

BLU

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BLU - Blue Label Telecoms Limited - Voluntary announcement

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')

Voluntary announcement

Blue Label Telecoms: Results of the investigation by the JSE Limited and the Blue Label Board appointed sub-committee into contraventions of the JSE Limited Listing Requirements by Directors.

The Board of Directors of Blue Label makes this announcement following:

- an investigation carried out by the JSE Limited ('the JSE') into the dealings in Blue Label shares by certain directors of The Prepaid Company (Pty) Ltd ('TPC') (a major subsidiary of Blue Label), and their spouses; and
- an investigation carried out by a committee of Blue Label Non-Executive Directors ('the Committee'), appointed by the Board, under the chairmanship of Mr Larry Nestadt, into:
  - the conduct of the Directors concerned;
- compliance by all of the members of the Board of TPC with the JSE's Listing Requirements ('Listing Requirements') in relation to share dealings; and
  - the adequacy of processes in place at Blue Label to ensure compliance with the Listing Requirements.

The summary of the JSE findings is as follows:

- Mr Diamond was found to have contravened Rules 3.65, 3.66, 3.71(a) and 3.72 of the Listing Requirements in that he did not obtain clearance from the Blue Label designated Director prior to his dealing in Blue Label shares, did not communicate in writing to his spouse the requirement that she advise him immediately upon trading in shares and did not announce these trades on SENS within the prescribed time period. Mr Diamond was publically censured by the JSE Limited, and a fine of R100,000.00 was imposed (of which R60 000.00 has been conditionally suspended for 12 months);
- Mr Kaplan was found to have contravened Rules 3.71(a) and 3.72 of the Listing Requirements in that he did not communicate in writing to his spouse the requirement that she advise him immediately upon trading in shares. Mr Kaplan was privately censured by the JSE; and
- Mr Prosser was found to have contravened Rules 3.65 and 3.66 of the Listing Requirements in that he did not obtain clearance from the Blue Label designated Director, prior to purchasing Blue Label shares, and did not announce these trades on SENS within the prescribed time period. Mr Prosser was privately censured.

Messrs Diamond, Kaplan and Prosser accept the decision of the JSE.

The summary of the Committee findings is as follows:

The conduct of Messrs Diamond, Kaplan and Prosser has caused damage and embarrassment to Blue Label and its stakeholders and requires censure in the form of a reprimand from the Board;

Their conduct does not justify their dismissal or the termination of their directorship, nor would it be in the best interests of TPC, Blue Label and its stakeholders for their employment or directorship to be terminated; Every member of the Board of TPC has confirmed in writing that there are no dealings in Blue Label shares by them or their associates beside the share dealings that have already been reported;

Additional measures have been put in place to ensure that all Directors are aware of their compliance obligations under the Listing Requirements in relation to share dealings; and

All directors of the Blue Label Group, in respect of whom the Listing Requirements have application, have been required to attend a workshop on the Listing Requirements, under the auspices of the JSE on the 16th April 2008. The Board is pleased that these matters have finally been determined and is confident that adequate measures are in place to ensure that regulated share dealings are carried out in accordance with the Listing Requirements.

14th April 2008

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