

## Press release

### **ACTOWERS concludes BEE transaction with renowned TisoGroup**

JSE (AltX) listed Africa Cellular Towers Limited (ACTOWERS), a manufacturer and supplier of telecommunication support systems and electric transmission and distribution lines throughout Africa, today announced the conclusion of the much anticipated strategic Black Economic Empowerment (BEE) transaction with TisoGroup (Pty) Ltd (Tiso).

Tiso will become a 25.1% shareholder in ACTOWERS, after being issued approximately 92.7 million ACTOWERS shares at an initial share price of R1.25 per share by way of a general issue of shares for cash. The effective date of the transaction is 31 January 2009. Mr Chris Kruger, Executive Chairman and CEO of ACTOWERS, said "We are very excited about the transaction with Tiso as we now have a strategic black commercial partner who we believe will add real value to the company and who will, as part of the subscription, inject additional cash into the company for expansion. Most importantly, this transaction affords us the opportunity to realise the full potential of the ACTOWERS' Power Lines Division in a sector with vast growth opportunities."

In terms of the transaction, Tiso will subscribe for the shares in cash using its own cash resources and funding facilities. ACTOWERS is not required to facilitate the transaction in any way, either by way of guarantees, vendor finance or by discounting the share price.

The fresh capital injected through the subscription will be used to expand the production and installation capacity of ACTOWERS, which can be used for either mobile telecommunication mast or power pylon manufacturing.

The telecommunications side of the ACTOWERS business is expected to benefit from the robust need for roll-out of telecommunications base stations in Africa for the foreseeable future, as well as the roll-out needs of the local fixed line- and mobile network operators in South Africa, a country not previously focused on by ACTOWERS.

The Power Lines Division of ACTOWERS has begun positioning itself as a major full turnkey provider of power lines in southern Africa over the past two years. Investments in infrastructure, equipment and manpower to service this high growth market in the power industry, as evidenced by Eskom embarking on major capital investments to upgrade and expand its power lines network, estimated in excess of R30 billion, have already been made.

Nick van der Mescht, Managing Director of the experienced senior management team of the Power Lines Division that joined ACTOWERS in 2007, indicated that in 2008 the division achieved success in being awarded supplier status by Eskom in certain regions in South Africa. The partnership with Tiso now opens the door to also tender for the larger Eskom contracts. ACTowers is also working with other power utilities in the southern African region.

Tiso, established in 2001, is one of South Africa's leading black-controlled and managed principal investment companies. Tiso has been successful in the mainstream commercial environment with investments primarily in the infrastructure, resources, industrial and financial services sectors. They also have strategic holdings

in construction, steel merchanting, coal, industrial minerals, mining services, power and property development companies. Tiso's vision is to build a principal investment business spanning the African continent in partnership with first league players, respected local entrepreneurs and management teams with exceptional track records. "The investment by Tiso in ACTOWERS will be complementary to our other investments in the infrastructure and power sectors and we look forward to a long and fruitful working relationship with Chris Kruger and his team" commented Nkunku Sowazi, Executive Chairman of Tiso.

"We believe that the partnership between ACTOWERS and Tiso will be a mutually beneficial transaction which is expected to be highly strategic and synergistic for both parties. We are further of the firm opinion that Tiso will enable us to accelerate our roll-out of the power lines business in South Africa as a result of ACTOWERS meeting the stringent BEE compliance criteria as required by parastatals such as Eskom" reiterates Kruger.

Vuyisa Nkonyeni, a director of Tiso, has been appointed as a Non-Executive Director to the ACTOWERS Board of Directors, further cementing strategies and synergies between the two groups.

ACTOWERS could receive an additional payment from Tiso up to the amount of R22.5 million if, *inter alia*, certain performance criteria are met for the financial years ending 28 February 2009 and 2010.

"We welcome Tiso on board and believe that our company will continue to grow from strength-to-strength, both in South Africa and on the continent, as a result of our alliance with this dynamic group" concludes Chris Kruger.

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