



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 "Company")

OPENING OF ACCELERATED BOOKBUILD

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Blue Label shareholders ("**Shareholders**") are referred to the announcement released by Blue Label on the Stock Exchange News Service of the JSE Limited ("**JSE**") on Tuesday, 27 June 2017, in which the Company announced that it, through its wholly-owned subsidiary, The Prepaid Company Proprietary Limited ("**TPC**"), had concluded an agreement with 3G Mobile Proprietary Limited ("**3G Mobile**") and its shareholders, in terms of which TPC acquired 100% of 3G Mobile's issued share capital for a purchase consideration of R1.9 billion ("**Purchase Consideration**").

In order to fund, at least in part, the payment of the balance of the Purchase Consideration, Blue Label hereby announces the launch of an equity raising process ("**the Equity Raise**") through which Blue Label seeks to raise approximately R900 million through the issue of new Blue Label ordinary shares ("**the Bookbuild Shares**"), subject to pricing acceptable to Blue Label. The Equity Raise will be implemented by way of vendor consideration placing (as defined under paragraph 5.62 of the JSE Listings Requirements) (the "**Vendor Consideration Placing**").

The Vendor Consideration Placing is being conducted, subject to the satisfaction of certain conditions, through an accelerated bookbuild process (the "**Bookbuild**"). The Bookbuild Shares will be offered to invited qualifying investors only (as set out in greater detail in the disclaimer below), subject to the terms and conditions provided to the invited qualifying investors, and will not be offered to the public in any jurisdiction.

The book for the Bookbuild is open with immediate effect and may close at any time thereafter. Pricing and allocations will be decided at the close of the Bookbuild. The timing of the closing of the Bookbuild and the price at which the Bookbuild Shares will be placed ("**Bookbuild Price**") and the quantum of the Bookbuild are at the discretion of the Company, in

consultation with Investec Bank Limited, who will act as the bookrunner (the “**Bookrunner**”) pursuant to a placement agreement entered into between the Bookrunner and Blue Label on 26 February 2018. Details of the number of Bookbuild Shares placed and the Bookbuild Price will be announced as soon as is reasonably practicable following the closing of the Bookbuild.

The Bookbuild is subject to pricing that is acceptable to the Company and the Company reserves the right to amend the quantum of the Bookbuild.

The new Bookbuild Shares, when issued, will be credited as fully paid and will rank *pari passu* in all respects with existing ordinary shares of the Company. Investec Bank Limited is acting as sole bookrunner for the Equity Raise.

A further announcement regarding the results of the Bookbuild, is expected to be issued immediately after closing of the bookbuild process.

For further information please contact:

Investor and Media Relations
Telephone: +27 11 523 3000
Email: investors@blts.co.za

Sandton
26 February 2018

By order of the board

Financial advisor, bookrunner and sponsor to Blue Label

Investec Bank Limited

South African legal counsel to Blue Label

Werksmans Inc.

South African legal counsel to the Bookrunner

Bowman Gilfillan Inc

The Equity Raise is made to qualifying investors, being investors to whom the Equity Raise may be lawfully made without having to file or register any offering or related documentation with any securities regulatory authority in any relevant jurisdiction.

This announcement is not for publication or distribution or release, directly or indirectly, in or into the United States of America, Australia, Canada, Japan or any other jurisdiction in which such release, publication or distribution would be unlawful or would require registration measures. This announcement is for information purposes only and neither this announcement nor the Equity Raise shall constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities in the United States of America or any other jurisdiction. The Equity Raise is not to be regarded as an offer or invitation to any person in any jurisdiction to the extent that any applicable legal requirement in such jurisdiction has not been complied with or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction.

The securities offered in terms of the Equity Raise have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold, directly or indirectly, in the United States of America, absent an exemption from, or transaction not subject to, the registration requirements of the Securities Act. No public offering of securities is being made in the United States of America.

Neither this announcement nor the Equity Raise constitutes or is intended to constitute an offer to the public in South Africa in terms of the Companies Act, No. 71 of 2008 (as amended). In South Africa, this announcement is only being distributed to, and is only directed at, and any investment or investment activity to which this announcement relates is available only to, and will be engaged in only with, persons in South Africa who fall within the categories of persons set out in section 96(1)(a) of the Companies Act or persons qualifying pursuant to section 96(1)(b) of the Companies Act.

This announcement is for information purposes only and in member states of the European Economic Area (other than the United Kingdom) is directed only at, and the Equity Raise will only be made to, persons who are qualified investors (as defined in article 2(1)(e) of EU directive 2003/71/EC (the "Prospectus Directive") and the relevant implementing rules and regulations adopted by each Member State). In the United Kingdom, this announcement is directed only at and the Equity Raise will only be made to, the following persons: investment professionals falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); and high net worth entities, and other persons to whom it may lawfully be communicated, falling within article 49(2)(a) to (d) of the Order.

This announcement has been issued by and is the sole responsibility of Blue Label. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Bookrunner or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement

or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Bookbuild Shares. No representation or warranty is made by Blue Label or the Bookrunner in connection with the Equity Raise, and any investment decision to subscribe for Bookbuild Shares in terms of the Equity Raise must be made solely on the basis of publicly available information which has not been independently verified by the Bookrunner. Nothing in this announcement should be viewed, or construed, as "advice", as that term is used in the South African Financial Markets Act, No. 19 of 2012 (as amended), and/or South African Financial Advisory and Intermediary Services Act, No. 37 of 2002 (as amended), by the Bookrunner.

The Bookrunner is acting for Blue Label, and no one else, in connection with the Equity Raise and will not be responsible to anyone other than Blue Label for providing the protections offered to clients of the Bookrunner, nor for providing advice in relation to the Equity Raise.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Bookrunner or by any of its affiliates or any of its or their respective directors, employees, advisers or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or their advisers, and any liability therefore is expressly disclaimed.

In connection with the Equity Raise, the Bookrunner and any of its affiliates acting as an investor for its own account may take up a portion of the Bookbuild Shares as a principal position and in that capacity may retain, subscribe for, purchase or sell for their own account such shares. In addition, they may enter into financing arrangements and swaps with investors in connection with which they may from time to time acquire, hold or dispose of Bookbuild Shares. They do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Bookbuild Shares to be issued pursuant to the Equity Raise will not be admitted to trading on any stock exchange other than the JSE.