



**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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**UPDATE ON THE CELL C TRANSACTION**

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Blue Label shareholders ("**Shareholders**") are referred to the announcement released on the Stock Exchange News Service of the JSE Limited, on Wednesday, 5 October 2016 ("**Transaction Announcement**"), in which the Company announced the final terms of its offer to participate, in conjunction with other investors, in the recapitalisation of Cell C Proprietary Limited ("**Cell C**") (the "**Proposed Transaction**").

As detailed in the Transaction Announcement, a condition precedent to the Proposed Transaction was the completion by Cell C of a bond placement process which, taking into account the amounts payable by the other investors, would result in its existing net borrowings, comprising any contractual obligations pertaining to monies borrowed, including shareholder loans, less cash and cash equivalents being reduced to a maximum of R8.0 billion ("**Maximum Net Borrowings**").

Blue Label has been informed by Cell C that the bond placement has been withdrawn and that the Maximum Net Borrowings is anticipated to be achieved without the necessity to do so via a bond placement

**By order of the board**

Sandton  
01 November 2016

**Financial Adviser and Sponsor**

Investec Bank Limited

**Legal Adviser to Blue Label**

Werksmans Inc