

Blue Label Telecoms Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 2006/022679/06)  
Share code: BLU ISIN: ZAE000109088  
(Blue Label or the group)

### **Trading update for the six months ending 30 November 2008**

In accordance with paragraph 3.4(b) of the Listing Requirements of the JSE Limited, shareholders of Blue Label are advised that the group anticipates the following growth on the proforma earnings for the period ending 30 November 2007:

- core earnings per share of between 18% and 21% .
- earnings per share of between 97% and 102% .
- headline earnings per share of between 96% and 101%

The anticipated growth on actual earnings for the same period is as follows:

- core earnings per share of between 35% and 39% .
- earnings per share of between 634% and 654% .
- headline earnings per share of between 577% and 595%

*Pro forma* earnings represented the group's performance, taking into account the restructuring and the capital raised on listing effective 1 June 2007 (being the beginning of the period, and the date from which the majority of the group's subsidiaries became wholly owned);

Core earnings reflect the true measure of the group's performance. Historical core earnings reflect the adjustments in respect of non-recurring expenditure arising from the listing and the amortisation of intangible assets. The current year core earnings represents the actual earnings of the group after adjusting for the amortisation of intangible assets only.

The increase in Blue Label's core earnings predominantly emanated from organic growth. This growth was attributable to the following:

- The increase in consumer demand for prepaid tokens of value, in spite of the downturn in the economic climate.
- The introduction of additional products onto the vast footprint that is serviced by the group's customers.

- The growth in the group's liquidity through the continued process of stringent asset management resulting in increased finance income earned thereon.
- The creation of additional distribution channels; and
- The continued benefit of vertical integration and economies of scale at operational and technological levels.

The information in the underlying table illustrates the group's trading update in relation to the financial information referred to above:

| Comparison of 30 Nov 2007 <i>pro forma</i> earnings to 30 Nov 2008 trading update range | 30 Nov 2007 <i>pro forma</i> | 30 Nov 2008 Trading Update Range (A) | % increase to 30 Nov 2007 <i>pro forma</i> results |
|---|------------------------------|--------------------------------------|--|
| Core earnings <i>R'million</i>  | 181                          | 213 - 218                            | 18 - 21  |
| Earnings <i>R'million</i>   | 99                           | 195 - 200                            | 97 - 102   |
| Headline earnings <i>R'million</i>  | 100                          | 197 - 202                            | 96 - 101   |
| Core EPS <i>cents</i>   | 23.58                        | 27.77 - 28.47                        | 18 - 21  |
| EPS <i>cents</i>  | 12.93                        | 25.46 - 26.15                        | 97 - 102   |
| HEPS <i>cents</i>   | 13.10                        | 25.65 - 26.35                        | 96 - 101   |

| Comparison of 30 Nov 2007 actual earnings to 30 Nov 2008 trading update range | 30 Nov 2007 | 30 Nov 2008 Trading Update Range (A) | % increase to 30 Nov 2007 results |
|---|-------------|--------------------------------------|-----------------------------------|
| Core earnings <i>R'million</i>  | 85          | 213 - 218                            | 150 - 156                         |
| Earnings <i>R'million</i>   | 14          | 195 - 200                            | 1256 - 1293                       |
| Headline earnings <i>R'million</i>  | 16          | 197 - 202                            | 1153 - 1187                       |
| Core EPS <i>cents</i>   | 20.55       | 27.77 - 28.47                        | 35 - 39                           |
| EPS <i>cents</i>  | 3.47        | 25.46 - 26.15                        | 634 - 654                         |
| HEPS <i>cents</i>   | 3.79        | 25.65 - 26.35                        | 577 - 595                         |

A – This represents the expected range in net profit after tax attributable to equity holders for the period ended 30 November 2008.

Blue Label Telecoms' financial results for the period ended 30 November 2008 are expected to be announced on or about 25 February 2009.

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

10 February 2009

Sponsor: Investec Bank Limited