

**VOX TELECOM LIMITED**  
**(formerly DataPro Group Limited)**  
**(Registration number 1998/016433/06)**  
**("Vox Telecom" or "the Company" or "the Group")**  
**JSE Code: DTP**  
**ISIN Code: ZAE 000058061**

**VOX TELECOM BEE TRANSACTION INVOLVING MVELAPHANDA GROUP LIMITED ("MVELAPHANDA GROUP"), REGIMENTS CAPITAL (PROPRIETARY) LIMITED ("REGIMENTS CAPITAL") AND LEREKO METIER CAPITAL GROWTH FUND**

**1. Introduction**

Vox Telecom announced on SENS on 5 October 2007 that it will acquire, through its wholly owned subsidiary, Atlantic Internet Services (Proprietary) Limited ("Atlantic"), the customer contracts and certain computer hardware ("the ABSA acquisition") from the ABSA Internet Access division of Absa Bank Limited (together "Absa"). Vox Telecom further announced on 10 October 2007 that it had entered into a binding agreement ("the Storm Acquisition"), to acquire the entire issued share capital and claims on loan account in STWS Limited and its wholly owned subsidiaries, Storm Telecom (Pty) Limited and Storm Internet (Pty) Limited (together "Storm"), with effect from 1 December 2007, from Storm's shareholders ("Storm Vendors"), collectively (the "Proposed Transactions").

The purchase price for the Proposed Transactions is to be settled through a combination of Vox's own cash resources, term loan facilities available to the Company as well as a placement of Vox Telecom shares to the Storm Vendors, which in turn Vox Telecom is obliged to place in the market through a vendor consideration placement ("Storm Vendor Shares").

Vox recently concluded the vendor consideration placement to discharge its obligations in respect of the Storm Vendors, simultaneously increasing its Black Empowerment credentials through a combination of transactions as set out below. This series of transactions has an aggregate investment value of R686 410 000 and on conclusion of the Storm transaction will result in the issue of 190 million Vox Telecom shares with net proceeds to the Company of R402 800 000.

The Proposed Transactions remain subject to the conditions precedent set out in paragraph 6 below. The other transactions described in paragraphs 3, 4 and 5 below contemplate the sale of Vox Telecom securities by existing Vox shareholders to various BEE groups. These transactions are now described in more detail.

**2. Increase in BEE shareholding in Vox Telecom**

The board of directors of Vox Telecom is pleased to announce that it has entered into various binding agreements, as set out in paragraphs 3, 4 and 5 below, with three black

owned enterprises to acquire a shareholding in Vox Telecom, through a combination of a fresh subscription of shares for cash, the acquisition of vendor shares from the Storm vendors and the purchase of existing Vox Telecom securities, in aggregate increasing Vox Telecom's black ownership to approximately 41,53% on a fully diluted basis.

This accords with Vox Telecom's strategy of becoming the leading independent alternative telecommunications service provider in Southern Africa. Vox Telecom continues to pursue an inclusive policy and philosophy towards empowerment and believes that the participation of increased black shareholding, the inclusion of BEE groups and implementing a comprehensive BEE program is critical to its future success.

Vox Telecom is of the view that these BEE shareholders will significantly improve its BEE credentials, facilitate Vox's licensing obligations and enable Vox Telecom to further grow its business in the corporate and government sector. In addition, as Vox Telecom looks at further expansion in the SADC (Southern African Development Community) region, these BEE partners will play a key role in supporting strategic acquisitions and potential joint ventures with regional players in the telecommunications industry.

### **3. Mvelaphanda Group**

#### **a. Salient details of the Mvelaphanda Group Transaction**

Subject to the fulfilment of the Proposed Transactions conditions precedent set out in paragraph 6 below, an irrevocable offer to acquire 110 million Storm Vendor Shares, at a price per Vox Telecom share of 212 cents, has been received and accepted by Vox Telecom. The share price represents a 9% discount to the 30-day volume weighted average price ("VWAP") per Vox Telecom share and equates to a total issue price of R233 200 000.

Mvelaphanda Group has separately unconditionally agreed to acquire 27 500 000 Vox Telecom shares at 215 cents per Vox Telecom Share from Vantage Capital (Proprietary) Limited ("Vantage"), (the "Vox Share Purchase") effective from 15 November 2007.

Accordingly, Mvelaphanda Group will hold approximately 12.31% of the enlarged issued share capital of Vox Telecom immediately following the vendor consideration placing and the Vox Share Purchase.

Mvelaphanda Group will be entitled to appoint one non-executive director and one alternate director to the board of directors of Vox Telecom for so long as it holds not less than 8% of the issued share capital of the Company.

#### **b. Background on Mvelaphanda Group**

Mvelaphanda Group is South Africa's pre-eminent broad based, black controlled, owned and managed diversified group. Mvelaphanda Group's strategy is to grow shareholder value (as measured primarily by intrinsic net asset value) through a combination of quality investments and cash generative

operations. To achieve this strategy, the Group seeks to maintain a balanced exposure through its investments and operations to those sectors of the South African economy which it believes will outperform in the medium to long term.

This strategy involves the acquisition of interests primarily in operating companies where Mvelaphanda Group can have strategic influence over the investment with management.

Mvelaphanda Group holds investments in a range of companies operating in the financial services, consumer services, construction and infrastructure, non-mining resources and energy as well as telecoms, media and technology areas. Mvelaphanda Group's operations comprise a range of services businesses in the areas of facilities management and professional services, food services and support services, employing approximately 25 000 people.

Mvelaphanda Group has chosen Vox Telecom as a key focus of its investment in the provision of voice and data services to the telecommunications market and sees Vox Telecom as the vehicle for its investment strategy in this industry in the African region.

#### **4. Lereko Metier Capital Growth Fund ("LMCGF")**

##### **a. Salient details of the LMCGF Transaction**

Subject to the fulfilment of the Proposed Transaction's conditions precedent set out in paragraph 6 below, an irrevocable offer to acquire 38 million Storm Vendor Shares, at a price per Vox Telecom share of 212 cents, has been received and accepted by Vox Telecom. The share price represents a 9% discount to the 30-day volume weighted average price ("VWAP") per share and equates to a total issue price of R80 560 000.

LMCGF has separately agreed to increase its investment in Vox Telecom by R103 645 000 by acquiring 27 500 000 Vox Telecom shares at 215c per Vox Telecom Share from Vantage Capital and 21 000 000 Vox Telecom Shares from existing Vox Telecom Shareholders, which exclude executive management of Vox Telecom, at 212c per Vox Telecom Share ("Vox Share Purchase") effective from 15 November 2007.

Accordingly, LMCGF will increase its current Vox Telecom shareholding from approximately 19.2% to approximately 23.41% of the enlarged issued share capital of Vox Telecom immediately following the vendor consideration placing and the Vox Share Purchase.

LMCGF continues to play a central role as a value adding BEE shareholder. LMCGF has two non-executive directors appointed to the board of Vox Telecom, namely Dr. Lulu Gwagwa and Mr. Thierry Dalais.

## **b. Background on LMCGF**

LMCGF is a pioneering black-led private equity fund combining the deep experience and track records of the Lereko and Metier groups. Following its recent closing, LMCGF represents one of the largest pools of private equity capital in South Africa, and the largest in terms of local institutional commitments. Its principals are Popo Molefe, Thierry Dalais, Valli Moosa, Paul Botha, Lulu Gwagwa and Anthony Hewat.

Vox Telecom is already a material investment within LMCGF, dating back to the fund's entry in early 2007 at the time of the company's acquisition of Orion Telecom. This builds on a prior advisory and investing relationship with the Metier group which pre-existed the fund's formation. The further investment by LMCGF in Vox Telecom is a continuation of the role of reference shareholder that LMCGF has played through 2007, and the concentration in LMCGF of the investment exposure to Vox Telecom of the principals and affiliates of the fund as well as a facilitation of Vox Telecom's BEE objectives.

## **5. Regiments Capital**

### **a. Salient details of the Regiments Capital Transaction**

Regiments Capital has agreed to acquire 47 000 000 Vox Telecom shares at 212c per Vox Telecom Share being a total purchase price of R99 640 000 from existing Vox Telecom Shareholders.

Accordingly, Regiments Capital will hold approximately 4.21% of the enlarged issued share capital of Vox Telecom immediately following the vendor consideration placing and the Vox Share Purchase.

### **b. Background on Regiments Capital**

Regiments Capital is an independent BEE financial services and investment company.

Regiments Capital is sixty-eight percent black owned with uncompromising emphasis on service excellence and delivery within the South African financial services industry. Its directors and executives comprise Litha Nyhonyha, Niven Pillay, Eric Wood, Dr. Nesan Nair, Calvin Sehlapelo, Dr. Shane Dorfman, Nombini Mehlomakulu and Nomzamo Maziya.

Regiments Capital has an empowerment model that focuses on developing and nurturing intellectual capital to ensure dominance of black management within the company.

The extensive empowerment credentials of the directors of Regiments Capital has enabled it to foster strong relationships with stakeholders in national and regional government, municipalities and leading parastatals. In addition, the directors of

Regiments Capital have served on various company boards and sub committees as well as on various parastatal and other public body committees. Regiments Capital's directors were integrally involved in the development and finalisation of the Financial Services Charter. Regiments Investment Strategy is primarily focused on the financial services and infrastructural sectors. Telecommunications is a key target sector, and the Vox Telecom investment will be a core holding.

## **6. Conditions Precedent**

The Proposed Transactions remain, inter alia, conditional upon the following conditions precedent:

- a. the Proposed Transactions being approved in terms of the Competition Act, 89 of 1998;
- b. by not later than 31 January 2008 Vox Telecom obtains the consent of the Exchange Control Department of SARB to purchase Storm; and
- c. by not later than 31 January 2008 those of the sellers who require the consent of the Exchange Control Department of the SARB to remit their share of the Storm purchase consideration overseas obtain such consent.

## **7. Further Announcements and Renewal of Cautionary Announcement**

Further announcements will be made on SENS as soon as the financial effects of the Proposed Transactions are finalised and any of the conditions precedent have been fulfilled or waived, as the case may be.

Accordingly, Vox Shareholders are advised to exercise caution when dealing in their Vox Telecom securities until such time as further announcements are made.

Johannesburg  
8 November 2007

Corporate Advisor  
Metier Advisory (Pty) Limited

Designated Advisor  
Arcay Moela Sponsors (Proprietary) Limited