



**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 AND CAUTIONARY ANNOUNCEMENT**

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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 14 November 2016 (“**Update Announcement**”). Defined terms in this announcement shall bear the same meanings ascribed to them in the Update Announcement.

Blue Label is pleased to advise Shareholders that a binding umbrella restructure agreement has been entered into by Blue Label, Cell C, debt providers of Cell C, a third party investor and other relevant parties in terms of which, inter-alia:

- the maximum Net Borrowings of Cell C will be reduced to approximately R6.0 billion;
- the third party investor is to subscribe for 15% of the share capital of Cell C for R2.0 billion; and
- Blue Label’s subscription for 45% of the share capital of Cell C remains unchanged.

The binding restructure agreement is subject to the conclusion of the relevant transaction agreements, which agreements are expected to be unconditional by no later than 30 June 2017.

The conclusion of the transaction may have a material effect on the price of the Company’s securities. Accordingly, Shareholders are advised to exercise caution when dealing in the Company’s securities until a further announcement is made.

**By order of the board**

Sandton  
27 February 2017

**Financial Adviser and Sponsor**

Investec Bank Limited

**Legal Adviser to Blue Label**

Werksmans Inc