

VOX - Vox Telecom Limited - Trading Statement

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17 Nov 2010

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VOX TELECOM LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1998/016433/06)

JSE Code: VOX ISIN Code: ZAE 000097234

("Vox" or "the Company")

TRADING STATEMENT

In accordance with paragraph 3.4 (b) of the Listings Requirements of the JSE Limited ("the JSE"), a listed company is required to publish a trading statement as soon as it becomes aware, with a reasonable degree of certainty, that the financial results for the next period to be reported on are likely to vary by more than 20% from the previous corresponding period. Shareholders are referred to the previous trading statement released on the Securities Exchange News Service ("SENS") on 29 October 2010 and informed that the Company is now able to quantify the expected basic loss per share for the period ended 31 August 2010. Accordingly, shareholders are advised that the Company expects to report a basic loss per share for the year ended 31 August 2010 between 60.77 and 61.87 cents per share (year ended 31 August 2009: 5.49cents basic earnings per share). The Company expects to report headline earnings per share between 6.18 and 6.80 cents per share (year ended 31 August 2009: 6.18 cents headline earnings per share).

The expected basic loss per share will be as a result of impairments to goodwill and intangible assets amounting to R749 million. In terms of International Financial Reporting Standards the Company is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the assets. Since the last fiscal year, the Independent Communications Authority of South Africa ("ICASA") has proposed significant changes to wholesale interconnection rates to be implemented via a glide path over a number of years. The first drop in interconnection rates was implemented on 1 March 2010 and the Company has based its assumptions on the future reductions in interconnection rates as communicated in recent statements by ICASA. As a result of these changes, the Company has valued the Least Cost Routing ("LCR") business based on managements' best estimate of the impact that these changes will have on future cash flows. In addition, the Company has also valued certain consumer ISP intangible assets based on expected future cash flows to be received through its subsidiary @lantic Internet, which does not relate to changes in interconnect rates. The net effect of this valuation process is that a portion of the goodwill and intangible assets attributable to these cash generating units are being impaired, the majority of which lies within the LCR business.

Headline earnings are not impacted by the impairments to goodwill and intangible assets.

The Company will provide a detailed analysis in its results announcement on SENS with respect to the year ended 31 August 2010, which will be released by close of business on or about 24 November 2010.

This trading statement has not been reviewed or reported on by the Company's external auditors.

Johannesburg

17 November 2010

Designated Adviser: Grindrod Bank Limited

Date: 17/11/2010 10:57:02 Produced by the JSE SENS Department.

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