

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”)

### **Referral to the Cell C press announcement**

Blue Label wishes to refer shareholders to Cell C’s press announcement on Thursday 22 August, 2019 in which S&P Global published a report downgrading Cell C to D (Default), while its rating of Cell C’s senior secured bonds are now rated at Default (D).

In response to the downgrade, Cell C said “the suspension of interest payments in July is part of its wider initiatives to improve liquidity and to restructure the company’s balance sheet. Cell C continues to work proactively with all stakeholders to improve its liquidity, debt profile and long-term competitiveness as part of its strategic roadmap.”

Cell C added that it has entered into a term sheet to expand the provisions of its roaming agreement with MTN, to better control its capital expenditure and operating costs. The roaming agreement together with the recapitalisation transaction will assist it to achieve sustainability.

An agreement will lay the groundwork for a broader national roaming agreement, supporting South Africa’s policy goals of avoiding network duplication,” Cell C said.

Cell C engaged with S&P throughout the process and are of the belief that they are on the right track with the transactions currently being finalised.

Sandton 26 August 2019

Sponsor: Investec Bank Limited