



**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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## Signature of the amended binding Cell C Recapitalisation agreements and renewal of cautionary

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### 1. Introduction

Blue Label shareholders ("**Shareholders**") are referred to the announcement on the Stock Exchange News Service of the JSE Limited on Monday, 27 February 2017 relating to the conclusion of a binding umbrella restructure agreement in relation to the recapitalisation of Cell C Proprietary Limited ("**Cell C**"), which was subject to the conclusion of the relevant transaction agreements. The board of directors of Blue Label is pleased to announce that it has signed the final equity transaction agreements to the recapitalisation of Cell C ("**Cell C Recapitalisation**").

As a result of the amended terms detailed in paragraph 2 below, Blue Label anticipates issuing an updated circular, and convening a general meeting before the end of July 2017 in order to seek the approval of Shareholders for the amendments to the Cell C Recapitalisation. Blue Label has obtained irrevocable undertakings from approximately 53% of Shareholders to vote in favour of the Cell C Recapitalisation, including the vendor consideration placement of R2.75 billion referred to below.

### 2. Amended Terms

Details of the amended agreements include, *inter alia*, the undermentioned terms:

- Net borrowings of Cell C to be reduced to a maximum of R6.0 billion (previously R8.0 billion);
- An increase in the Blue Label vendor consideration placement from R2.0 billion to R2.75 billion, at a price of R15.00 per Blue Label share;
- The Prepaid Company Proprietary Limited's ("**The Prepaid Company**") subscription remains unchanged at 45% of Cell C for a subscription price of R5.5 billion;
- The Prepaid Company has agreed to provide liquidity support, to the extent required, in the form of interest bearing subordinated loans of up to \$60 million to a special purpose vehicle set up to hold shares in Cell C.

### 3. Conditions Precedent to the Cell C Recapitalisation

The Cell C Recapitalisation is anticipated to be implemented during the first week of August 2017 as it is subject to Blue Label Shareholder approval in a general meeting, as well as, *inter alia*, the fulfilment (or waiver, where applicable) of the following conditions precedent;

- Regulatory approvals if and to the extent required by law;
- The Prepaid Company confirming that it is satisfied with the composition of the net borrowings of Cell C. In this regard it is noted that Cell C and its lenders have agreed the final form versions of the debt agreements which contain the terms applicable to its debt restructure.

### 4. Renewal of Cautionary Announcement

The financial effects of the amendments to the Cell C Recapitalisation on the historical results of Blue Label are in the process of being finalised, and a further announcement in this regard will be released in due course. Accordingly, Shareholders are advised to continue to exercise caution when dealing in the shares of the Company until a further announcement is made.

**By order of the board**

Sandton  
19 June 2017

**Financial Adviser and Sponsor**

Investec Bank Limited

**Legal Adviser to Blue Label**

Werksmans Inc