



Presentation

BEE transaction with TisoGroup



January 2009



Agenda

Background and rationale of the transaction

High level terms of the transaction

Information on Tiso

Detailed terms of the transaction

Financial effects

Prospects

Questions & answers



Background and rationale of the transaction

- Power industry was identified as a major expansion opportunity two years ago
- Eskom's transmission and distribution lines programme (in excess of R30 billion)
- Power Lines Division was established in 2007
 - Experienced senior team (more than 50 years combined)
 - Initial investment in equipment
 - Contracts
- To qualify for large tenders in South Africa – BEE credentials essential and capital required
- An intensive BEE search process over a 7 month period
- Tiso selected as the strategic partner with the necessary skills and experience



Background and rationale of the transaction (*cont'd*)

- Access to Tiso's skills base
- Tiso's investment in ACTOWERS complementary to some of its existing investments
- Fits into Tiso's own strategy of expanding into sub-Saharan Africa
- Mutually beneficial to both parties



High-level terms of the transaction

- Expected effective date 31 January 2009
- ACTOWERS issues 92 733 300 shares at R1.25 per share
 - No vendor facilitation
- ACTOWERS raised R115.9 million to:
 - complete galvanizing plant
 - acquire specific equipment for the Power Lines Division
 - provide additional working capital
 - leverage opportunities in the telecoms and power industry
- Potential “agterskot” after 28 Feb 2010 of up to R22.5 million (no dilution)
- ACTOWERS board will be strengthened
 - Tiso appointment as a non-executive director
 - Additional independent non-executive director



Information on Tiso

Mbonisi Danisa and Bill Cosby








Background on Tiso

- Established in 2001
- One of South Africa's leading black-controlled and managed principal investment companies
- Highly experienced senior executive team
- Primarily invested in the infrastructure, resources, industrial and financial services sectors
- Strategic holdings in construction, steel merchanting, coal, industrial minerals, mining services, power and property development companies
- Significant shareholding in banking, logistics and specialty chemicals companies



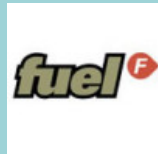




Tiso investments

<p>Infrastructure, engineering & steel</p>		<p>25% interest in Aveng Limited's steel & construction businesses, via a Tiso-led BEE consortium</p>
<p>Power</p>		<p>9.5% interest in Alstom SA</p>
<p>Financial services</p>		<p>Part of BEE consortium which acquired a 25.1% interest in Investec</p>
<p>Resources</p>		<p>30% stake in Idwala</p>
		<p>One of the lead BEE investors which acquired a 52.9% in Exxaro through an entity called BEE Holdco</p>







Tiso investments (cont'd)

		Tiso & Tiso AEL Development Trust holds a 25.1% interest in AEL (part of AECI)
Industrial		25.1% @ interest in Improchem (part of AECI)
		10.2% interest in Fuel Logistics Group
Property		8.6% interest in Emira
		Tiso, RMB, Royal Bafokeng Holdings & management team consortium acquired RMB Properties from the FirstRand Group



Tiso executives directly involved

<p>Nkululeko Sowazi – Executive Chairman</p>		<p>Nkululeko is the Executive Chairman of the TisoGroup. He is currently also a director of Aveng Limited, Exxaro Resources Limited, Emira Property Fund as well as Trident Steel Holdings (Pty) Limited, African Explosives Limited, and Alstom SA (Pty) Limited.</p> <p>He has served on the boards of Kagiso Trust Investment Company, Kagiso Media and Development Bank of South Africa.</p>
<p>David Adomakoh – Group Managing Director</p>		<p>BSc (Econs.) Hons</p> <p>David was a former Director, Chase Manhattan Limited, London; Head of the Chase Manhattan Bank, Southern Africa; Executive Director of Robert Fleming South Africa.</p>
<p>Vuyisa Nkonyeni – Director</p>		<p>BSc(Inf. Proc), BSc(Hon), Post Graduate Diploma in Accounting, CA (SA)</p> <p>Vuyisa is a former associate at Deutsche Bank Corporate Finance where he gained investment banking experience primarily in corporate and project finance advisory work. More recently he was the financial director of Worldwide African Investment Holdings (Pty) Ltd and director at Actis LLP.</p>
<p>William (Bill) Cosby – Transaction Executive</p>		<p>BA in Economics, MBA</p> <p>Bill formerly worked with the Berwind Financial Group in the USA, as well as Banc Boston Robertson Stephens and Banc of America Securities, where he focused on Mergers & Acquisitions, Leveraged Finance, and Debt Capital Markets. Bill earned his BA in Economics from Stockton College and his MBA from the University of Michigan.</p>



Transaction information

Jacques de Villiers



Detailed terms of the transaction

Description			
Type of transaction	General issue of shares for cash		
Shareholding	25.1%		
Expected effective date of the transaction	31 January 2009		
First tranche on effective date			
Number of shares to be issued			92 733 300
Issue price per share			R1.25
Total consideration			R115.9 million



Detailed terms of the transaction (cont'd)

Description

Second tranche after 28 Feb 2010 audit finalised

Dependent on the 2009 and 2010 financial results and performance

Subject to the 30-day and 60-day VWAP being not less than R1.25 per share; and

- certain revenue and profit after tax (PAT) targets having been achieved for the year ending 28 February 2010, based on:
 - growth in total revenue;
 - PAT of the Power Lines Division; and
 - PAT of the ACTOWERS' Group

Additional consideration on a pro-rata basis to a maximum of R22.5 million



Financial effects

	Unaudited before the transaction ⁽¹⁾	Unaudited after the transaction	% Change
Earnings per share (EPS) (cents)	14.4	10.6 ⁽²⁾	(26.4)
Headline earnings per share (HEPS) (cents)	14.4	10.6 ⁽²⁾	(26.4)
Net asset value per share (cents)	100.0	105.7 ⁽³⁾	5.7
Net tangible asset value per share (cents)	87.2	96.2 ⁽³⁾	10.3
Weighted average number of shares in issue ('000)	253 928	346 661	
Shares in issue at period end ('000)	276 722	369 455	

Note 1: This column reflects the reviewed results of ACTOWERS for the six months ended 31 August 2008

Note 2: Not meaningful as cash raised through general issue for cash will be utilised to increase ACTOWERS' profitability

Note 3: The balance sheet will be strengthened significantly as a result of the transaction

Note 4: The second tranche was not accounted for in the above table



Prospects for ACTOWERS

- BEE compliant, therefore in a position to tender for large contracts in South Africa (lattice towers, shelters and power lines)
- Galvanizing plant will improve overall margins, logistics and other efficiencies
- ACTOWERS becomes more entrenched in the local market therefore not only product diversification into power but also geographical expansion
- Working capital management will improve with increased exposure in South Africa and shorter working capital cycles



Questions and answers

www.africacellular.co.za

Tel: (011) 907-7364