

PRO FORMA FINANCIAL INFORMATION OF BLUE LABEL TELECOMS

The table below sets out the unaudited *pro forma* income statement of the Blue Label Group for the 12 month period ended 31 May 2007. The *pro forma* income statement has been prepared for illustrative purposes only to show the effect of the Restructuring only and because of its nature may not fairly reflect the financial position, changes in equity, results of the operations or cash flows of the Blue Label Group. The *pro forma* financial information has been prepared in a manner consistent with the accounting policies of Blue Label Telecoms. The *pro forma* financial information is the responsibility of the Directors of Blue Label Telecoms.

Unaudited *pro forma* income statement of Blue Label Telecoms

INCOME STATEMENT FOR THE 12 MONTH PERIOD ENDED 31 MAY 2007

	Before ¹	Acquisitions TPC Group ²	Other Core Investments ³	Consolidation Adjustments ⁴	Pro forma Before Private Placement ⁵
Revenue	–	8 868 334 609	617 140 921	(466 567 590)	9 018 907 940
Other Income	–	33 968 868	32 192 094	(20 485 752)	45 675 210
Changes in inventories of finished goods	–	(8 445 972 290)	(561 111 803)	466 567 590	(8 540 516 503)
Employee compensation and benefit expense	–	(120 538 950)	(41 995 856)	–	(162 534 806)
Depreciation, amortisation and impairment charges	–	(28 928 811)	(2 789 742)	(32 936 220)	(64 654 773)
Other expenses	–	(74 745 566)	(28 314 885)	–	(103 060 451)
Operating profit/(loss)	–	232 117 860	15 120 729	(53 421 972)	193 816 617
Finance costs	–	(140 253 494)	(3 886 330)	8 975 204	(135 164 620)
Finance income	–	93 712 305	568 665	–	94 280 970
Share of profit/(loss) from associates	–	3 328 565	(8 495 380)	(3 328 565)	(8 495 380)
Net profit/(loss) before taxation	–	188 905 236	3 307 684	(47 775 333)	144 437 587
Taxation	–	(53 853 309)	(13 698 476)	12 039 688	(55 512 097)
Net profit after tax	–	135 051 927	(10 390 792)	(35 735 645)	88 925 490
Attributable to:					
Equity holders	–	126 635 142	(9 508 482)	(26 673 907)	90 452 752
Minority interest	–	8 416 818	(882 342)	(9 061 738)	(1 527 262)
Reconciliation to the net profit after tax					
Net profit attributable to equity holders					90 452 752
Intangible asset amortisation					33 816 761
Core net profit after tax					124 269 513
EPS (cents)					15.51
HEPS (cents)					15.51
Core EPS (cents)					21.31
Weighted average number of shares					583 127 787

Notes:

1. Extracted from the audited financial statements of Blue Label Telecoms for the year ended 31 May 2007. Blue Label Telecoms did not trade during the period 31 May 2007
2. Extracted from the audited consolidated financial statements of TPC for the year ended 31 May 2007.
3. Represents the aggregated financial results of other subsidiaries and associates of Blue Label Telecoms extracted from their respective financial statements for the year ended 31 May 2007 including.
 - 72% of Africa Prepaid Services
 - 100% of Blue Label One
 - 100% of Datacel
 - 100% of Cellfind
 - 100% of Virtual Voucher as a subsidiary, whereby it was previously accounted for as an associate
 - 100% of Gold Label
 - Additional 5% of Kwikpay
 - Additional 50% of Matragon.
4. Represents adjustments relating to the amortisation of intangibles arising from the acquisition of outside shareholders' interests the following subsidiaries and associates based on preliminary purchase price allocation exercises conducted in terms of IFRS 3: Business Combinations:
 - Africa Prepaid Services
 - Datacel
 - Cellfind.

Consolidation entries have been also been included to adjust for intercompany and intergroup revenue and cost of sales for those entities that are now being consolidated.
5. Represents the *pro forma* Income Statement of Blue Label Group on the assumption that the restructuring was effective 1 June 2006. All entities within the Blue Label Group have a 31 May year-end.
6. No effect has been given to the cash raised from the private placement.
7. All adjustments are expected to have a continuing effect on Blue Label Telecoms.

Unaudited Pro Forma Balance Sheet of Blue Label Telecoms

BALANCE SHEET AS AT 31 MAY 2007

	Before ¹	Acquisitions		Consolidation Adjustments ⁴	Pro forma	Private Placement and shareholder loan capitalisation and repayment ⁵	Pro forma
		TPC Group ²	Other Core Investments ³		Before Private Placement		After ⁶
ASSETS							
Non-current assets							
Fixed assets	–	36 913 638	7 912 159	–	44 825 797	–	44 825 797
Intangible assets	–	72 097 578	2 929 776	117 959 795	192 987 149	–	192 987 149
Goodwill	–	46 506 718	–	1 065 258 763	1 111 765 481	–	1 111 765 481
Deferred taxation	–	–	697 819	–	697 819	–	697 819
Investment in Associates	–	2 279 033	42 849 587	(2 278 873)	42 849 747	–	42 849 747
	–	157 796 967	54 389 341	1 180 939 685	1 393 125 993	–	1 393 125 993
Current assets							
Investments	–	16 181 966	1 209 475	–	17 391 441	–	17 391 441
Inventories	–	260 933 108	16 142 428	–	277 075 536	–	277 075 536
Loans to group companies	–	–	81 204 755	(81 204 755)	–	–	–
Loan receivable	–	8 624 344	1 578 277	354 606 625	364 809 246	–	364 809 246
Receivables and prepayments	–	280 152 684	24 211 363	–	304 364 047	–	304 364 047
Intangible assets – current	–	84 382 669	–	–	84 382 669	–	84 382 669
Cash and cash equivalents	120	1 105 378 202	18 040 364	–	1 123 418 686	293 773 183	1 417 191 869
Total current assets	120	1 755 652 973	142 386 662	273 401 870	2 171 441 625	293 773 183	2 465 214 808
Total assets	120	1 913 449 940	196 776 003	1 454 341 555	3 564 567 618	293 773 183	3 858 340 801
EQUITY AND LIABILITIES							
Capital and reserves attributable to equity holders	120	301 719 934	75 965 333	983 269 434	1 360 954 821	1 319 606 625	2 680 561 446
Minorities interest	–	39 471 909	(1 110 162)	(20 697 380)	17 664 367	–	17 664 367
Total capital and reserves	120	341 191 843	74 855 171	962 572 054	1 378 619 188	1 319 606 625	2 698 225 813
Non-current liabilities							
Interest bearing borrowings	–	264 543 648	29 434 089	174 128 299	468 106 036	(467 078 552)	1 027 484
Deferred taxation liability	–	20 671 108	6 575 988	34 208 341	61 455 437	–	61 455 437
	–	285 214 756	36 010 077	208 336 640	529 561 473	(467 078 552)	62 482 921
Current liabilities							
Shareholders Loans	–	49 000 000	22 173 763	283 432 861	354 606 624	(354 606 624)	–
Non-interest bearing borrowings	–	23 895 160	5 942 079	–	29 837 239	–	29 837 239
Trade and other payables	–	879 584 231	55 086 524	–	934 670 755	–	934 670 755
Current portion of Interest bearing borrowings	–	302 239 654	63 275	–	302 302 929	(204 148 266)	98 154 663
Current tax liabilities	–	32 324 296	2 641 662	–	34 965 958	–	34 965 958
Bank overdraft	–	–	3 452	–	3 452	–	3 452
	–	1 287 043 341	85 910 755	283 432 861	1 656 386 957	(558 754 890)	1 097 632 067
Total equity and liabilities	120	1 913 449 940	196 776 003	1 454 341 555	3 564 567 618	293 773 183	3 858 340 801
NAV (cents)					233.4		360.7
NTAV (cents)					9.6		185.1
Number of shares					583 127 787		743 187 727

Notes:

1. Extracted from the audited financial statements of Blue Label Telecoms for the year ended 31 May 2007.
2. Extracted from the audited consolidated financial statements of TPC for the year ended 31 May 2007.
3. Represents the aggregated financial position of other subsidiaries and associates of Blue Label Telecoms extracted from their respective financial statements for the year ended 31 May 2007 including:
 - 72% of Africa Prepaid Services
 - 100% of Blue Label One
 - 100% of Datacel
 - 100% of Cellfind
 - 100% of Virtual Voucher as a subsidiary, whereby it was previously accounted for as an associate
 - 100% of Gold Label
 - Additional 5% of Kwikpay
 - Additional 50% of Matragon.
4. Represents adjustments relating to the acquisition of outside shareholders' interests in APS, Datacel and Cellfind, based on purchase price allocation exercises conducted in terms of IFRS 3: Business Combinations and the accrual for liabilities relating to the acquisition considerations which are to be settled in cash on listing.
Further consolidation entries have been also been included to adjust for intercompany and intergroup revenue and cost of sales for those entities that are now being consolidated.
5. Represents the capitalisation of shareholder loans of R355 million and utilisation of R1 billion cash raised from the private placement at an assumed price of R6.25 per share, which represents the mid-range of the private placing range, which will be utilised as follows:
 - to repay external third party debt of R450 million as at 31 May 2007
 - to pay the liabilities of R215 million arising from the acquisition of the minorities shares and claims which is to be settled in cash on listing
 - additional cash for future expansion of R250 million
 - pay listing costs of R39 million.
6. Represents the *pro forma* Balance Sheet of Blue Label Group on the assumption the Restructuring was effective 31 May 2007. All entities within the Blue Label Group have a 31 May year-end.
7. All adjustments are expected to have a continuing effect on Blue Label Telecoms.