

DataPro Group Limited
(Incorporated in the Republic of South Africa)
(Registration Number: 1998/016433/06)
Share code: DTP ISIN code: ZAE000058061
("DataPro Group" or "the company")

AUDITED RESULTS FOR THE YEAR ENDED 31 AUGUST 2006

Revenue up 103% to R 196 million
Operating profit up 385% to R 19 million
Net profit before tax up 817% to R 17.5 million
Net profit after tax up 227% to R 12.9 million
Earnings per share up 123% to 3.8 cents
Headline earnings per share up 63% to 3.4 cents

Balance Sheet	Audited as at 31 August 2006 R'000	Restated - audited as at 31 August 2005 R'000
ASSETS		
Non-current assets	206 911	120 987
Property, plant and equipment	29 998	22 552
Intangible assets, including goodwill	173 580	93 535
Deferred taxation	3 333	4 900
Current assets	53 150	15 010
Inventories	2 263	137
Trade and other receivables	32 944	12 384
Taxation	-	2
Cash and cash equivalents	17 943	2 487
Total assets	260 061	135 997
EQUITY AND LIABILITIES		
Capital and accumulated loss	192 587	88 059
Share capital and premium	206 914	115 278
Accumulated loss	(14 327)	(27 219)
Non-current liabilities	14 737	7 246
Long term borrowings	14 737	5 755
Financial liability	-	1 491
Current liabilities	52 737	40 692
Trade and other payables	38 140	20 920
Short term borrowings	11 763	13 955
Shareholders' loans	-	2 055
Taxation	2 834	1 242
Bank overdraft	-	2 520
Total equity and liabilities	260 061	135 997
Ordinary shares in issue at period end ('000)	483 812	314 369
Net asset value per share (cents)	39.8	28.0
Net tangible asset value per share (cents)	3.93	(1.74)
<i>Fully diluted information</i>		
Ordinary shares at period end ('000)	483 812	316 665
Net asset value per share (cents)	39.8	27.8
Net tangible asset value per share (cents)	3.93	(1.73)

Income Statement	Audited for the year ended 31 August 2006 R'000	Restated – audited for the year ended 31 August 2005 R'000
Revenue	196 365	96 901
Cost of sales	(114 730)	(55 936)
Gross profit	81 635	40 965
Operating and administrative expenses	(53 187)	(29 274)
Other operating income	485	244
Operating profit before depreciation and amortisation	28 933	11 935
Profit on disposal of assets	53	23
Depreciation	(7 181)	(6 794)
Amortisation of intangible assets	(2 792)	(1 247)
Operating profit	19 013	3 917
Finance charges	(3 070)	(2 536)
Investment income	230	191
Fair value adjustments	(257)	110
Negative goodwill	1 574	225
Net profit before taxation	17 490	1 907
Taxation	(4 598)	2 031
Net profit for the year	12 892	3 938

Calculation of headline earnings

Net profit for the year	12 892	3 938
Adjustments for:		
Initial listing costs	-	1 010
Profit on disposal of assets	(53)	(23)
Negative goodwill	(1574)	(225)
Tax effect of adjustments	15	7
Headline earnings for the period	11 280	4 707

Weighted average shares in issue ('000)	336 383	228 980
Earnings per share ordinary share (cents)	3.8	1.7
Headline earnings per ordinary share (cents)	3.4	2.1
Dividend per share (cents)	-	1.0
<i>Fully diluted information</i>		
Weighted average shares in issue ('000)	336 383	229 209
Earnings per share ordinary share (cents)	3.8	1.7
Headline earnings per ordinary share (cents)	3.4	2.1

Abridged Cash Flow Statement	Reviewed 31 August 2006 R'000	Restated - audited 31 August 2005 R'000
Net cash inflow from operating activities	17 092	659
Dividends paid	-	(2 290)
Net cash outflow from investing activities	(58 360)	(96 116)
Net cash inflow from financing activities	59 244	97 704
Net increase (decrease) in cash and cash equivalents	17 976	(43)
Bank (overdraft)/balance at beginning of year	(33)	10
Cash and cash equivalents at end of year	17 943	(33)

Statement of Changes in Equity	Share Capital R'000	Share premium R'000	Accumulated Loss R'000	Total R'000
Balance at 01 September 2004				
- As previously reported	75	23 498	(31 255)	(7 682)
- Prior year adjustment	-	-	631	631
Restated at 01 September 2004	75	23 498	(30 624)	(7 051)
Change in accounting policy	-	-	1 757	1 757
Issue of shares				
- For acquisition of DataPro (Pty) Ltd from management	67	5 586	-	5 653
- For cash	87	48 037	-	48 124
Write off of share issue expenses	-	(2 390)	-	(2 390)
- For the acquisition of @lantic	85	44 915	-	45 000
Profit for the year	-	-	3 938	3 938
Dividend paid	-	-	(2 290)	(2 290)
Equity arising on acquisition of @lantic call and put options	-	(4 682)	-	(4 682)
Balance at 31 August 2005	314	114 964	(27 219)	88 059
Issue of shares in terms of options exercised				
	1	387	-	388
Issue of shares in terms of options exercised				
	2	797	-	799
Write off of share issue expenses	-	(1 506)	-	(1 506)
Profit for the year	-	-	12 892	12 892
Increase in equity as a result of acquisition of Netralink call option	-	(3 306)	-	(3 306)
Issue of shares for acquisition of Netralink assets	18	10 156	-	10 174
Expiry of Put Option	-	1 582	-	1 582
Disposal of Call Options	-	2 897	-	2 897
Issue of shares for acquisition of Definity	129	69 879	-	70 008
Issue of shares for cash	20	10 580	-	10 600
Balance at 31 August 2006	484	206 430	(14 327)	192 587

COMMENTARY

The board of directors is pleased to present the company's results for the year ended 31 August 2006.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These are the first annual financial statements in which the company has adopted IFRS. The date of transition is 1 September 2004. Opening balances and comparative results have been restated for, *inter alia*, an adjustment in terms of IAS16 in relation to the accounting for property, plant and equipment, which requires that the useful lives of assets and the estimated residual value of assets be evaluated each year.

The results have been audited by Grant Thornton and their unqualified opinion is available for inspection at the registered office of the company.

BUSINESS OVERVIEW AND FUTURE PROSPECTS

Despite a highly competitive and regulated telecommunications environment, DataPro Group has achieved record results for the year ended 31 August 2006. In financial terms, we achieved record revenues of R196 million and net profit of R12.9 million, thus more than doubling our business over the period under review. Our year has been characterised by numerous acquisitions, growth across all our core businesses, improved operational efficiencies and a substantial increase in our customer base.

Some of the major successes of 2006 are as follows:

- successful integration into DataPro Group of @lantic Internet Services, which focuses on the consumer market, with the resultant increase in its subscriber base from 35,411 to 40,512 subscribers;
- acquisition and integration of the data business of Netralink;

- further expansion and upgrading of our network infrastructure to support our core data business as well as our VoIP platform;
- acquisition and integration of BizCall, a leading provider of Open Source based PABX solutions that adds an additional product offering to our overall telecommunications solution portfolio;
- acquisition and integration of Definity Telecommunications (Proprietary) Limited (“ Definity Telecom”), a leading Least Cost Routing (“LCR”) supplier, that further accelerates the growth of our voice business under VoxTelecom;
- implementation and testing by VoxTelecom of interconnect arrangements with Telkom and Vodacom, which will be made commercially available in the next fiscal year;
- growth in the monthly contracted annuity base across the DataPro Group from R9,5 million as at 31 August 2005 to R24,1 million as at 31 August 2006;
- establishment of our Service Centre, a centralised help desk infrastructure to provide customer support across our entire corporate and consumer customer base;
- increase in our staff complement from 128 to 256 employees;
- the strengthening of our shareholder base with a significant investment in DataPro Group by the Metier group of companies;
- re-organisation of our leadership structure around our core business units and the strengthening of the senior management team through the retention of senior personnel through our acquisitions, company acquisition and the addition of experienced external hires.

These milestones have been achieved without sacrificing profitability and customer satisfaction. Over the course of the last fiscal year DataPro Group has, through a combination of strategic acquisitions and organic growth, been transformed into a major telecommunications service provider in the South African market. With a potential addressable market of approximately R40 billion, we believe we have a strong platform from which to rapidly grow our business.

The full potential of DataPro Group will ultimately be achieved through our ability to take advantage of deregulation. To achieve this we need to be able to interconnect with the incumbent fixed line operator Telkom, the new Second Network Operator, Neotel and the existing cellular service providers. We are confident that this will become a reality in the next fiscal year, which will provide a strategic inflection point in the further liberalisation of the South African telecommunications landscape. Having anticipated the potential for these changes some years ago, we have now built the infrastructure and recruited the intellectual capability to take advantage of this opportunity, which will be to the ultimate benefit of both our customers and shareholders.

Our strategy to build DataPro Group into the leading, alternative independent provider of voice and data solutions to the southern African market is focused on the following key goals and objectives:

- 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;
- ongoing investment in our infrastructure and our people to ensure we continue to deliver innovative, cost effective solutions to all our customers;
- continuing to focus on operational excellence across all our businesses, ensuring the delivery of the highest levels of customer service; and
- ongoing provision of a comprehensive telecommunications solution comprising voice and data product offerings that can truly deliver on the promise of convergence.

We are excited about the future and look forward to the challenges and opportunities that lie ahead. As a group, we believe in setting and achieving challenging goals and objectives and we are focused on executing on our strategic vision to the benefit of our shareholders, customers and employees. We will continue to compete to attract and retain customers, whilst offering innovative, world-class solutions at competitive prices. With our established brands of DataPro, @lantic and VoxTelecom, we are able to deliver a comprehensive portfolio of voice and data solutions, tailored to meet the needs of our customers, positioning DataPro Group as the leading independent, alternative telecommunications service provider in the southern African market.

FINANCIAL OVERVIEW

Revenue, which includes only two months revenues of Definity Telecom, grew R99.4 million (103%) over the comparative period. Gross margins remained at 42% for the period, but will come under pressure in the coming year as de-regulation and competition forces prices down. Deflation on revenue pricing has been offset by a large increase in the number of customers and the careful management of operating costs. The DataPro Group continued to spend on the development of the Voice over Internet Protocol (“VoIP”) offering, with revenues improving in the second half of the year. Gross profit increased by R 40.7 million (99%) to R 81.6 million for

the year and operating profit before depreciation and amortisation improved to R 28.9 million, an increase of R 16.9 million or 142%, largely driven by a strong performance in the underlying businesses and the recent acquisitions.

Operating profit increased by 385% to R19 million and profit before taxation increased by 817% to R17.5 million. Net profit after taxation reflected an increase of R8.9 million (227%) over the prior period, to R12.9 million, with headline earnings increasing by 140% to R11.3 million. Both headline earnings and earnings per share reflected an increase of 63% and 123% to 3.4 cents and 3.8 cents per share respectively.

Monthly contracted revenue increased by 130%, to R24.1 million, showing strong performance in revenue growth in real terms. The monthly contracted revenue is a combination of annuity based contracts for @lantic Internet Services, VoxTelecom and DataPro (Pty) Ltd. The core DataPro ISP revenue (traditional corporate data business) increased from R80 million to R110 million, an increase of 38% whilst gross margins increased from 50% to 57%. ADSL continues to grow strongly and gain market share. The broadband market continues to offer numerous alternatives to both consumers and the corporate market and this, coupled with de-regulation, will force pricing down.

VoxTelecom revenue increased from R6.3 million to R36.6 million, a 481% increase over the prior year. Margins increased as volumes grew and accordingly start-up costs had less of an impact as expenditure slowed. Volumes are anticipated to increase significantly in the new financial year once traffic is passed over the interconnects with Telkom, Vodacom, MTN, Cell C and other VANS licensees.

@lantic, which provides dial-up and ADSL solutions for the consumer and SME market under its own brand, continues to contribute positively to the group with revenue increasing to R45 million compared to R36 million for the corresponding prior period, representing a 25% increase in annuity revenue with an associated 14% increase in the customer base year on year. Gross margins increased from 18% to 28% through economies of scale and synergies attributable the DataPro Group as a whole.

Capital expenditure for the DataPro Group on customers, premises and equipment amounted to R5.2 million and R14.7 million on internal expenditure consisting of equipment, furniture and fittings and motor vehicles as at 31 August 2006.

With effect from 07 July 2006, DataPro Group acquired Definity Telecom, a least cost routing ("LCR") company focused on medium to large enterprises, with annuity revenues of approximately R8 million per month. This acquisition is expected to contribute positively to earnings and the annuity book in the future. In accordance with IFRS3, negative goodwill of R1.5 million relating to this acquisition and the acquisition of Netralink, has been taken to the income statement.

Prior to the year end, DataPro Group sold its call option on shares issued to the vendor of @lantic to Metier Investment and Advisory Services (Proprietary) Limited and the call option was immediately exercised. Accordingly, the put option against DataPro in respect of the same shares was extinguished prior to year end, which has resulted in the write back to equity of prior charges in relation to the financial liability.

The aggregate effect of the adoption of IFRS is set out below:

	As previously reported under GAAP R'000	Effect of transition to IFRS R'000	Other R'000	IFRS R'000
There was no effect on equity as reported at 1 September 2004.				
Reconciliation of equity at 31 August 2005				
Property, plant and equipment	26 852	(1 640)	(2 660)	22 552
Intangible assets	94 088	20	(573)	93 535
Deferred taxation	3 496	527	877	4 900
Total non-current assets	124 436	(1 093)	(2 356)	120 987
Receivables	12 523	-	-	12 523
Cash and cash equivalents	2 355	-	131	2 486
Total current assets	14 878	-	131	15 009
Long term borrowings	5 755	-	1 490	7 245
Tax payable	858	-	384	1 242
Other payables	39 092	-	358	39 450
Total liabilities	45 705	-	2 232	47 937
Share capital and premium	119 960	-	(4 682)	115 278
Accumulated loss	(26 351)	(1 093)	225	(27 219)
Total equity	93 609	(1 093)	(4 457)	88 059

Reconciliation of net profit for the year ended 31 August 2005

Gross profit	40 965	-	-	40 965
Other operating income	354	-	(110)	244
Operating and administrative expenses, including depreciation and amortisation	(35 672)	(1 620)	--	(37 292)
Operating profit	5 647	(1 620)	(110)	3 917
Investment income	191	-	-	191
Finance charges	(2 536)	-	-	(2 536)
Fair value adjustments	-	-	110	110
Negative goodwill	-	-	225	225
Profit before taxation	3 302	(1 620)	225	1 907
Taxation	1 504	527	-	2 031
Net profit for the year	4 806	(1 093)	225	3 938

SEGMENTAL REPORTING

The company does not separately identify assets, liabilities or expenses attributable to different segments of the business and accordingly the only segmental information available is turnover, details of which are set out below:

Segment	R'm
Data (ISP and ADSL)	114
@lantic (ISP and ADSL)	45
Voice (VoIP, LCR and Call-Back)	37
Total	196

ACQUISITIONS AND ISSUE OF SHARES FOR CASH DURING YEAR

Prior to the reverse listing of DataPro Group, Vantage Capital Group (“Vantage”), a BEE shareholder in DataPro Group, was granted an American call option to subscribe for up to 2 295 641 new ordinary shares at an exercise price based on the 30 day weighted average share price immediately preceding the exercise of the option, less a 10% discount, exercisable on or before 31 August 2006. During the period under review, this call option was purchased by DG Reed and JC Herbst through the transfer of shares to Vantage, whereby Vantage increased its shareholding in DataPro Group. The option was then exercised as follows:

- 766 744 ordinary shares at 50.6 cents per share, being a 10% discount to the 30-day weighted average share price as at 25 January 2006;
- 1 528 897 ordinary shares at 52.2 cents per share, being a 10% discount to the 30-day weighted average share price as at 21 February 2006

DataPro Group acquired the business of Netralink with effect from 1 January 2006. The consideration for the acquisition was R10 175 000 to be settled by the issue to Netralink of 18 500 000 ordinary shares at an issue price of 55 cents per share.

With effect from 1 March 2006, DataPro Group acquired the business of Bizcall for a purchase consideration of R1 080 000, payable in cash over a 12 month period. The acquisition provides for an additional payment in the event that profit after taxation exceeds R750 000, such that any excess above R750 000 will attract a price: earnings ratio of 2 times earnings and will constitute an increase in the purchase price of the investment. Bizcall is a strategic acquisition for DataPro Group as the company provides PABX solutions that are integrated with VoxTelecom’s VoIP strategy.

DataPro Group acquired Definity Telecom with effect from 07 July 2006. The consideration for the acquisition was R70 000 000, which was settled through the issue of ordinary shares at issue prices of between 53 and 55.4 cents per share.

On 31 August 2006, it was agreed that share options would be allocated to key DataPro Group staff. A total of 27 300 000 new ordinary shares have since been offered at a strike price calculated at a 10% discount to the 5 day weighted average price (VWAP) of DataPro Group securities as at 31 August 2006. This is in accordance with the rules of the DataPro Group Share Incentive Scheme.

SUBSEQUENT EVENTS

With effect from 11 September 2006, DataPro Group has acquired the Namibian-based Definity Telecom (Proprietary) Limited (“Definity Telecom Namibia”) for a purchase consideration of R 4 million payable in cash over a 12 month period, which was separately owned by the vendors of Definity Telecom, which was acquired effective 07 July 2006 . All conditions precedent to the transaction have been fulfilled. Definity Telecom Namibia is one of two Least Cost Routing (“LCR”) businesses that supply telephony services to medium and large corporations in Namibia. The acquisition is important for DataPro Group as an entry point into Sub-Saharan Africa.

As announced on SENS on 15 November 2006, DataPro Group Limited entered into an agreement dated 10 November 2006, in terms of which DataPro Group will acquire 100% of the shares in and loan account claims against Orion Telecom Investment Holdings (Proprietary) Limited (“Orion”). Orion is a leading supplier of Least Cost Routing (“LCR”) and VoIP telephony services to corporate South Africa. The purchase price is R380 million to be settled partly in cash and partly by way of a vendor placement of DataPro Group shares to the market. The split of cash to vendor shares, as well as the issue price of the shares, is still to be determined based on the amount of loan funding to be raised and further details will be announced on SENS in due course. The acquisition is regarded as being substantial to DataPro Group and will materially improve the scale and strategic position of DataPro Group. The effective date of the acquisition is 01 December 2006. The proposed transaction remains subject to conditions precedent, including all necessary regulatory and shareholder approvals.

DIRECTOR CHANGES

JC Herbst resigned as director on 27 September 2005 and S Wentzel was appointed as an executive director to the board on 24 November 2005. AP van Marken was appointed to the board of directors as an executive director on 7 July 2006. To better position the company for the challenges ahead, the board of directors will be restructured imminently, details will be announced as soon as they have been finalised.

DIVIDENDS

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

GENERAL

In accordance with Alt^X Listings Requirements, shareholders are advised of the risks of investing in a company listed on the Alt^X and that the JSE does not guarantee the viability or the success of a company listed on the Alt^X. In terms of the JSE Listings Requirements, a Designated Advisor has to be retained by the company. The Designated Advisor is required, *inter alia*, to attend all board meetings held by the company to ensure that all the 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 arrangements 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.

By order of the Board

YT Moerane
Chairperson
19 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

YT Moerane*, DG Reed, AP van Marken, GP Sweidan, S Wentzel, M Krastanov*, MC Mogase* (Alternate CM Lister-James)

* Non-executive

Designated Advisor

Arcay Moela Sponsors

Transfer Office

Computershare Investor Services 2004 (Proprietary) Limited