

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 Group")

Initial trading statement for the six-month period ended 30 November 2019

In terms of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the current period to be reported on will differ by at least 20% from those reported in the previous corresponding reporting period.

Shareholders are advised that basic, headline and core headline earnings per share for the six months ended 30 November 2019 are expected to increase by more than 20% in comparison to the previous corresponding reporting period. This translates to basic, headline and core headline earnings per share improving by at least 2.52 cents, 3.00 cents and 2.28 cents compared to the reported losses on basic, headline and core headline per share of 12.59 cents, 15.02 cents and 11.39 cents achieved as at 30 November 2018 respectively.

For the six months ended 30 November 2018, fair value losses totaling R493 million (as referred to in the SENS announcement dated 22nd of February 2019) and the Group's share of equity accounted losses in Cell C amounting to R133 million were recognised. No further fair value losses related to the SPV's were recognised in the current reporting period as the exposure to the SPV's has been fully accounted for as at 31 May 2019.

As the carrying value of Blue Label's investment in Cell C was fully impaired for the year ended 31 May 2019, the financial results of Cell C during the current period will not have an impact on Blue Label's earnings for the current reporting period.

The above two factors are the primary contributors to the expected growth in earnings.

A further trading statement will be issued when there is a reasonable degree of certainty as to the likely range within which the Group's basic, headline and core headline earnings per share are expected to increase by.

The financial information on which this trading statement is based has not been reviewed or audited by the Group's auditors.

Sandton
23 January 2020
Sponsor: Investec Bank Limited