

PART G: PARTICULARS OF THE PRIVATE PLACING

45. OVERVIEW OF THE PRIVATE PLACING

The Private Placing comprises:

- a private placing to Qualifying Investors and Qualifying Institutions of a maximum value of R1 000 000 000 of new Blue Label Telecoms Shares, priced between R5.75 and R6.75 per share in terms of the Offer for Subscription. Cash has been received for approximately R200 000 000 in terms of the Preferential Placement and accordingly the remaining Offer for Subscription will be R800 000 000; and
- a private placing to Qualifying Institutions of a maximum value of R376 467 352 of Blue Label Telecoms Shares priced between R5.75 and R6.75 per share in terms of the Offer for Sale by certain Blue Label Telecoms Shareholders.

The Private Placing will result in a maximum value of R1 376 467 352 of Blue Label Telecoms Shares being placed with Qualifying Investors and Qualifying Institutions. The Blue Label Telecoms Shares being privately placed in terms of this Pre-Listing Statement will rank *pari passu* with the existing issued Blue Label Telecoms Shares.

The bases for allocation of the Blue Label Telecoms shares will be determined by the Bookrunner, Investec, in its sole discretion after consultation with the Blue Label Telecoms Directors in terms of paragraph 53 below.

The Private Placing is conditional upon the raising of a minimum amount of capital of R700 000 000, before listing expenses, in terms of the Offer for Subscription and a minimum amount of capital of R200 000 000, before listing expenses, in terms of the Offer for Sale. The minimum amount of capital to be raised by Blue Label Telecoms in terms of the Offer for Subscription will be used by Blue Label Telecoms as explained in paragraph 46.

46. RATIONALE

The proposed listing on the JSE will enable the Company to:

- fund its current and future operations by having access to capital markets;
- enhance investors' awareness of Blue Label Telecoms;
- raise capital to settle parts of the purchase considerations for recent acquisitions made as part of the Restructuring;
- recapitalise its balance sheet through the settlement of shareholder and third party loans;
- attract and retain high quality staff by affording Blue Label Telecoms staff the opportunity to participate further in the equity and future growth of Blue Label Telecoms;
- to fund the recapitalisation of the current working capital facilities in the Blue Label Group;
- improve the Group's buying power with trade partners through enhanced credibility; and
- to raise funding for the potential future expansion of the Blue Label Group.

The proceeds from the Private Placing will first be applied to fulfill the minimum capital requirement in terms of the Offer for Subscription. The proceeds from the minimum capital will be utilised to facilitate the following:

- to fund the recent acquisitions of shares and claims in terms of the Restructuring;
- to fund the repayment of third party debt.

Subsequent to the minimum capital being raised in terms of the Offer for Subscription, the next R200 000 000 raised will be applied to fulfill the minimum capital requirement in terms of the Offer for Sale by certain of the Blue Label Telecoms Shareholders. The proceeds received by the Blue Label Telecoms Shareholders will be used to repay third party liabilities that the respective Blue Label Telecoms Shareholders may have.

Proceeds over and above the first R900 000 000 raised will be allocated to the Offer for Subscription up to the maximum issue of new shares by Blue Label Telecoms to the value of R1 000 000 000. The additional proceeds received by Blue Label Telecoms will be utilised to raise funding for the potential future expansion of the Blue Label Group.

The additional proceeds received by Blue Label Telecoms Shareholders will allow such Blue Label Telecoms Shareholders to partially realise their investment in the Blue Label Group.

47. PRIVATE PLACING PRICE

The Private Placing Price is estimated to be between R5.75 and R6.75 per share. The final Private Placing Price may, however, be outside of the Private Placing Price Range. The Private Placing Price will be exclusive of uncertificated securities tax and will be payable in full in Rands without deduction or set-off.

Investec, the Bookrunner, is seeking indications of interest from Qualifying Investors to acquire the Private Placing Shares as part of a "bookbuilding" process. The final Private Placing Price will be determined based on an analysis of market demand and will be released on SENS on Friday, 9 November 2007 and published in the South African press on Monday, 12 November 2007.

Among the factors which may be considered by the Bookrunner in determining the Private Placing Price are:

- prevailing market conditions;
- the demand for Blue Label Telecoms Shares; and
- the Company's desire to establish an orderly after-market in Blue Label Telecoms Shares.

Prior to the Private Placing, there has been no public market for Blue Label Telecoms Shares and no assurances can be given that an active trading market will develop or that the Blue Label Telecoms Shares will trade above the Private Placing Price.

48. SALIENT DATES OF THE PRIVATE PLACING

The Private Placing opens at 09:00 on Monday, 29 October 2007 and is expected to close at 12:00 on Thursday, 8 November 2007. Indications of interest for the purposes of the bookbuilding process referred to above will be received up until 12:00 on Thursday, 8 November 2007.

	2007
Abridged Pre-Listing Statement published on SENS	Friday, 26 October
Pre-Listing Statement available	Monday, 29 October
Abridged Pre-Listing Statement published in the press	Monday, 29 October
Opening date of the Private Placing (09:00)	Monday, 29 October
Last date for indications of interest for the purposes of the bookbuild (12:00)	Thursday, 8 November
Expected closing date of the Private Placing (12:00)	Thursday, 8 November
Final allocation of Blue Label Telecoms Shares	Friday, 9 November
Receive payment from Qualifying Investors in respect of allocations made	Monday, 12 November
Blue Label Telecoms Shares listed on the JSE	Wednesday, 14 November

All references to time are to local time in South Africa. The above dates and times are subject to change. Any material change will be released on SENS and published in key South African newspapers.

49. PARTICIPATION IN THE PRIVATE PLACING

Qualifying Investors will be invited by the Directors to participate in the Private Placing on terms as may be specified by the Directors.

Directors will decide in their own discretion which Qualifying Investors to invite in order to participate in the Private Placing.

50. PARTIES WHO MAY NOT PARTICIPATE IN THE PRIVATE PLACING

The following people may not participate in the Private Placing:

- any person who may not lawfully participate in the Private Placing;
- any person applying for Blue Label Telecoms Shares of less than R100 000.00;
- any person who has not been invited to participate in the Private Placing; and/or
- persons acting on behalf of a minor or a deceased estate.

51. APPLICATIONS

51.1 Acceptance

No applications will be accepted after 12:00 on Thursday, 8 November 2007.

51.2 Applications irrevocable

Applications submitted by Qualifying Investors shall constitute irrevocable offers and may not be withdrawn once received by Investec, the Bookrunner.

51.3 Copies of applications

Copies or reproductions of the application form will be accepted at the discretion of the directors of Blue Label Telecoms.

51.4 Alterations to applications

Any alterations on the application form must be authenticated by full signature.

51.5 Applications for the Offer Sale

Applications for the Offer for Sale will only be accepted from Qualifying Institutions.

51.6 Minimum application size

The minimum aggregate application for Blue Label Telecoms Shares is R100 000.00 and applications that are smaller than this minimum application amount will not be considered.

51.7 Evidence of capacity to apply

No documentary evidence of capacity to apply need accompany an application but Blue Label Telecoms reserves the right to call upon any applicant to submit such evidence for noting, which evidence will be held on file with the transfer secretaries or returned to the applicant at the applicant's risk.

51.8 Reservation of rights

The directors of Blue Label Telecoms reserve the right to refuse any application(s), either in whole or in part, or to pro rate any or all application(s) (whether or not received timeously) in any manner as they may, in their sole and absolute discretion, determine.

The directors of Blue Label Telecoms reserve the right to accept or reject, either in whole or in part, any application form, should the terms contained in this Pre-Listing Statement not be properly complied with.

52. DEMATERIALISATION OF PRIVATE PLACING SHARES

The Private Placing Shares will be transferred from Blue Label Telecoms and the Blue Label Telecoms Shareholders to successful applicants in Dematerialised form only. Accordingly, all successful applicants must appoint a CSDP, directly or through a broker, to receive and hold the Dematerialised Shares on their behalf. Should a shareholder require a physical share certificate for its Blue Label Telecoms Shares, it will have to materialise its Blue Label Telecoms Shares following the Listing and should contact its CSDP or broker to do so. It is noted that there are risks associated with holding shares in certificated form, including the risk of loss or tainted script, which are no longer covered by the JSE Guarantee Fund. All Blue Label Telecoms Shareholders who elect to convert their Dematerialised Shares into Certificated Shares will have to Dematerialise their Blue Label Telecoms Shares should they wish to trade them under the terms of Strate (see paragraph 59 headed "Strate" below).

53. ALLOCATION

The basis of allocation of the Private Placing Shares will be determined by Investec, the Bookrunner, in its sole discretion, after consultation with the Directors.

Factors to be considered by the Bookrunner and the Directors in allocating the Blue Label Telecoms Shares include:

- achieving the JSE spread requirements; and
- promoting liquidity, tradeability and an orderly after-market in the Blue Label Telecoms Shares.

It is intended that notice of the allocations will be given on or before Monday, 12 November 2007.

In the event of an over subscription, no preference will be given to any company or group.

Any dealing in Blue Label Telecoms Shares prior to delivery is at the risk of the applicant.

Successful applicants' accounts with their CSDP or broker will be credited with the allocated shares on the Settlement Date on a 'delivery versus payment' basis.

54. PAYMENT AND DELIVERY OF PRIVATE PLACING SHARES

Each successful applicant, other than the Preferential Placees who have already complied with the instructions below, must, as soon as possible after being notified of an allocation of Private Placing Shares, forward to:

- its CSDP, all information required by the applicant's CSDP and instruct its CSDP to pay, against delivery of the applicant's allocation of Private Placing Shares, the aggregate price for such Private Placing Shares to the designated account of Investec. Such information and instructions must be confirmed to the applicant's CSDP no later than 14:00, two Business Days prior to the Settlement Date (expected to be Monday, 12 November 2007); and
- the Bookrunner, details of its CSDP, the name of the account holder and number of shares and such other information as is required by the Bookrunner's CSDP in order to affect delivery of the relevant Private Placing Shares. Such information must be confirmed to the Bookrunner no later 14:00, two Business Days prior to the Settlement Date (expected to be Monday, 12 November 2007).

By no later than 17:00 on Tuesday, 13 November 2007, each applicant must place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment for the allocated Private Placing Shares on Settlement Date, in accordance with each applicant's agreement with its CSDP.

The applicant's CSDP must commit in Strate to the receipt of the applicant's allocation of Private Placing Shares against payment by no later than 17:00 on Tuesday, 13 November 2007].

On the Settlement Date (which is expected to be Wednesday, 14 November 2007), the applicant's allocation of Private Placing Shares will be credited to the applicant's CSDP or broker against payment during the Strate settlement runs which occur throughout the day.

In the event of an application being rejected in whole or accepted for a lesser number of Blue Label Telecoms Shares that applied for, any application monies or surplus application monies paid, will be refunded by the transfer secretaries by cheque drawn on a bank in South African currency and posted by ordinary post at the risk of the applicant on or about Thursday 15 November 2007. No interest will be paid on monies refunded to applicants.

55. CONDITIONS PRECEDENT AND COMPETITION APPROVAL

55.1 The Private Placing is subject to:

- the raising of a minimum amount of capital of R700 000 000, before listing expenses, in terms of the Offer for Subscription and a minimum amount of capital of R200 000 000, before listing expenses, in terms of the Offer for Sale; and
- achieving a spread of Blue Label Telecoms Shareholders acceptable to the JSE.

55.2 On 26 September 2007 the Competitional Tribunal approved the Restructuring unconditionally in terms of the Competition Act of 1998, as amended.

56. REPRESENTATION

Any person, other than the Preferential Placees, applying for or accepting the Private Placing Shares shall be deemed to have represented to Blue Label Telecoms that such person was in possession of a copy of this Pre-Listing Statement at that time. Any person applying for or accepting the Private Placing Shares on behalf of another:

- shall be deemed to have represented to Blue Label Telecoms that such person is duly authorised to do so and warrants that such person and the purchaser for whom such person is acting as agent is duly authorised to do so in accordance with all relevant laws;
- guarantees the payment for the Blue Label Telecoms Shares allocated to that person at the Private Placing Price; and
- warrants that a copy of this Pre-Listing Statement was in the possession of the purchaser, other than the Preferential Placees for whom such person is acting as agent.

57. EXCHANGE CONTROL REGULATIONS

Currency and shares are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations of the South African Reserve Bank as described more fully in Part H of this Pre-Listing Statement. The Exchange Control Regulations also regulate the acquisition by former residents and non-residents of Private Placing Shares. Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an acceptance of the Private Placing.

58. APPLICABLE LAW

The Private Placing, applications, allocations and acceptances will be exclusively governed by the laws of South Africa and each applicant will be deemed, by applying for Blue Label Telecoms Shares, to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Private Placing.

59. STRATE

Ordinary shares may only be traded on the JSE in electronic form (Dematerialised Shares) and will be trading for electronic settlement in terms of Strate immediately following the Listing.

Strate is a system of "paperless" transfer of securities. If you have any doubt as to the mechanics of Strate please consult your broker, CSDP or other appropriate advisor and you are referred to the Strate website at <http://www.strate.co.za>.

Some of the principal features of Strate are:

- electronic records of ownership replace share certificates and physical delivery of certificates;
- trades executed on the JSE must be settled within five Business Days;
- all investors owning Dematerialised Shares or wishing to trade their securities on the JSE are required to appoint either a broker or a CSDP to act on their behalf and to handle their settlement requirements; and
- unless investors owning Dematerialised Shares specifically request their CSDP to register them as an "own name" shareholder (which entails a fee), their respective CSDP's or broker's nominee company holding shares on their behalf, will be the shareholder (member) of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or broker (or the CSDP's or broker's nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or broker (or the CSDP's or broker's nominee company), as to how it wishes to exercise the rights attaching to the shares and/or to attend and vote at shareholders meetings.

60. LISTING OF BLUE LABEL TELECOMS SHARES ON THE JSE

The JSE has approved the Listing of all the Blue Label Telecoms Shares in the "Telecommunications – Mobile Telecommunications" sector of the JSE main board list under the abbreviated name "BlueTel", symbol "BLU" and ISIN: ZAE000109088 subject to the attainment of a spread of shareholders acceptable to the JSE. The Listings Requirements require a free float of 20% of the Blue Label Telecoms Shares in issue. Should such conditions be fulfilled, the Listing is expected to be effective from the commencement of business on Wednesday, 14 November 2007.

61. FURTHER ALLOTMENT

The Bookrunner has an option from the below mentioned shareholders, but no obligation to do so, to allot another R186 888 888 worth of Blue Label Telecoms Shares as part of the Private Placing or after the listing of Blue Label Telecoms with a view to providing liquidity to the shares of Blue Label Telecoms after the Listing Date. These shares may however be preplaced prior to listing:

- Mark Steven Levy – R70 406 854;
- Brett Marlon Levy – R70 406 854;
- Nthwese – R36 888 889;
- Selwyn Roy Diamond – R3 674 517;
- Sean Kaplan – R2 755 887; and
- The Marapa Trust – R2 755 887.

Such action, if commenced, may be discontinued at any time, but may under no circumstances continue beyond the 30th calendar day after the Listing Date. The Bookrunner will act as the sole manager for this purpose and the Bookrunner will be paid the same raising fee as on the Private Placing.

Blue Label Telecoms will make an announcement in the press and on SENS regarding the results of the Further Allotment Option at the end of the 30-day period.