

Africa Cellular Towers Limited

Final Results Presentation

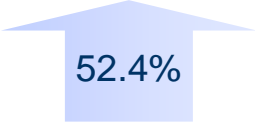
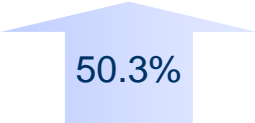
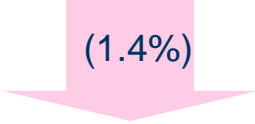
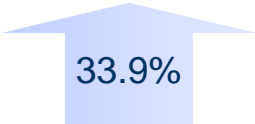
For the year ended
28 February 2007



Content

- Highlights for 2006/2007
- Introduction & background
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- Questions & answers

Financial highlights

● Revenue	 52.4%	(R129.4m – R197.3m)
● EBIT	 50.3%	(R28.3m – R42.7m)
● EBIT margin	 (1.4%)	(21.9% – 21.6%)
● HEPS – diluted	 33.9%	(11.8cps – 15.8cps)
● Cash resources @ Y/E		R60.9m



Highlights for 2006/2007

Chris Kruger
Managing Director

Operational highlights

- **Listed on the Alternative Exchange on 29 November 2006**
- **Reduced exposure to Celtel and added more clients**
- **Gained Madagascar as a new country we supply to**
- **Awarded large contracts in Nigeria, Ghana and Congo Brazzaville**
- **Occupied new head office on same premises as factory**
- **Production capacity being expanded by 6 fully automated cut, punch and marking machines (2 have already arrived)**
- **In process of building own galvanising plant**

Introduction & background

Established

- **In 1999**
 - Celtel International Group – 1st client
 - SA's leading manufacturer and exporter of full turnkey solutions to tower construction in Africa
 - More than 900 projects in Africa, 3 000 towers
 - Manufacturing capability of over 1 200 tons of steel pm, with a target of 2 000 tons of steel pm with new expansion to factory

Personnel

- **Personnel**
 - 170 employees

Operations

- **Operations**
 - Manufacturing and installation of towers (Tower)
 - Full turnkey projects (Site)

Manufacturing operations

- Most advanced telecommunications lattice towers fabrication facility in Africa
- Production output per week:
 - 10 x 100 meter towers; or
 - 15 x 80 meter towers; or
 - 20 x 50 meter towers; or
 - 25 x 30 meter towers



Global footprint

ACTOWERS presence in Africa

- 25 African countries, of a potential 53
- Free Zones

Also

- Gulf States



Installation roll-outs

- SAISI Award in 2003
- More than 900 projects in Africa with 3 000 towers in the following countries:
 - Burkina Faso (120)
 - Chad (130)
 - Congo Brazzaville (150)
 - DRC (300)
 - Gabon (160)
 - Niger (90)
 - Sierra Leone (70)
 - Sudan (350)
 - Nigeria (380)
 - Tanzania (150)
 - Zambia (150)
 - Uganda (70)
 - Guinea (124)
 - Ghana (200)
 - Botswana (5)
 - Zimbabwe (18)
 - Madagascar (20)
 - South Africa (150)

Market overview

- Cellular phones in emerging markets – fastest growing in world – 5 new major operators were awarded licences last year
- Goldman Sachs Commtch forecasts – 4 billion subscribers by 2010 (current 2 billion)
- Mobile users in Africa have overtaken fixed line users
- Network coverage remain low
- Cellular operators insist on having own towers in Africa due to a lack of mutual trust – no sharing of networks
- Status symbol
- Inbound communication

Low coverage provides high growth opportunities

Customers

- **Celtel International / MTC**
- **MTN / Investcom**
- **ACCAT Nigeria**
- **Shell International**
- **Alcatel SA (Vodacom DRC)**
- **Huawei**
- **MobiTel**
- **Hayat**

Competitors

- **Plessey**
- **Tricom Structures**
- **Liftmaster**
- **Structacom**
- **Emafini Towers**
- **Le Blanc**
- **Brolaz**
- **Venture Communications**
- **Alan Dick**
- ***Webb Industries***

ACTOWERS' complete in-house, full turnkey manufacturing and supply solution of telecommunications support systems differentiates it from its competitors

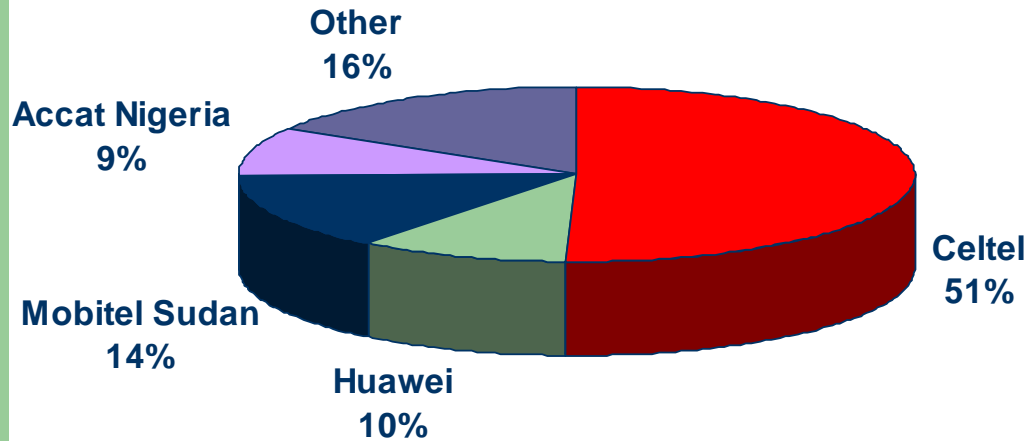
Financial results

Jacques de Villiers
Financial Director

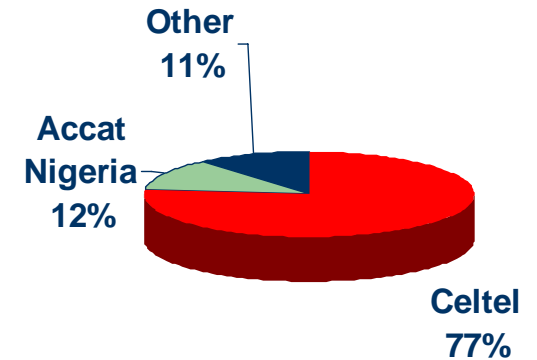
Income statement

Year ended 28 February (R'000)	2007 Actual	2007 Forecast	% Change	2006 Actual	% Change
Revenue	197 251	157 152	25.5%	129 429	52.4%

2007

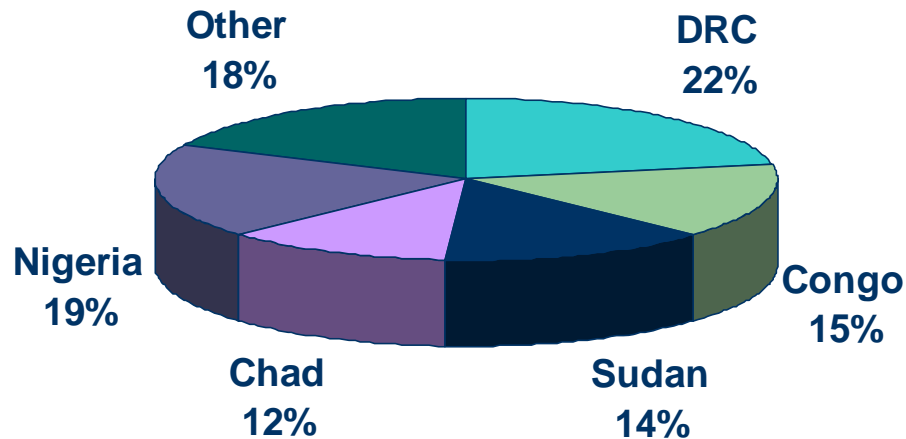


2006

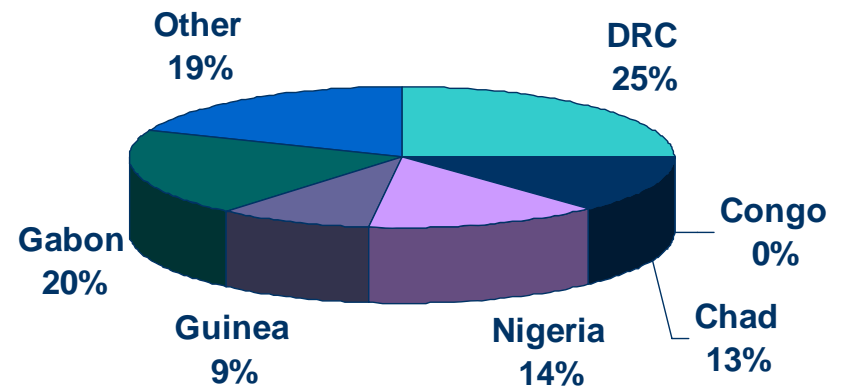


Revenue per African country

2007



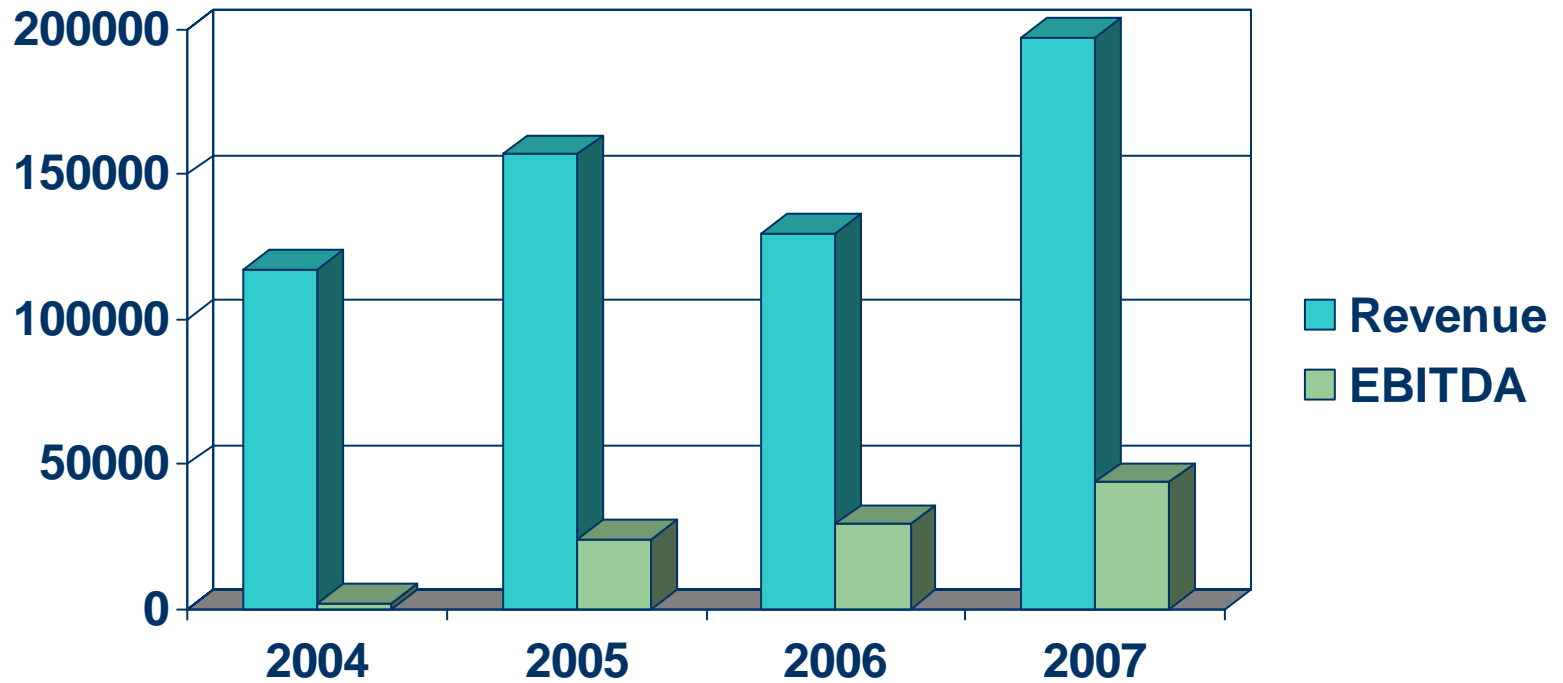
2006



Income statement

Year ended 28 February (R'000)	2007 Actual	2007 Forecast	% Change	2006 Actual	% Change
Revenue	197 251	157 152	25.5%	129 429	52.4%
Gross profit	61 555	53 276	15.5%	47 949	28.4%
<i>Gross profit margin (%)</i>	31.2%	33.9%	(8.0%)	37.0%	(15.7%)
EBITDA	43 801	34 510	26.9%	29 329	49.3%
<i>EBITDA margin (%)</i>	22.2%	22.0%	0.9%	22.7%	(2.2%)

Income statement



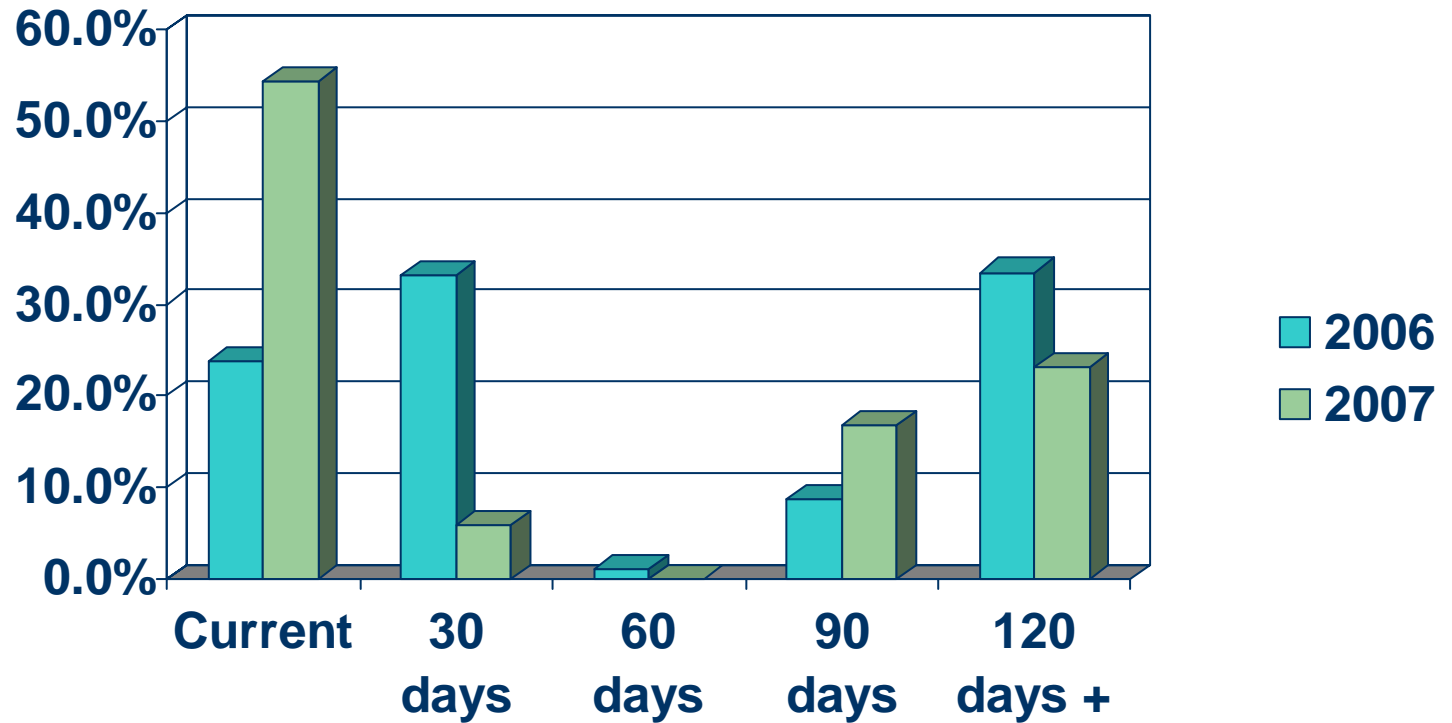
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<i>EBITDA margin (%)</i>	22.2%	22.0%	0.9%	22.7%	(2.2%)
Profit before interest and taxation	42 676	32 810	30.1%	28 392	50.3%
Profit before taxation	45 115	35 959	25.5%	29 832	51.2%
Profit after taxation	31 465	25 594	22.9%	21 163	48.7%
EPS - diluted (cents per share)	16.0	13.2	21.2%	11.8	35.6%
HEPS - diluted (cents per share)	15.8	13.0	21.5%	11.8	33.9%
Weighted average shares in issue	196,329,170	193,424,658		180,000,000	

Balance sheet

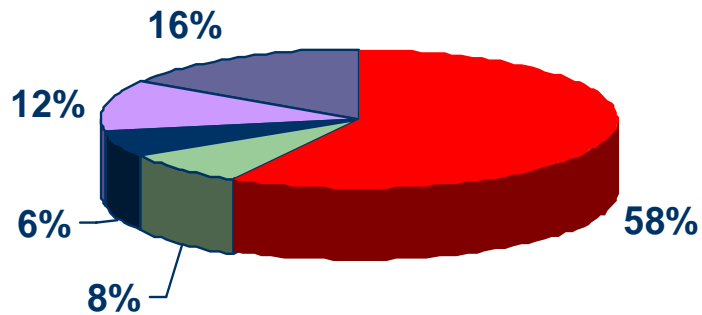
As at 28 February (R'000)	2007 Actual	2006 Actual	% Change
Assets			
Fixed assets	10 882	6 012	81%
Other (Financial assets and Deferred tax)	952	9 493	
Current assets			
- <i>Inventories</i>	41 353	4 295	863%
- <i>Other financial assets, tax receivable and loans receivable</i>	2 428	182	
- <i>Trade receivables</i>	51 195	65 940	(22%)
- <i>Cash and cash balances</i>	60 879	1 072	
Total assets	167 689	86 994	
Days in inventories	110	19	
Days in trade receivables	95	186	
Days in trade creditors	85	84	

Debtors age analysis

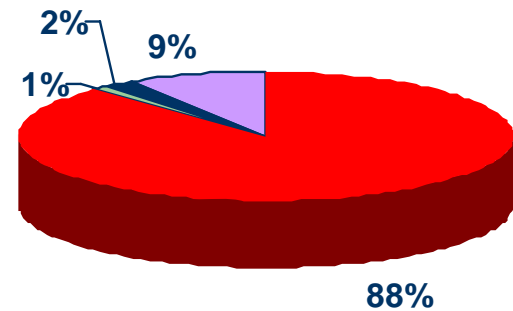


Debtors per client

% of Total Debtors - 2007



% of Total Debtors - 2006



Balance sheet

As at 28 February (R'000)	2007 Actual	2006 Actual	% Change
Shareholders' funds	125 896	46 497	
Liabilities	41 793	40 497	
Non-current liabilities (Long term and deferred tax)	7 479	4 310	
Current liabilities			
<i>Trade creditors</i>	31 695	17 952	76.6%
<i>Current portion of long-term liabilities</i>	2 426	1 390	
<i>Loans from directors</i>	193	3 695	
<i>Taxation</i>	-	11 942	
<i>Bank overdraft</i>	-	1 208	
Total liabilities and shareholders' funds	167 689	86 994	

NAV and NTAV per share (cents)	54.7	25.8
Shares in issue	230 000 000	180 000 000

Cash flow statement

For the year ended 28 February (R'000)	2007 Actual	2006 Actual	% Change
Cash flow from operations	34 290	20 229	69.5%
Net interest received	2 439	1 440	
Taxation paid	(26 601)	(8 716)	
Net cash from operating activities	10 128	12 952	
Net cash from investing activities	2 172	(2 008)	
Net cash from financing activities	48 715	(8 552)	
Total cash movement for the year	61 015	2 392	
Cash at the beginning of the year	(136)	(2 528)	
Cash at the end of the year	60 879	(136)	



Prospects

Chris Kruger
Managing Director

Prospects

- Increase local manufacturing capacity by 1 200 m²
- Expand geographically into emerging markets
- Ghana Free Zone opportunity
- JK Shelters acquisition – strategic fit to existing business
- Securing new clients to reduce credit risk
- Supplementary sources of annuity income
- New product development

Strategically positioned to take advantage of growth in the cellular and construction industries

Investment rationale

- **Established company (7 years)**
- **Extensive experience in emerging markets, especially Africa**
- **Experienced management team**
- **Strong financial performance**
- **High growth industry**
 - Communication and construction sectors
- **Opportunities:**
 - Emerging markets
 - Cellular operators need to deliver – coverage
 - Product diversification



Questions & Answers

www.africacellular.co.za

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