



**BLUE LABEL**  
TELECOMS

**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")

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**RENEWAL OF CAUTIONARY ANNOUNCEMENT**

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Blue Label shareholders ("**Shareholders**") are referred to the cautionary announcements released on the Stock Exchange News Service of the JSE Limited on 27 February and 11 April 2017. Shareholders are hereby advised that the process regarding the conclusion of the relevant transaction agreements in respect of the recapitalisation of Cell C Proprietary Limited ("**Cell C**"), which encapsulate the principles contained in the binding umbrella restructure agreement ("**Cell C Recapitalisation**"), is progressing.

As contemplated in the original Cell C Recapitalisation approved by Shareholders at the General Meeting held on 16 November 2016, NET1 UEPS Technologies Inc, ("**NET1**"), had committed to subscribe for R2.0 billion of Blue Label shares as a vendor consideration placement ("**Vendor Consideration Placement**"). NET1 furthermore agreed to invest a further R2.0 billion directly into Cell C in consideration for a 15% shareholding in Cell C. NET1 and Blue Label have agreed that NET1 shall confine its investment to a total amount of R2.0 billion, which will be invested into Cell C, and as such, Net 1 will no longer participate in the Vendor Consideration Placement in Blue Label.

In light of the above, Blue Label has signed binding subscription agreements with alternative third party investors in terms of which they will, subject to the requisite Shareholder approval and the Cell C Recapitalisation becoming unconditional, subscribe for R2.0 billion of Blue Label shares in terms of a vendor placement at a price of R15.00 per share. Blue Label has further obtained irrevocable undertakings from in excess of 50% of its shareholders to vote in favour of the Cell C Recapitalisation and the aforementioned vendor placements.

As a result of the above, and possible consequential amendments to the Cell C Recapitalisation, Shareholders are advised that a revised circular to shareholders will be published and that in the interim they should continue to exercise caution when dealing in the Company's securities until a further detailed announcement is made.

**By order of the board**

Sandton  
01 June 2017

**Financial Adviser and Sponsor**  
Investec Bank Limited

**Legal Adviser to Blue Label**  
Werksmans Inc