

**Press release
For immediate release**

ACTOWERS POISED FOR EVEN GREATER GROWTH

Highlights

- Revenue up 66% to R327 million (2007: R197 million)
- Gross profit up 99% to R122.4 million (2007: R61.6 million)
- EBITDA up 50% to R66 million (2007: R44 million)
- HEPS up 10% to 17.7 cents (2007: 16.1 cents)

Africa Cellular Towers Limited (ACTOWERS) released a solid set of final results for the year ended 29 February 2008. Chris Kruger, Chairman and CEO of ACTOWERS says that the year was categorised by both positive and negative influences, but that they are more than satisfied with the results posted.

Revenue increased by 66% from R197 million in 2007 to R327 million. The significant growth in revenue was mainly attributed to the inclusion of JK Shelters, the buoyant trading conditions in the overall cellular industry in Africa and other emerging markets, increased demand for products, as well as geographical expansion into new regions such as Madagascar, Congo (Brazzaville) and Uganda.

JK Shelters manufactures and supplies shelters throughout Africa to various cellular operators. The shelters situated at the base of the cellular tower are used to house equipment for cellular communication. To meet rising demand the production facilities for JK Shelters were expanded during the year. Sales into Nigeria contributed 32% of total sales and these sales are supply only contracts.

“We are definitely still experiencing strong demand for cellular towers in Africa and we continue to secure new contracts with new clients each year.” says Kruger.

Gross profit grew by 99% from R61.6 million in 2007 to R122.4 million, with the gross profit margin increasing from 31.5% (2007) to 37.3%. The main reason for the increase in the gross profit margin is the incorporation of the subsidiaries in Congo (Brazzaville), Democratic Republic of Congo, Madagascar and Uganda. Previously, these operations and their related costs were recorded as contracts within ACTOWERS. A further contributing factor to the significant gross profit margin increase was greater operating efficiencies in the manufacturing process.

EBITDA increased by 50% to R66 million. EBITDA margin decreased to 20.2% from 22.3% (2007). This decrease in EBITDA margin was mainly as a result of an increase in operating costs, due to the company positioning itself for the power line industry, 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.

There was pressure on working capital as a result of political conflict in Chad where employees had to be withdrawn before the sign off of projects. The trade debtors as at 29 February 2008 is at an all time high of R155 million and higher than was

forecast. This was mainly due to the inclusion of JK Shelters, as well as the exposure to the Celtel Group in Africa. In 2006, Celtel contributed to 66% of ACTOWERS' sales, in 2007 this decreased to 51%. For the year ended 29 February 2008, Celtel only accounted for 29% of sales. "We are working hard to reduce our exposure to the Celtel Group in Africa and are constantly looking at repayment terms to alleviate pressure on our working capital." stated Chris Kruger.

Inventory, the other large item on the balance sheet improved and as at year end this amounted to R75 million. Chris Kruger says that with the significant increase in the steel price effective 1 March 2008, ACTOWERS took the decision to purchase large quantities of steel prior to this date and hence the increase in trade creditors.

"As indicated in our prospectus on listing, we noted that we would assess extensions to our product offering. We are proud to announce that we have opened a new division that manufactures, constructs and supplies electrical pylons for the electrical transmission and distribution industry" says Chris Kruger, CEO.

Recent ESKOM estimates state that around R39 billion has been earmarked for transmission and distribution projects over the next 5 years. ACTOWERS has employed highly qualified personnel with years of experience in the electrical transmission and distribution industry to be well placed to maximise the opportunity this provides. The manager of the Power Line Division says that the business has made significant progress. A 350Kv DC Tower for use on the Caprivi Link Project in Namibia has successfully been manufactured and tested. Several transmission line towers have been made for Edison Jehamo Projects and a steel substation for ABB Botswana is currently being manufactured. Early in May 2008, the new division operating as Africa Power Lines received its vendor numbers from Eskom CED and Eskom Distribution (Gauteng). Various tenders have subsequently been submitted and are waiting to be awarded.

A stated goal of ACTOWERS was to sell 1 500 tons of steel per month which was achieved. With the strong order book as well as the exciting new electrical pylon business, ACTOWERS, over the next 12 to 15 months, will begin to sell in the region of 3 000 tons of steel per month. During the first quarter of 2009, both ACTOWERS and JK Shelters received orders exceeding last years total production. ACTOWERS will by the end of July 2008, have shipped more than 100 towers more than last year.

The re-zoning in the Ghana Free Zone is completed and infrastructure services such as roads, water and electricity were also completed in the first quarter of 2008. "We are expecting to occupy the facilities in the near future," commented Chris Kruger.

ACTOWERS will continue to address its BEE credentials as a matter of priority.

"We are excited about the year ahead and we look forward to growing the business in the Electrical Transmission and Distribution arena as well as possible acquisitions, which should contribute to enhancing shareholder value." concluded Kruger.

The end

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