

SHORT-FORM AUDITED RESULTS FOR THE YEAR ENDED 31 MAY 2015



BLUE LABEL
TELECOMS

↑ Increase in revenue of 14% to **R22 billion**

↑ Increase in gross profit of 22% to **R1.64 billion**

↑ Increase in gross profit margins from 6.96% to **7.46%**

↑ Increase in EBITDA of 37% to **R1.08 billion**

↑ Increase in headline earnings per share of 21% to **82.26 cents**

↑ Increase in core earnings per share of 29% to **89.71 cents**

↑ Increase in dividend declared of 15% to **31 cents** per share

Commentary

Headline earnings per share increased by 21% to 82.26 cents net of the Group's share of losses of R85 million in Blue Label Mexico which equated to 12.82 cents per share. The remaining businesses within the Group contributed 95.08 cents to headline earnings per share. Earnings per share increased by 28% to 86.86 cents.

The increase in headline earnings was achieved through organic growth in the South African distribution segment, assisted by the acquisitions of Retail Mobile Credit Specialists Proprietary Limited and Viamedia Proprietary Limited.

The growth in earnings was primarily attributable to increases in revenue of 14%, gross profit of 22% and EBITDA of 37%. Gross profit margins increased from 6.96% to 7.46%. Organic growth was achieved through the expansion of the Group's bouquet of offerings to its escalating multitude of distribution channels.

Core earnings, which increased by 30% to R597 million, represent the earnings of the Group after adjusting for the amortisation of intangible assets net of taxation and non-controlling interests as a consequence of purchase price allocations in terms of IFRS 3. Core earnings reflect the underlying financial performance of the Group.

The statement of financial position remains robust and liquid, with accumulated equity increasing to R3.9 billion, net of accumulated dividends paid to date totalling R704 million. Net asset value equated to R5.79 per share.

PROSPECTS

Oxigen Services India applied for a Payments Bank license to the Reserve Bank of India (RBI) in February 2015. This application was submitted after extensive prior piloting of processes in conjunction with RBI. The latter is expected to announce the names of successful applicants by the end of August 2015. This will supplement its current domestic remittance offering with cash-out and international remittance capabilities without having to utilise third party license holders. Transaction fees will be enhanced by the above capabilities.

Oxigen has been appointed the sole successful bidder in the global bid of the Indian Banks' Association, for its proprietary "super" point-of-sale terminals. These micro ATM terminals will be deployed in conjunction with the banks, resulting in an accelerated footprint expansion in the rural areas. Oxigen's recharge, bill payment and wallet services, will be available through these terminals.

Blue Label Mexico has commenced the distribution of prepaid starter packs. Given its vast distribution capabilities, it is well placed to generate monthly compounded annuity revenue thereon.

Towards the end of the financial year, BLT and the Edcon group entered into an initiative whereby a company was formed to establish stand-alone retail outlets under the brand "Edgars Connect".

This will create an ideal platform for BLT to implement its strategy of marketing its products and services on a retail basis.

The prevalence of prepaid water meters continues to emulate the prepaid electricity model. Installation of meters by third parties, supported by state-of-the-art software, has enabled Blue Label to enter into the prepaid water arena. Vouchers are purchased by consumers at the multitude of points-of-presence that it has established. Existing relationships with several municipalities is expected to result in increased growth in this initiative.

The South African distribution segment has enhanced its bouquet of products to include mobile handsets and tablets. This initiative is expected to gain significant momentum going forward.

TicketPro continues to increase its range of ticketing and access control services and solutions. Its technology offering and distribution reach provide it with a competitive edge, as it steadily grows market share.

The Group's distribution footprint is perfectly positioned to offer a money transfer solution that will provide reach across all sectors of the South African economic landscape.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company and is based on an extract of the audited summarised Group annual financial statements released on SENS on 19 August 2015, and does not contain full or complete details.

Any investment decision by investors and/or shareholders should be based on consideration of the full SENS announcement and the audited annual Group financial statements. These are available for inspection at the registered offices of the Company during office hours and on the Company's website (www.bluelabeltelecoms.co.za) at no charge.

For and on behalf of the board

LM Nestadt

BM Levy and MS Levy

DA Suntup CA(SA)*

Chairman

Joint Chief Executive Officers

Financial Director

18 August 2015

**Supervised the preparation and review of the Group's audited year-end results.*

DIVIDEND NUMBER 6

The Group's current dividend policy is to declare an annual dividend. On 18 August 2015, the board approved a gross ordinary dividend (number 6) of 31 cents per ordinary share (26.35 cents per ordinary share net of dividend withholding tax) for the year ended 31 May 2015. This dividend of R209 097 803 inclusive of withholding tax, equates to a 2.62 cover on headline earnings. The dividend for the year ended 31 May 2015 has not been recognised in the financial statements as it was declared after this date.

The dividend has been declared from income reserves. The Company has no secondary tax on companies credits available. The issued share capital at the declaration date was 674 509 042 ordinary shares. The Company's income tax reference number is 9062246179.

The salient dates are as follows:

Last date to trade cum dividend	Friday, 4 September 2015
Shares commence trading ex dividend	Monday, 7 September 2015
Record date	Friday, 11 September 2015
Payment of dividend	Monday, 14 September 2015

Share certificates may not be dematerialised or rematerialised between Monday, 7 September 2015 and Friday, 11 September 2015, both days inclusive.

Before declaring the final dividend, the board applied the solvency and liquidity test on the Company and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after payment of the final dividend. The final dividend will be paid 26 days after the directors have performed the solvency and liquidity testing.

Dividends tax is provided for at 15% of the amount of any dividend paid by Blue Label Telecoms, subject to certain exemptions. The dividends tax is a tax borne by the beneficial owner of the dividend and will be withheld by either the issuer of the dividend or by regulated intermediaries.

Directors: LM Nestadt (Chairman)*, BM Levy, MS Levy, K Ellerine** , GD Harlow* , Y Mahomed* , JS Mthimunya* , MV Pamensky, DA Suntup, J Vilakazi*
[*Independent non-executive] [**Non-executive]

Company Secretary: J van Eden

Sponsor: Investec Bank Limited

Auditors: PricewaterhouseCoopers Inc.

American Depository Receipt (ADR) Programme:

Cusip No.: 095648101 Ticker name: BULBY ADR to ordinary share: 1:10

Depository: BNY Mellon, 101 Barclay Street, New York NY, 10286, USA

Blue Label Telecoms Limited

(Incorporated in the Republic of South Africa)

(Registration number 2006/022679/06)

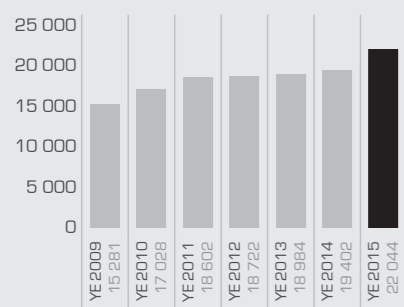
JSE Share code: BLU ISIN: ZAE000109088

("Blue Label" or "BLT" or "the Company" or "the Group")

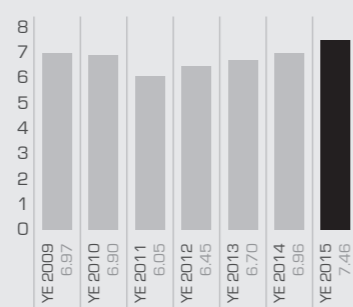
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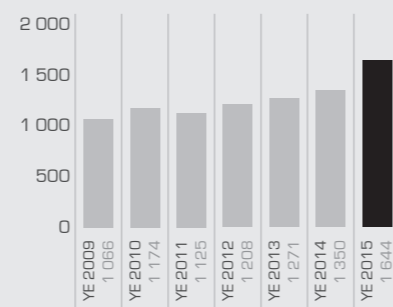
Revenue (R'million)



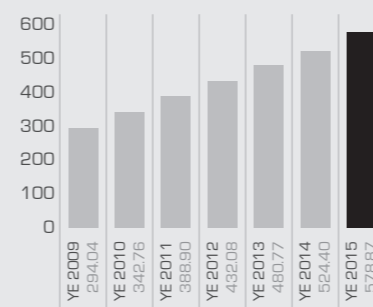
Gross profit (%)



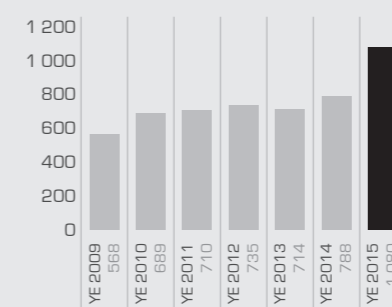
Gross profit (R'million)



NAV per share (cents)



EBITDA (R'million)



Dividends declared per share (cents)

