

**Press release
For immediate release**

**ACTOWERS REPORTS EXCELLENT RESULTS BASED ON INCREASED
PRODUCT DEMAND**

Highlights

- Revenue up 148.5% to R176.9 million (2006: R71.2 million)
- Gross profit up 144.2% to R56.9 million (2006: R23.3 million)
- EBITDA up 115.9% to R39.5 million (2006: R18.3 million)
- HEPS up 39.5% to 11.3 cents (2006: 8.1 cents)

Africa Cellular Towers Limited (ACTOWERS) released an excellent set of interim results for the six months ended 31 August 2007. "This has been a very good six months for ACTOWERS in that the demand for cellular towers across our geographic operating area has exceeded even our own expectations." commented Chris Kruger, Chairman and CEO of ACTOWERS.

The increase in revenue is 148.5%, 115.9% in earnings before interest, taxation and depreciation ("EBITDA") and 95.5% in profit after tax compared to the previous period. Headline earnings per share for the six months ended 31 August 2007 is 11.3 cents which constitutes approximately 78% of the forecasted full year 2008 headline earnings per share of 14.5 cents as per our listing prospectus.

Financial results

Revenue increased by 148.5% from R71.2 million in 2006 to R176.9 million. These strong results are due to an increase in the production facilities which extended the plant's capacity output which in turn led to an increase in product sales. Strong demand for ACTOWERS' products was experienced and this resulted in new clients coming on board on a supply-only contract basis. ACTOWERS managed to secure a few major contracts which are currently being completed in Madagascar, Congo Brazzaville and Chad.

Gross profit grew by 144.2% from R23.3 million in 2006 to R56.9 million, with the gross profit margin marginally declining from 32.8% in 2006 to 32.2%.

EBITDA increased by 115.9% from R18.3 million in 2006 to R39.5 million. EBITDA margin decreased from 25.7% (2006) to 22.3% (2007). Chris Kruger says that: "These results are testimony to ACTOWERS strong reputation in Africa and are synonymous with good quality and excellent service delivery."

The trade debtors as at 31 August 2007 is R129.6 million and this balance is significantly higher than was expected. This was mainly due to a timing issue where certain debtors, to the amount of US\$5 million, were expected to pay in August 2007. During the period 1 to 18 September 2007, a total of approximately R32 million worth of trade debtor accounts was received. The debtors' days are 134 and if the above is taken into account, it would have been 101 days which is normal for ACTOWERS.

The other large item on the balance sheet is inventory, amounting to R82.1 million. Chris Kruger said that three events influenced stock levels as at 31 August 2007, namely the shortage of ships available to transport stock into Africa, the mini tsunami that hit Durban resulting in parts of the harbor being closed off for maintenance, as well as the harbor strike during July / August. An indication of the impact of the shortage of ships on ACTOWERS' stock levels was that only 467 tons of steel (towers and fencing) was shipped during August 2007, as opposed to the 1 161 tons of steel shipped in September 2007 and the 1 355 tons of steel shipped in October 2007. Finished goods increased from R8.7 million at 28 February 2007 to R20.7 million at 31 August 2007.

"We remain excited about our business and our order book for the next 6 months is looking extremely solid" says Chris Kruger, CEO.

Prospects

A stated goal of ACTOWERS was to consume 1 500 tons of steel per month. With the strong order book as well as the exciting new business venture embarked upon, ACTOWERS, over a period of 18 months, will begin to consume in the region of 3 000 tons of steel per month.

The galvanizing bath in the galvanizing plant is being extended which will allow the Group to galvanize four times more products than was initially planned. The plant layout is being re-engineered in order to increase production efficiencies and an additional crane was added to ensure a faster production line. Three new CNC machines were installed during September and October 2007 and are in operation. This brings ACTOWERS to a total of eleven CNC machines adding critical mass to the plant.

The JK Shelters business is relocating to ACTOWERS' enlarged premises as this subsidiary is experiencing exponential demand for its products and it has begun subcontracting some of its work in order to meet the orders received to date.

The re-zoning in the Ghana Free Zone is complete and infrastructure services such as roads, water and electricity should be completed by latest February 2008. ACTOWERS hopes to occupy the facilities by April 2008.

Chris Kruger further expressed his excitement saying ACTOWERS is extending its product offering into the manufacturing of electrical pylons for the electrical transmission industry. An order for the first proto-type has been placed by Nampower and testing of the pylons is eminent. This will be an extremely lucrative market for ACTOWERS as Eskom stated at a SAISI breakfast meeting recently that it has set aside approximately R39 billion for transmission and distribution projects over the next 5 years. Eskom further stated that their current suppliers fail to meet demand. Chris Kruger says: "We have specifically employed highly qualified personnel with years of experience in the electrical pylon market as we are confident that we can provide Eskom and other power supply companies in Africa with electrical pylons meeting their high standard."

ACTOWERS states that it will address its BEE credentials in the short term as it is becoming crucial to its expansion plans in South Africa. No specific BEE parties have been identified but ACTOWERS instructed their Designated Advisor to actively drive the process.

“We are looking forward to the second half of our financial year and we are confident that our forecast for 2008 will be met. We are also constantly looking for opportunities to expand our product ranges to ensure that we keep on enhancing shareholder value.” says Kruger.

The end

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Background information

Nature of the business

ACTOWERS, based in Johannesburg, is an in-house, full turnkey manufacturing and supply company of telecommunication support systems in Africa and other emerging markets. The operations can be divided into two main areas, namely Manufacturing and Sales and Installations. Through JK Shelters, they manufacture and supply shelters to the cellular phone tower market throughout Africa and operate from the industrial premises adjoining ACTOWERS. Each cellular tower erected by ACTOWERS requires one shelter at its base to house equipment for cellular communication.

Manufacturing

ACTOWERS' main business consists of their manufacturing operation, located in a 3,200m² factory based in Johannesburg, manufacturing:

- steel communication towers (cellular and microwave masts);
- steel structures for manufacturing and warehouse facilities (general steel engineering);
- steel portal factories to house the electronics required at a telecoms site;
- steel palisade fencing for the telecoms site;
- diesel and water tanks for the telecoms site; and
- solar structures, also used at the telecoms site.

Sales and Installations

The Sales and Installation teams are responsible for all pole-related support systems, which include:

- the management of turnkey telecommunications network projects including GSM, WLL, fixed wireless and VSAT technology;
- providing turnkey solutions or tower parts only for tower construction in Africa and other emerging markets, such as the Gulf States and India;

- ensuring that the tower parts are properly installed; and
- assist with the testing of these towers.

All tower components are pre-manufactured in South Africa as a modular system, which minimises rigging on site and at this stage.