

VOX TELECOM LIMITED
(formerly DataPro Group Limited)
(Registration number 1998/016433/06)
("Vox Telecom" or "the Company" or "the Group")
JSE Code: VOX
ISIN Code: ZAE 000097234

AUDITED RESULTS FOR THE YEAR ENDED 31 AUGUST 2007

Revenue up 404% to R 990 million
Operating profit up 373% to R 83 million
Profit before taxation up 420% to R 77 million
Profit for the year up 416% to R 55 million
Cash generated from operations R 101 million
Earnings per share up 143% to 7.7 cents
Headline earnings per share up 126% to 7.7 cents

Consolidated Balance Sheet	Audited 2007 R'000	Restated 2006 R'000
ASSETS		
Non-current assets	829 542	231 724
Plant and equipment	58 989	28 831
Goodwill	214 742	58 036
Other intangibles	542 009	137 471
Deferred taxation	13 802	7 386
Current assets	434 714	53 150
Inventories	14 174	2 263
Trade receivables and prepayments	227 825	32 944
Cash and bank balances	192 715	17 943
Total assets	1 264 256	284 874
EQUITY AND LIABILITIES		
Capital and reserves	642 112	190 340
Share capital	884	484
Share premium	599 688	206 430
Reserves	3 198	-
Accumulated profits (losses)	38 342	(16 574)
Total equity	642 112	190 340
Non-current liabilities	279 980	42 136
Non-current borrowings :		
- interest - bearing	142 311	9 547
- interest free	397	5 189
Deferred taxation	137 272	27 400
Current liabilities	342 164	52 398
Trade and other payables	264 464	38 140
Provisions	5 791	-
Taxation	27 582	2 495
Current borrowings	44 327	11 763
Total equity and liabilities	1 264 256	284 874

Ordinary shares in issue at period end ('000)	911 156	483 812
Net asset value per share (cents)	70.5	39.3

Consolidated Income Statement	Audited 2007 R'000	Restated 2006 R'000
Revenue	990 110	196 365
Cost of sales	(745 855)	(114 730)
Gross profit	244 255	81 635
Other income	2 427	288
Depreciation and amortisation	(19 726)	(9 974)
Employment costs	(76 085)	(28 470)
Occupancy costs	(4 100)	(3 709)
Other operating costs	(63 612)	(22 181)
Operating profit	83 159	17 589
Finance costs	(14 296)	(3 070)
Finance income	7 816	230
Net finance costs	(6 480)	(2 840)
Profit before taxation	76 679	14 749
Taxation	(21 763)	(4 105)
Profit for the year	54 916	10 644
Attributable to equity holders of the parent	54 916	10 644
Earnings per share (cents)		
Basic EPS	7.67	3.16
Diluted basic EPS	7.49	3.16
Additional information:		
Reconciliation of profit for the year to headline earnings		
Profit for the year	54 916	10 644
Adjustments for:		
Impairment of assets	-	828
Profit on sale of plant and equipment	-	(38)
Headline earnings	54 916	11 434
Headline EPS (cents)	7.67	3.40
Diluted headline EPS (cents)	7.49	3.40
Number of shares		
In issue	911 156	483 812
Weighted average	716 166	336 383
Share options granted	16 818	-
Diluted weighted average	732 984	336 383
Condensed Consolidated Cash Flow Statement		
	Audited 2007 R'000	Restated 2006 R'000
Cash generated from operating activities	101 296	21 769
Net interest paid	(6 480)	(2 589)
Taxation paid	(13 104)	(2 087)
Net cash inflow from operating activities	81 712	17 093
Net cash outflow from investing activities	(430 283)	(58 361)
Net cash inflow from financing activities	523 343	59 244
Net increase in cash and cash equivalents	174 772	17 976
Bank balance/(overdraft)at beginning of year	17 943	(33)
Cash and cash equivalents at end of year	192 715	17 943

Consolidated Statement of Changes in Equity	Share capital	Share premium	Reserves	Accumulated profits (Losses)	Equity attributable to equity holders of the parent
	R'000	R'000	R'000	R'000	R'000
Balance as at 1 September 2005	314	114 963	-	(27 218)	88 059
Equity instrument acquired		(3 306)			(3 306)
Expiry of financial liability		1 582			1 582
Disposal of equity instrument for cash		2 897			2 897
Net income (expense) recognised directly in equity		1 173			1 173
Profit for the year				10 644	10 644
Total recognised income and expense		1 173		10 644	11 817
Share issue (net of costs)	170	90 294			90 464
Restated balance as at 31 August 2006	484	206 430		(16 574)	190 340
Profit for the year	-	-		54 916	54 916
Total recognised income and expense	-	-	-	54 916	54 916
Shares issued (net of costs)	400	393 258			393 658
Shares issued in terms of employee option scheme	27	17 991	-		18 018
Less: treasury shares held	(27)	(17 991)	-		(18 018)
Share-based payment expense	-	-	3 198		3 198
Balance at 31 August 2007	884	599 688	3 198	38 342	642 112

COMMENTARY

The board of directors is pleased to present the Group's results for the year ended 31 August 2007. These financial statements have been prepared in accordance with accounting policies and methods of computation that are consistent with those of the prior year and with International Financial Reporting Standards ("IFRS"). This announcement is prepared in accordance with IAS 34 – *Interim Financial Reporting*. The annual financial statements from which these results have been derived have been audited by Deloitte & Touche. Their unmodified opinion is available for inspection at the registered office of the company.

COMPANY PROFILE

Vox Telecom Limited is a leading alternative, independent telecom operator, providing voice and data services to the Southern African market. Vox Telecom aims to provide cost-effective, innovative telecommunications solutions to consumer and business customers whilst ensuring the delivery of outstanding customer service. The Group competes through its primary brands DataPro, @lantic, Orion Telecom and Vox Telecom and has offices in Johannesburg, Durban, Cape Town and Pretoria as well as in Windhoek, Namibia. Vox Telecom is a listed company trading on the Alternative Exchange (AltX), a division of the JSE Limited. Investor and shareholder information is available at www.voxtelecom.co.za

BUSINESS OVERVIEW AND FUTURE PROSPECTS

Vox Telecom has delivered another set of record results for the year ended 31 August 2007. In financial terms, the Group quadrupled revenues and profit for the year to R990 million and R55 million respectively through a combination of strong organic and acquisitive growth. The year has been characterised by numerous acquisitions, organic growth across all our core business units, improved operational efficiencies and a substantial increase in the Group's customer base including:

- the repositioning of the Group as the leading, independent alternative telecom operator and the subsequent change of name to Vox Telecom Limited from DataPro Group Limited;
- the establishment of the Group's core "go to market" brands namely Orion Telecom ("Orion"), DataPro and @lantic Internet Services ("@lantic");
- the acquisition of Orion which has been a step change for the company in terms of revenue growth, profitability, sheer scale and strategic positioning;
- The acquisition and integration of Dial and VoIP Telecoms, two leading managed voice services suppliers which have a primary focus on government business which has subsequently been integrated into Orion;
- The successful integration into Orion of Tema Telecom, a reseller of Orion's products, that will further improve Orion's margins;
- The successful integration into @lantic of approximately 16 000 customers from the acquisition of the customer bases of MJVnet Internet, Shisa's and Xsinet, with the resultant increase in its subscriber base from 40 512 to 61 000 subscribers;
- The introduction of new BEE shareholders with the Orion transaction in the form of the Lereko Metier Capital Growth Fund ("LMCGF") and Thembeke Capital, thereby increasing the BEE shareholding to 28.4%;
- the expansion into the SADC region with the acquisition of Definity Telecom Namibia and the Group's intention to further expand our presence in this region.
- the continuing upgrading of our network infrastructure to support our growing core data business as well as our VoIP platform, ultimately to offer "carrier class" connectivity services;
- the conclusion of operational interconnect arrangements with Telkom, Vodacom, Cell C and MTN;
- growth in the monthly contracted annuity base across the Group from R24 million per month as at 31 August 2006 to R140 million per month as at 31 August 2007;
- increase in our staff complement from 256 to 515 employees;
- the continued development of new initiatives in the form of @lantic Exchange, a buying group focused on improving the positioning and strength of our @lantic franchise and reseller base; and
- the imminent release of the Vox VoIP consumer phone, targeted for official launch in the new business year.

We are confident that we have taken significant steps in the transformation of Vox Telecom into a major telecommunications service provider in the South African market. We have established strong platforms across our data and voice businesses that enable swift and seamless integration of acquisitions and which position us to rapidly grow our business as efficiently and effectively as possible.

We will continue with our strategy to build Vox Telecom into the leading independent, alternative provider of voice and data solutions to the southern African market with our key goals and objectives, as stated below, remaining unchanged:

- the continued growth of our core businesses organically via channel and direct sales;
- the acquisition of companies that accelerate our growth strategy in southern Africa and that are accretive to earnings;
- the ongoing investment in our infrastructure and our people to ensure we continue to deliver innovative, cost effective solutions to all our customers;
- continued focus on operational excellence across all our businesses, ensuring the delivery of the highest levels of customer service; and
- the ongoing provision of comprehensive and innovative telecommunications solutions that can truly deliver on the promise of convergence.

The future will continue to offer challenges, opportunities and change that we will embrace as a group and set goals and objectives that will focus on executing our strategy to the benefit of our shareholders, customers and employees.

FINANCIAL OVERVIEW

Revenue, which includes seven months contribution of Orion, grew R794 million or 404% over the comparative period with the overall gross margins reducing to 25% from the previous year evidenced by the fact that lower margin voice-based services now account for over 80% of revenues. Voice gross margins approximated 20% on average while the data margins remain around 40%, buoyed by the sustained demand and increased usage of bandwidth, which continues unabated. The Group anticipates that voice margins will improve materially once incoming call termination volumes increase.

In the data businesses ADSL contributions continues to grow strongly and gain market share whilst the broadband market continues to offer numerous alternatives to both consumers and the corporate market, with significant increases in demand for wireless solutions being experienced. @lantic has consistently been the leading reseller of iBurst and a major reseller of Vodacom 3G solutions. @lantic revenues grew to R76.5 million from R45 million in the previous year indicating strong organic growth that was aided by the recent acquisitions.

The Group has made a number of acquisitions in the year and has demonstrated that this has had a minimal impact on the business units, with consistent organic growth across all units reflecting a 32% organic revenue growth in corporate ISP services, 53% organic revenue growth in consumer ISP services and 18% in voice services.

Operating profit increased by 373% to R83 million and profit before taxation increased by 420% to R 77 million. Profit for the year reflected an increase of 416% to R55 million with earnings per share and headline earnings per share increasing by 143% and 126% respectively.

Deferred tax of R23,5 million was not raised on the intangible assets that were acquired as part of business combinations in the prior year. The resultant adjustment to the purchase price allocations increased the goodwill raised on acquisition. As a result, the negative goodwill of R1,6 million which was incorrectly raised in the prior year has been reversed. In addition, a R1,2 million prior year impairment of plant and equipment was only identified in the current year. Had this not been restated, earnings per share would have increased by 100% and the headline earnings per share increase would be unchanged. Both earnings and headline earnings per share reflected an increase to 7.67 cents per share.

The adjustment in respect of share based payments in accordance with IFRS 2, relating to options granted to key Vox Telecom management and employees, amounted to R3.2 million.

Monthly contracted revenue increased by 483% to R140 million, from R24 million, which includes R94 million from Orion, indicating strong performance in revenue growth in real terms.

The balance sheet reflects a strong cash position of R193 million which includes cash generated of R101 million from operations and balance of R170 million in long term loan funding raised from Investec Bank Limited that has not yet been fully deployed into funding increased working capital requirements. The large increase in intangibles and goodwill, arises principally from the acquisition of Orion and to a lesser extent the acquisitions of Dial and VoIP Telecoms and the customer bases of Xsinet and Tema Telecom, which have been accounted for in terms of IFRS 3.

Capital expenditure on premises and equipment , primarily invested in upgrading, improving and maintaining the IP network infrastructure amounted to R37.2 million in the current year and is forecast to be marginally higher in the financial year ahead.

SEGMENTAL REPORTING

Primary business segments

The Group has been organised into three operating businesses, namely Orion, DataPro and @lantic for operational and management purposes. Other areas include corporate head office and the other early stage businesses. The Group's principal product offerings are as follows:

- Corporate Voice - includes Orion Telecom and Definity Telecom. All voice acquisitions have been incorporated into this segment
- Corporate ISP - DataPro (Pty) Ltd and ProFax
- Consumer ISP - @lantic Internet Services
- Other - includes @lantic Exchange and corporate head office:

Audited	Total	Corporate Voice	Corporate ISP	Consumer ISP	Other
2007	R'000	R'000	R'000	R'000	R'000
Revenue	990 110	747 766 ¹	162 292 ²	76 585 ³	3 467
Operating profit	83 159	78 146	15 311	11147	(21 445)
Net finance (costs)/ income	(6 480)	420	(3 840)	(2)	(3 058)
Profit (loss) before taxation	76 679	78 565	11 471	11 146	(24 503)
Inventory	14 174	7 774	2 426	3 974	-
Total assets	1 264 256	363 888	83 724	29 803	786 841
Total liabilities	622 144	291 892	73 624	18 609	238 019
Depreciation and amortisation	19 726	3 463	8 940	473	6 850

1 - Definity Telecom was integrated into Orion and as a result it is impracticable to split out the revenue and profit.

2 - There were no acquisitions in Corporate ISP in the current year therefore the full growth is organic.

3 - R7 million of total revenue is from new acquisitions, it is however impracticable to split out the profit.

Restated	Total	Corporate Voice	Corporate ISP	Consumer ISP	Other
2006	R'000	R'000	R'000	R'000	R'000
Revenue	196 365	25 120	125 012	45 329	904
Operating profit	17 589	4 633	10 462	4 859	(2 365)
Net finance (costs)/ income	(2 840)	26	(2 847)	(18)	(1)
Profit (loss) before taxation	14 749	4 659	7 616	4 841	(2 367)
Inventory	2 263	1 493	494	276	
Total assets	284 874	25 398	54 181	6 456	198 839
Total liabilities	94 534	20 348	39 140	3 161	31 885
Depreciation and	9 974	72	6 753	271	2 878

amortisation					
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Secondary geographic segments

The Group's businesses operate in two principal geographical areas - South Africa and Namibia.

	Total Audited	South Africa	Namibia	Total Restated	South Africa	Namibia
	2007	2007	2007	2006	2006	2006
	R'000	R'000	R'000	R'000	R'000	R'000
Sales	990 110	983 453	6 657	196 365	196 365	-
Segment assets	1 264 256	1 261 609	2 647	284 874	284 874	-

ACQUISITIONS AND ISSUE OF SHARES FOR CASH DURING THE YEAR

With effect from 11 September 2006, Vox Telecom acquired the Namibian-based Definity Telecom for a purchase consideration of R4 million. Definity Telecom is one of two Least Cost Routing ("LCR") businesses that supply telephony services to medium and large corporations in Namibia. The acquisition represents an important entry point into Sub-Saharan Africa for Vox Telecom.

Vox Telecom acquired Orion with effect from 1 February 2007. Orion is a leading supplier of Least Cost Routing ("LCR") and VoIP telephony services to corporate South Africa. The purchase price was R398 million settled by way of a vendor placement of an issue of 381 473 214 shares to the sellers of Orion, 175 000 000 of which were then placed on behalf of the vendors at 85 cents to BEE shareholders being the market price at the time and the balance subsequently to various other institutions at 112 cents.

The acquisition of Orion is significant when considering the milestones achieved by Vox Telecom. This has not only contributed significant revenues, earnings and cash flows to the Group in the past year, but also provides an enlarged customer base that will present significant opportunities into which all data and voice products offered by the Group can be sold. The purchase price was allocated to net assets of R8 million intangible assets of R350 million, deferred taxation of R101 million and goodwill of R142 million.

The Orion capital raising was approximately five times oversubscribed and, the Vox Telecom board of directors deemed it prudent to raise additional capital of R170 million through a combination of long term debt and by issuing an additional 18 570 558 shares for cash at the same price of 112 cents per share, thus providing additional funds for working capital requirements and further planned acquisitions. Some of this additional capital has already been utilised for a few smaller acquisitions, details of which include

- the acquisition by @lantic of the ISP customer bases of MJVnet Internet, Shisa's and Xsinet for R16 million with the resultant increase in approximately 16 000 consumer ISP customers, effective 1 April 2007;
- the acquisition of the reseller voice services base of Tema Telecom for R17 million into Orion Telecom, effective 1 July 2007; and
- the acquisition of Dial and VoIP Telecoms, a smaller voice services provider, for R25m, effective 1 April 2007 that has now been integrated into Orion Telecom.

The total funding raised in the Orion capital raising process amounted to R550 million with an additional 400 043 772 new Vox Telecom ordinary shares being issued. The total number of shares in issue on fully dilutive basis is 911 155 693 after including the 27 300 000 share options issued to the share incentive trust during the year as at 31 August 2007.

SUBSEQUENT EVENTS

Acquisition of ABSA Internet Services ("AIA")

Vox Telecom announced on 5 October 2007 that the Company has entered into a binding agreement, through its wholly owned subsidiary, @lantic, to acquire customer contracts and certain computer hardware from Absa Bank Limited ("ABSA") with effect from 1 December 2007 ("the AIA Acquisition").

The purchase price for the AIA Acquisition is to be settled by Vox Telecom from existing cash resources and is still subject to a condition precedent being the approval of the Competition Authorities of South Africa. AIA was launched in 2001 as a free internet service provider ("ISP"), exclusively to ABSA clients. Some time after AIA's initial launch it was decided to terminate the free subscription service and charge a monthly fee for internet access. Services were also offered and rolled out to non-ABSA clients at this time.

AIA currently has over 68,000 active subscribers and offers its customers internet access by means of analogue, ISDN and ADSL connections. Value added services to customers include Web Mail, 10 megabytes of Web Space for personal websites, Anti-spam and 5 e-mail addresses per mailbox. Vox Telecom intends integrating the AIA customer base into Atlantic which will solidify @lantic's consumer ISP positioning as the third largest ISP in this market domestically.

Acquisition of Storm Telecom (Pty) Ltd

Vox Telecom announced on 10 October 2007, that the Company has entered into a binding agreement to acquire the entire issued share capital and claims on loan account in STWS Limited and its wholly owned subsidiaries, Storm Telecom (Pty) Limited ("Storm Telecom") and Storm Internet (Pty) Limited ("Storm Internet") (collectively, "Storm"), ("the Storm Acquisition"), with effect from 1 December 2007, from Storm's shareholders ("Vendors").

The purchase price is R360 million to be settled by a combination of Vox Telecom's own cash resources, term loan facilities available to the Company as well as a placement of Vox Telecom shares to the Vendors, which in turn Vox Telecom will be obliged to place in the market through a vendor consideration placement.

The Storm Acquisition remains subject to the approval of the Competition Authorities of South Africa and the consent of the Exchange Control Department of the South African Reserve Bank of the Vendors to remit their share of the purchase consideration offshore.

Storm Telecom is considered one of South Africa's leading alternative telephony service providers, offering voice services via a variety of technologies including: VoIP, cellular least cost routing and international call back. Vox Telecom intends integrating the Storm Telecom business into its wholly owned subsidiary responsible for corporate telephony solutions, Orion Telecom and the Storm Internet business into its wholly owned subsidiaries responsible for corporate ISP services, namely DataPro and consumer ISP services, @lantic.

Subject to the final conditions precedent being met, Vox Telecom has concluded the vendor consideration placement to discharge its obligations in respect of the Storm Vendors, simultaneously increasing its Black Empowerment credentials to approximately 41,53% on a fully diluted basis 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:

- Mvelaphanda Group will hold approximately 12.31% of the enlarged issued share capital of Vox Telecom immediately following the vendor consideration placing and the acquisition of existing shares from Vantage Capital Group (Pty) Ltd (the "Vox Share Purchase");
- 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; and
- 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

Further details of these transactions were announced on SENS on 8 November 2007.

Shareholders are also advised that Vox Telecom has entered into a binding agreement to acquire the entire issued share capital and claims on loan from Amvia (Pty) Ltd ("Amvia") with effect from 1 December 2007. The purchase consideration is undisclosed and is not required in terms of JSE regulations. Amvia is a leading provider of corporate faxing solutions and we intend integrating ProFax with Amvia to establish a business that will offer superior corporate faxing solutions and services.

CHANGE IN NAME OF COMPANY

The company changed its name to Vox Telecom Limited with effect from 31 August 2007 and commenced trading on the JSE under its new name, share code VOX and ISIN Code ZAE000097234 on 21 September 2007.

DIRECTOR CHANGES

YT Moerane and S Wentzel resigned as non-executive chairperson and executive director on 19 November 2006. AP van Marken was appointed as executive chairman on 19 November 2006. MJ Krastanov resigned as a non- executive director on 15 February 2007. JA du Toit was appointed executive director and RT Dalais and NN Gwagwa, principals of LMCGF, were appointed on 15 February 2007 on conclusion of the acquisition of Orion.

CHANGE IN AUDITORS

During the year under review Vox Telecom appointed Deloitte & Touche as auditors to the Group.

DIVIDENDS

With the application of cash generated from operations being focussed on the acquisition of annuity income streams and the continued investment in VoIP infrastructure and new initiatives, the directors have decided not to declare a dividend for the year under review.

GENERAL

The board of directors would like to thank the management and all employees for the contribution they have made to the continued growth in the Company which has resulted in the successes of the past year.

By order of the Board

AP van Marken
Chairman
14 November 2006
Johannesburg

DG Reed
Chief Executive Officer

Registered Office

Arcay House, Number 3 Anerley Road, Parktown, Johannesburg, 2193
PO Box 62397, Marshalltown, Johannesburg, 2107

Directors

AP van Marken, DG Reed , CM von Holdt, GP Sweidan, JA du Toit, RT Dalais*, NN Gwagwa*, MC Mogase* (Alternate CM Lister-James)

* Non-executive

Designated Advisor

Arcay Moela Sponsors (Pty) Ltd

Transfer Office

Computershare Investor Services 2004 (Pty) Ltd