
INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BLUE LABEL TELECOMS

"The Directors
Blue Label Telecoms Limited
75 Grayston Drive
Morningside Ext. 5
Sandton
2057

22 October 2007

Dear Sirs

Report of the Independent Reporting Accountants on Blue Label Telecoms Limited ("Blue Label Telecoms")

Introduction

Blue Label Telecoms Limited ("Blue Label Telecoms") is issuing a pre-listing statement relating to its proposed listing on the JSE Limited ("JSE"). At your request and for the purposes of the pre-listing statement to be dated on or about 26 October 2007 ("the Pre-listing Statement"), we present our report on the historical financial information of Blue Label Telecoms presented in Annexure 4 to the Pre-listing Statement.

Responsibilities

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation, contents and presentation of the pre-listing statement and the fair presentation of the Report of Historical Financial Information in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the financial information presented in the Report of Historical Financial Information, included in the Pre-listing Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

Scope

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial information of Blue Label Telecoms as set out in Annexure 4, presents fairly, in all material respects, and for the purposes of the Pre-listing Statement, the financial position of Blue Label Telecoms at 31 May 2007 in accordance with International Financial Reporting Standards and the JSE Listing Requirements.

PricewaterhouseCoopers Inc

Director: R Shedlock

Registered Auditor

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Sunninghill

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