

DATAPRO GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/016433/06)
Share code: DTP ISIN: ZAE000058061
("DataPro Group", "DataPro" or "the Company")

**DETAILED CAUTIONARY ANNOUNCEMENT REGARDING A PROPOSED TRANSACTION IN
RESPECT OF ORION TELECOM INVESTMENT HOLDINGS (PROPRIETARY) LIMITED ("ORION")**

1. INTRODUCTION

Further to the cautionary announcement published on 23 October 2006, the board of directors of DataPro Group announce that DataPro Group has entered into an agreement in terms of which DataPro Group will acquire 100% of the shares in and loan account claims against Orion ("the Sale Equity"), with effect from 1 December 2006 (the "Proposed Transaction"), from Mogala Investments (Pty) Limited ("Mogala") (56.061%), Arch Equity Telecom Holdings (Pty) Limited ("Arch") (30.789%) and management of Orion who hold shares in Orion ("the Management Shareholders") (13.15%) ("the Vendors").

The purchase price is R380 million to be settled partly in cash and partly by way of a placement of DataPro Group shares to the Vendors, which in turn DataPro Group will be obliged to place in the market through vendor consideration placement. The acquisition is regarded as being substantial to DataPro Group and will materially improve the scale and strategic position of DataPro Group.

The Proposed Transaction remains subject to the conditions precedent set out in paragraph 4 below.

2. RATIONALE FOR ACQUISITION

The Proposed Transaction is in line with the DataPro Group's vision to be the leading independent alternative supplier of voice and data services in South Africa. DataPro Group is a significant player in the consolidation of the Internet Service Provider ("ISP") and voice industry, and has advanced its growth both organically and through strategic acquisitions over the last 2 years. Recently, DataPro Group acquired Definity Telecommunications (Pty) Limited ("Definity"), a leading Least Cost Routing (LCR) supplier, which now forms part of DataPro Group's voice business, namely VoxTelecom.

DataPro Group is a fast growing, independent, telecommunications service provider, providing mainstream Voice over Internet Protocol ("VoIP") and Least Cost Routing ("LCR") (collectively, "Voice") and internet, hosting, and virtual private networks ("VPN") (collectively "Data") services to both consumers and corporate businesses, mainly in southern Africa. DataPro Group competes primarily through its wholly owned subsidiaries, namely DataPro (Pty) Ltd (the traditional Data business), VoxTelecom and @lantic Internet Services and has operations in South Africa and Namibia.

The Company has been preparing for the advent of de-regulation in the telecommunications industry for several years, especially with regard to VoIP. De-regulation has, to a large extent, spurred recent market consolidation as the opportunities for, and value of, alternative telecommunication providers becomes increasingly evident. DataPro Group has consistently set out to build and acquire critical mass in the fragmented ISP and voice sectors.

Orion represents the latest such acquisition and consolidation opportunity for DataPro Group. Orion is a leading supplier of LCR and VoIP telephony services to corporate South Africa. Orion not only supplies the largest domestic corporations with voice solutions but also services a considerable segment of provincial and municipal government organizations. The Proposed Transaction will create a leading independent alternative telecommunication service provider that can provide a comprehensive portfolio of voice and data products to the South African market.

The Proposed Transaction enhances DataPro Group's growth profile, allows the Company to gain scale not otherwise easily achievable in voice, and further diversifies its financial profile, thereby unlocking potential for voice and data growth. The advent of rapidly converging Voice, Data and Video services (commonly called "triple play services") coupled with the critical mass and quality customer bases of Orion, DataPro and VoxTelecom, places DataPro Group as a serious contender in data and voice convergence in South Africa.

The Proposed Transaction would be strategic for DataPro Group as it provides the Company with premier quality spend customers via higher average revenues per subscriber ("ARPU's") underpinning DataPro Group's Voice annuity customer base. DataPro Group operates in a competitive environment of large, well-funded competitors, who can withstand significant price pressure to safeguard their operations and market positions. The quality and

scale of the customer base of the enlarged DataPro Group following the Proposed Transaction would mitigate this risk for DataPro Group.

Significantly, the acquisition of Orion would provide DataPro Group with a service provision agreement held with Mobile Telephone Networks Limited (“MTN”) and dealer agreements in respect of Vodacom (Pty) Limited, Cell C (Pty) Limited and Transtel . Added to DataPro Group’s interconnection agreements with Telkom and Vodacom, DataPro Group is now ideally positioned as a value added network service (“VANS”) and alternative telecommunications service provider.

The Proposed Transaction also offers the enlarged DataPro Group the potential for increased revenue and reduced costs through regional and inter-divisional cross-selling opportunities, enhanced economies of scale, technology and product sharing and the alignment of centralised administrative systems. The addition of Orion’s experienced personnel would also broaden the management capacity of DataPro Group, facilitate knowledge transfer and enable the Company to develop its business further in the triple play services evolution.

For the year ending 28 February 2006, Orion had revenues of approximately R680 million and net income of approximately R47 million. Orion generates nearly R60 million in free cash annually. Orion’s cash generative operations would make a sizeable contribution to the financial performance of the DataPro Group, enhancing its growth profile and diversifying revenues and earnings. The Proposed Transaction is expected to add at least R60 million per month to DataPro’s existing monthly annuity revenue, with the last reported VoxTelecom contribution being R9.5 million per month, DataPro (Pty) Ltd (the traditional Data business) contributing a further R10.5 million per month and @lantic Internet Services, R4.1 million per month.

Pro forma financial effects of the Proposed Transaction will be published once a full announcement of the transaction is made.

3. OVERVIEW OF ORION

Orion is a telecommunication services solution provider, providing a range of telecommunication services, aimed specifically at the South African corporate market. Orion was formed pursuant to the merger of three telecommunication service providers in 1997, and currently is comprised of the following group of companies:

Orion Telecom Investment Holdings (Pty) Limited
Holding company of the Orion subsidiaries.

Orion Telecom South Africa (Pty) Limited
Orion Telecom South Africa sells the services of Orion Telecom Corporation (international voice), Orion Cellular (corporate cellular and LCR services), Orion Data Services (data faxing services) and Orion TMS (telephone management systems). It is the business unit responsible for the installation and maintenance of these services. Additionally, OTSA houses the Orion VoIP infrastructure, the NOC (National Operations Centre) equipment and termination contracts, as well as the termination points across South Africa.

Orion Telecom Corporation (Pty) Limited
Holds agency agreements with suppliers in the USA and UK to act as agent for the Voice operations, essentially call back services, in South Africa.

Orion Cellular (Pty) Limited
Holds the service provision agreement with Mobile Telephone Networks Limited (“MTN”), dealer agreements in respect of Vodacom (Pty) Limited, Cell C (Pty) Limited and Transtel and the termination contracts with the respective network providers. Provides SMS (short message service) services.

Orion Data Services
Provides faxing and e-mail solutions. Sales, marketing and support is performed by Orion Telecom South Africa.

4. CONDITIONS PRECEDENT

The Proposed Transaction remains subject to conditions precedent usually associated with a transaction of this nature, including all necessary regulatory and shareholder approvals.

5. CIRCULAR TO SHAREHOLDERS

The Proposed Transaction will constitute a Category 1 transaction in terms of the JSE Listings Requirements. Accordingly, DataPro Group will be required to issue a circular to shareholders containing full details of the Proposed Transaction and to seek shareholder approval to undertake the Proposed Transaction. A circular to shareholders will be issued within 28 days from date of publication of the full announcement.

6. RENEWAL OF CAUTIONARY ANNOUNCEMENT

Further announcements will be made on SENS as soon as the financial effects of the Proposed Transaction are finalised and any of the conditions precedent have been fulfilled or waived, as the case may be. Accordingly, DataPro Group shareholders are advised to exercise caution when trading in their securities until such time as a further announcement is made.

In accordance with Alt^X Listings Requirements, shareholders are advised of the risks of investing in a company listed on Alt^X and that the JSE does not guarantee the viability or the success of a company listed on Alt^X. In terms of JSE Listings Requirements a Designated Advisor has to be retained by the Company. The Designated Advisor is required to, *inter alia*, attend all board meetings held by the Company to ensure that all JSE Listings Requirements and applicable regulations are complied with, approve the financial director of the company and guide the Company in a competent, professional and impartial manner. If the Company fails to retain a Designated Advisor it must make arrangement to appoint a new Designated Advisor within 10 business days, failing which the Company faces suspension of trading of its securities. If a Designated Advisor is not appointed within 30 days of its suspension the Company faces the termination of its listing without an offer to minorities.

Johannesburg
13 November 2006

Corporate Advisor to DataPro Group
Metier Advisory (Proprietary) Limited

Designated Advisor to DataPro Group
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