
INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PROFIT FORECAST OF THE BLUE LABEL GROUP

"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 THE UNAUDITED PROFIT FORECAST OF BLUE LABEL TELECOMS LIMITED

We have examined the profit forecast of Blue Label Telecoms Limited ("Blue Label Telecoms") for the period ending 31 May 2008 ("the Forecast") as set out in paragraph 23.1 and Annexure 8 of the pre-listing statement of Blue Label Telecoms to be dated on or about 26 October 2008 ("the Pre-listing Statement").

Directors' responsibility

The directors of Blue Label Telecoms are responsible for the Forecast, including the assumptions as set out in paragraph 23.1 of the Pre-listing Statement, on which it is based, and for the financial information from which it has been prepared.

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the Forecast. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the *Examination of Prospective Financial Information and the Revised Guide on Forecasts* issued by The South African Institute of Chartered Accountants, except where otherwise indicated. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the Forecast is based are not unreasonable and are consistent with the purpose of the information;
- the Forecast is properly prepared on the basis of the assumptions;
- the Forecast is properly presented and all material assumptions are adequately disclosed; and
- the Forecast is prepared and presented on a basis consistent with the accounting policies of the company in question for the period concerned.

In a limited assurance engagement, the evidence – gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- (i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the Forecast;
- (ii) the Forecast has not been properly compiled on the basis stated;
- (iii) the Forecast has not been properly presented and all material assumptions are not adequately disclosed; and
- (iv) the Forecast is not presented on a basis consistent with the accounting policies of Blue Label Telecoms.

Actual results are likely to be different from the Forecast, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the Forecast.

Yours faithfully

PricewaterhouseCoopers Inc
Director: PG McCrystal"