by the JSE Limited ("JSE") on 18 October 2007.

(2) The previous interim results issued on 9 November 2007 are being withdrawn and the revised interims are presented above. These changes were effected on the insistence by the JSE, on advice received from the GAAP Monitoring Panel ("GMP"). The effect of the changes were to account for the notional interest charge of approximately R997 000 based on the cash payment for the JK Shelters transaction and the related effect on taxation calculations. This resulted in a reduction of earnings and headline earnings per share from 11,3 cents per share to 11,0 cents per share and fully diluted earnings and headline earnings per share from 11,1 cents per share to 10,8 cents per share. Refer to the "Restatement of the interim results" paragraph below for details of the amendments to the interim results.

CONDENSED GROUP BALANCE SHEETS

	Audited February 2008 R'000	Audited February 2007 R'000	Revised reviewed August 2007 R'000
ASSETS			
Non-current assets	**63 899**	11 834	60 211
Property, plant and equipment	**27 932**	10 882	26 859
Goodwill	**33 227**	–	33 227
Other financial assets	**1 023**	952	70
Deferred taxation	**1 717**	–	55
Current assets	**237 202**	155 855	236 015
Inventories	**75 388**	41 353	82 129
Other financial assets	**–**	720	4 738
Current taxation receivable	**–**	1 708	–
Trade and other receivables	**155 481**	51 195	129 560
Cash and cash equivalents	**6 333**	60 879	19 588
Total assets	**301 101**	167 689	296 226
EQUITY AND LIABILITIES			
Equity and liabilities			
Equity and reserves	**205 503**	125 896	186 677
Share capital	**82 467**	47 882	80 790
Reserves	**63**	66	94
Retained earnings	**122 973**	77 948	105 793
Non-current liabilities	**12 082**	7 479	17 749
Installment sale obligation	**12 082**	7 052	15 660
Deferred taxation	**–**	427	2 089
Current liabilities	**83 516**	34 314	91 800
Loans from vendors	**309**	193	8 940
Current taxation payable	**20 397**	–	7 710
Current portion of long-term liabilities	**3 182**	2 426	2 748
Trade and other payables	**53 372**	31 695	72 402
Bank overdraft	**6 256**	–	–
Total equity and liabilities	**301 101**	167 689	296 226
Shares in issue at period end ('000)	**266 820**	230 000	253 772[1]
Net asset value per share (cents)	**77,0**	54,7	73,8
Net tangible asset value per share (cents)	**64,6**	54,7	60,3

Notes:

(1) The 23 772 083 shares issued in terms of the JK Shelters transaction were listed by the JSE Limited ("JSE") on 18 October 2007. These shares were included in the Shares in issue as from 1 March 2007.

CONDENSED GROUP STATEMENTS OF CHANGES IN EQUITY

	Share capital and premium R'000	Foreign currency translation reserve R'000	Revaluation reserve R'000	Retained earnings R'000	Total equity R'000
Balance 1 March 2006	**–**	**–**	**14**	**46 483**	**46 497**
Changes in equity:					
Share capital issued	23				23
Share premium	47 229				47 229
Share-based payment reserve	630				630
Profit for the year				31 465	31 465
Fair value adjustment to investments			52		52
Balance 28 February 2007	**47 882**	**–**	**66**	**77 948**	**125 896**
Changes in equity:					
Share capital issued	2				2
Share premium	32 090				32 090
Share-based payment reserve	816				816
Profit for the first six months				27 845	27 845
Fair value adjustment to investments			28		28
Balance at 31 August 2007	**80 790**	**–**	**94**	**105 793**	**186 677**
Changes in equity					
Share premium	24				24
Share based payment reserve	1 653				1 653
Fair value adjustment to investment			36		36
Currency translation reserve		(67)			(67)
Profit for the second six months				17 180	17 180
Balance at 29 February 2008	**82 467**	**(67)**	**130**	**122 973**	**205 503**

CONDENSED GROUP CASH FLOW STATEMENTS

	Audited 12 months February 2008 R'000	Audited 12 months February 2007 R'000	Revised reviewed 6 months August 2007 R'000
Cash flows from operating activities	**(40 055)**	10 128	(37 138)
Cash flows from investing activities	**(25 385)**	2 172	(17 730)
Cash flows from financing activities	**4 638**	48 715	13 577
Change in cash and cash equivalents	**(60 802)**	61 015	(41 291)
Cash and cash equivalents at beginning of year	**60 879**	(136)	60 879
Cash and cash equivalents at end of year	**77**	60 879	19 588

SEGMENTAL REPORTING

	Audited 12 months February 2008 R'000	Audited 12 months February 2007 R'000	Revised reviewed 6 months August 2007 R'000	Unaudited 6 months August 2006 R'000
Gross revenue				
Cellular towers	**285 575**	197 251	148 843	71 241
Equipment shelters	**58 471**	–	32 203	–
Inter segment eliminations	**(17 474)**	–	(4 122)	–
	326 572	197 251	176 924	71 241
Profit before interest and taxation				
Cellular towers	**67 534**	42 676	30 501	17 864
Equipment shelters	**14 205**	–	11 863	–
Inter segment eliminations	**(17 474)**	–	(4 122)	–
	64 265	42 676	38 242	17 684
Depreciation				
Cellular towers	**(2 002)**	(1 125)	(1 137)	(404)
Equipment shelters	**(214)**	–	(97)	–
	(2 216)	(1 125)	(1 234)	(404)

OVERVIEW

The year under review has been both an exciting and challenging year. The group increased its revenue by 66% as a result of inter alia, the inclusion of JK Shelters and the buoyant trading conditions in the overall cellular industry in Africa and other emerging markets, increased demand for its products, as well as geographical expansion into new regions such as Madagascar, Congo (Brazzaville) and Uganda.

The conflict in inter alia, Chad in the earlier part of 2008, resulted in delays in the completion of contracts before year end, and led to a significant increase in working capital requirements, compared to the previous financial year. Some of the group's debtors have been slow in settling outstanding amounts, and the group has made provisions against these accounts in the current financial year, which had a negative impact on an otherwise excellent performance by the group. Management has introduced measures to reduce its exposure to the slow paying customers, both in collecting outstanding amounts and with regard to entering into new contracts with these customers.

ACTOWERS has furthermore invested in infrastructure and personnel to ensure that it has the capacity and capabilities to meet the increased demand for its products and services. Subsidiary companies have been established in Congo (Brazzaville), Democratic Republic of Congo, Madagascar and Uganda to allow ACTOWERS to expand its business, in accordance with the requirements of these countries.

The group continued to take advantage of buoyant trading conditions in the overall cellular industry in Africa and other emerging markets. For the 2009 financial year to date, the group has already received confirmed orders from its customers well in excess of the previous comparable period.

In addition the supply of cellular towers without related installation increased significantly during the 2008 year. The group also increased its manufacturing capacity. Sales of components increased substantially, especially to Nigeria.

The electrical pylons business has made significant progress in realising its objectives to enter the market as a supplier of transmission and distribution tower structures as well as becoming a recognised power line construction company. This will position the group to take a share of the R39 billion that has been earmarked by Eskom for transmission and distribution projects over the next five years.

FINANCIAL RESULTS

Revenue of ACTOWERS increased by 66% from R197 million in 2007 to R327 million during the 2008 year end. These strong results are inter alia, due to the inclusion of the JK Shelters transaction and an increase in the manufacturing capacity of the production facilities which led to an increase in product sales. Strong demand continued for the group's products and new clients were secured during the 2008 year end.

Gross profit increased to R122 million (2007: R62 million) by 99%, with gross profit margins increasing from 31,2% to 37,5% in 2008. The increase can mainly be attributable to a number of factors, the most important being:

- the incorporation of subsidiaries in the various countries referred to earlier, and the recordal of operations as separate entities, which are consolidated into group results (prior to the incorporation of the subsidiaries, the operations and related costs were recorded as contracts within ACTOWERS), and
- an increase in operating efficiencies.

EBITDA increased by 52% to R66 million (2007: R44 million) for the 2008 year end. EBITDA margins decreased to 20% (2007: 22%) mainly as a result of an increase in operating costs, due to increased spending on increased capacity and staff to meet the increased demand, incorporation of the subsidiaries, referred to above, and an increase in the provision for bad debts to R15,6 million (2007: R1,6 million). Other income mainly relates to foreign exchange gains.

Trade debtors at 29 February 2008 of R155 million was significantly higher than forecast due to factors such as conflict in certain of the countries and difficulty in obtaining final acceptance certificates in other countries. Inventory levels increased to R75 million from R41 million in 2007. Trade and other payables also increased from R32 million in 2007 to R53 million in 2008. These increases were mainly attributable to the delay in finalising projects in African countries and the increase in steel purchases before the steel price increases took effect on 1 March 2008.

BASIS OF PREPARATION OF THE AUDITED RESULTS

Statement of compliance

The condensed financial statements comprise a consolidated balance sheet at 29 February 2008, a consolidated income statement, consolidated statement of changes in equity and summarised consolidated cash flow statement for the year ended 29 February 2008. The condensed financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") and the presentation and disclosure requirements of IAS 34, Interim Financial Reporting, JSE Listings Requirements and South African Companies Act.

The accounting policies applied for the year are consistent with those of the prior year.

Basis of measurement

The condensed financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value.

AUDITED RESULTS

The auditors, Nexia HBLT Chartered Accountants (East Rand) Inc, have audited these results (with the exception of the interim results which were reviewed) and their unmodified audit opinion is available for inspection at the company's registered office.

BUSINESS COMBINATIONS

ACTOWERS acquired 100% of the share capital of JK Shelters with effect from 1 March 2007 for an amount of R45,8 million, paid in cash of R13,8 million (before a notional interest adjustment of approximately R997 000 for the six months ended 31 August 2007, and R1,4 million for the year ended 29 February 2008), and the issue of 23,8 million ordinary shares at a price of R1,35 per share (which was the fair value as at 12 February 2007, the day the Heads of Agreement was entered into).

That entity's revenue, included in the results presented was R58,5 million before inter group sales of R17,5 million and it generated a profit after tax of R10,9 million. The goodwill acquired on the acquisition, after an adjustment for the finance cost portion on the deferred payment, was R33,2 million. The results of JK Shelters have been shown separately as a new operating segment in the segmental reporting, being "Equipment shelters".

The following assets and liabilities (at fair value) were acquired (R'000):

Non-current assets	1 472
Current assets	15 953
Non-current liabilities	(960)
Current liabilities	(5 255)

The goodwill was based on inter alia, the market share in Africa, synergy to the group, growth opportunities, production capacity and strong client base.

RESTATEMENT OF THE INTERIM RESULTS

Following a review by the GMP of the interim results of ACTOWERS for the six months ended 31 August 2007, the JSE instructed the company to re-issue the interim results in compliance with the requirements of IFRS. The restatement of the interim results stems mainly from the disclosure requirements for business combinations, to account for the acquisition of JK Shelters. Payment of the purchase consideration was only affected during October 2007, and goodwill therefore had to be adjusted by an amount of approximately R997 000, transferred to interest paid, as required by IFRS. Set out below are the details of the various line items of the interim results affected by the required restatement.

	Before	After
Income statement items		
Net interest received(1)	1 974	977
Tax	11 663	11 374
Earnings attributable to ordinary shareholders	28 553	27 845
Earnings per share (cents)	11,3	11,0
Headline earnings per share (cents)	11,3	11,0
Fully diluted earnings per share (cents)	11,1	10,8
Fully diluted headline earnings per share (cents)	11,1	10,8
The net effect of the amendment was to reduce earnings and headline earnings per share by 2,65%, and fully diluted earnings and headline earnings per share by 2,70%.		
Balance sheet items		
Goodwill(1)	34 463	33 466
Current tax payable	9 999	9 710
Retained income	106 501	105 793
Net asset value per share (cents)	73,8	73,6
Net tangible asset value per share (cents)	60,3	60,4
Cash flow statement(2)		
Cash flow from investing activities	(50 819)	(17 730)
Cash flow from financing activities	46 666	13 577

(1) Re-allocation from goodwill to net interest received.

(2) The settlement of a portion of the purchase consideration was by way of the issue of ordinary shares in ACTOWERS which, in terms of the requirements of IAS 7, should not be included in the cash flow statement. The above amendments are to reflect the correct treatment of the above issue of shares in the interim results.

PROSPECTS

ACTOWERS is extending its product offering into the manufacturing of electrical pylons for the electrical transmission industry. An order for the first proto-type pylon was manufactured and testing was successful. Eskom recently stated that approximately R39 billion has been earmarked for transmission and distribution projects over the next five years. ACTOWERS has employed highly qualified personnel with years of experience in the electrical pylon industry in order to provide high standard pylons to Eskom and other power supply companies in Africa.

ACTOWERS currently processes approximately 1 500 tons of steel per month. With the current strong order book and the new electrical pylon venture embarked upon, it is envisaged that ACTOWERS will increase production output to approximately 3 000 tons of steel per month in 12 to 15 months' time.

The group continues to experience buoyant trading conditions in its markets across Africa and confirmed orders to date substantially exceeds that of the comparable period of the previous financial year. ACTOWERS is furthermore considering various acquisition opportunities to expand its business into related industries.

ACTOWERS is fully committed to the transformation process required by Broad Based Black Economic Empowerment ("BBBEE") and will over the short to medium term increase the BEE ownership of the group. The company has also embarked on the process of BEE accreditation and will restructure accordingly.

The galvanizing bath and the galvanizing plant that was purchased during the year will be replaced by a bigger facility which will be able to handle the increased planned production output of the cellular towers and to accommodate the galvanizing of the electrical pylon components. After the installation and commissioning of three new CNC machines during September and October 2007 ACTOWERS has a total of eleven fully automated CNC machines which brings critical mass to the manufacturing plant.

The re-zoning of the Ghana Free Zone is complete and infrastructure services such as roads, water and electricity was also completed in the first quarter of 2008. ACTOWERS is in the process of opening a storage facility in the Ghana Free Zone and is expected to occupy the premises by the third quarter of 2008. JK Shelters is considering establishing a manufacturing facility on the premises in the near future.

SHARE CAPITAL

The company issued 23 772 083 ordinary shares at R1,35 in terms of the JK Shelters acquisition. The group's employees acquired 1 400 000 ordinary shares in the company through the share incentive trust on 25 October 2007.

DIVIDEND POLICY

It is the intention of the company to reconsider its dividend policy once the group has achieved mature growth and periodically thereafter to take account of prevailing circumstances and future cash requirements. Initially all earnings generated by the group will be utilised to fund future growth and development.

STATEMENT ON GOING CONCERN

The condensed financial statements have been prepared on the going-concern basis since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

On behalf of the Board

CJJ Krüger
Managing Director

J de Villiers
Financial Director

27 May 2008

CORPORATE INFORMATION

Non executive director: Dr RR Richards

Executive directors: CJJ Krüger (Chairman and Managing Director); D van Staden; J de Villiers

Registration number: 2000/027374/06

Registered address: 10 Tennyson Drive, Tulisa Park, Johannesburg

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Company secretary: Premium Corporate Consulting Services (Pty) Limited

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Transfer secretaries: Computershare Investor Services (Pty) Limited

Designated Adviser: Vunani Corporate Finance

These results and an overview of ACTOWERS are available at **www.africacellular.co.za**