



**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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**FURTHER 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 (“**SENS**”) of the JSE Limited, on Wednesday, 5 October 2016 (“**Transaction Announcement**”), and the further announcement released on SENS on Tuesday, 1 November 2016 (“**Update Announcement**”).

Blue Label wishes to announce that the terms of the Proposed Transaction, as defined in the Transaction Announcement, have been amended. The effect of the amendment is to reduce the Net Borrowings, as defined in the Transaction Announcement, of Cell C Proprietary Limited (“**Cell C**”) upon the implementation of the Proposed Transaction from a maximum of R8.0 billion to a maximum of R6.0 billion, which reduction is anticipated to allow Cell C to realise significant operating and financial flexibility and is expected to strongly enhance Blue Label’s investment prospects in Cell C. Blue Label has been informed by Cell C that it is progressing discussions with its funding providers to secure the Net Borrowings of up to R6.0 billion.

The agreement to reduce the maximum Net Borrowings has resulted in, inter alia, the following amendments to the conditions precedent to the Proposed Transaction with a corresponding delay in the anticipated implementation date of the Proposed Transaction:

- the Net Borrowings of Cell C at the date implementation of the Proposed Transaction will be reduced to a maximum of R6.0 billion;
- the effective date of the Proposed Transaction will be the second business day after the last of the conditions precedent to the Proposed Transaction have been fulfilled or waived, as the case may be, or such other date as may be agreed upon between the parties;
- the latest date for the fulfilment or waiver, as the case may be, of the final condition precedent to the Proposed Transaction will be 28 February 2017 (previously 31 December 2016).

The effective date of the Proposed Transaction is anticipated to be towards the end of February 2017.

**By order of the board**

Sandton  
15 November 2016

**Financial Adviser and Sponsor**

Investec Bank Limited

**Legal Adviser to Blue Label**

Werksmans Inc