

## **VOX - Vox Telecom Limited - Trading Statement**

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29 Oct 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: ZAE000097234

("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. Accordingly, shareholders are advised that the Company expects to report a minimum basic loss per share for the year ended 31 August 2010 of 60.94 cents per share (year ended 31 August 2009: 5.49 cents basic earnings per share). The Company expects to report headline earnings per share between 6.18 cents 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 a minimum of R745 million. In terms of IFRS 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, 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 made certain assumptions about future reductions in interconnection rates based on previous statements by ICASA. As a result of these changes, the Company has revalued the Least Cost Routing ("LCR") business based on certain assumptions. In addition, the Company has also revalued 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 will not be impacted by the contemplated impairments to goodwill and intangible assets.

When the Company is able to quantify the expected basic loss per share with a greater degree of certainty, a further announcement containing such details will be made.

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 24 November 2010.

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

Johannesburg

29 October 2010

Designated Adviser: Grindrod Bank Limited

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