

UNAUDITED PROFIT FORECAST AND PRO FORMA PROFIT FORECAST OF THE BLUE LABEL GROUP

The table below sets out the unaudited profit forecast and *pro forma* profit forecast of the Blue Label Group. The profit forecast and *pro forma* profit forecast has been prepared for illustrative purposes 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 profit forecast and *pro forma* profit forecast information is the responsibility of the Directors of Blue Label Telecoms. The profit forecast reflects the forecast performance of the Blue Label Group for the 5 months prior to the restructure, and Blue Label Telecoms after the restructure for the 7 months post the restructure. The *pro forma* profit forecast aims to provide comparable forecast financial information to that of the *pro forma* financial information, as if the Restructured Blue Label Group was in place from 1 June 2007. The *pro forma* financial information and forecasts have been prepared in a manner consistent with the accounting policies of Blue Label Telecoms.

Unaudited *pro forma* forecast income statement of Blue Label Telecoms INCOME STATEMENT FOR THE PERIOD ENDING 31 MAY 2008

	Forecast ¹	Acquisition of outside shareholder interests in subsidiaries and associates as well as consolidation adjustments ²	Private Placement ³	Pro forma forecast ⁴
Revenue	10 932 271 991	173 249 761	–	11 105 521 752
Other income	34 943 212	(1 117 465)	–	33 825 747
Changes in inventories of finished goods	(10 275 501 631)	(127 795 932)	–	(10 403 297 563)
Employee compensation and benefit expense	(272 751 047)	3 696 654	–	(269 054 393)
Depreciation, amortisation and impairment charges	(52 258 256)	(14 675 192)	–	(66 933 448)
Other expenses	(124 605 223)	(1 977 234)	–	(126 582 457)
Operating profit/(loss)	242 099 046	31 380 592	–	273 479 638
Finance costs – funding	(68 383 063)	22 804 914	41 210 965	(4 367 184)
Finance costs – accounting standards adjustment⁵	(72 104 589)	–	–	(72 104 589)
Finance income	165 794 843	(19 094 491)	26 250 000	172 950 352
Share of profit/(loss) from associates	28 983	(3 599 097)	–	(3 570 114)
Net profit/(loss) before taxation	267 435 220	31 491 918	67 460 965	366 388 103
Taxation	(99 614 002)	3 227 642	(19 563 680)	(115 950 040)
Net profit after tax	167 821 218	34 719 560	47 897 285	250 438 063
Core net profit for the year	234 072 137	–	–	340 403 798
<i>Attributable to:</i>				
Equity holders of parent	144 199 007	57 690 744	47 897 285	249 787 037
Minority interest	23 622 211	(22 971 184)	–	651 026
Reconciliation to core earnings				
Net profit attributable to equity holders	144 199 007	–	–	249 787 037
Settlement of onerous contract	9 000 000	–	–	–
Intangible asset amortisation (net of tax)	24 073 130	–	–	33 816 761
Management bonus settlement (net of tax)	56 800 000	–	–	56 800 000
Core earnings	234 072 137	–	–	340 403 798
EPS (Cents)	26.30	–	–	33.61
HEPS (Cents)	26.30	–	–	33.61
Core EPS (Cents)	42.68	–	–	45.81
Weighted average number of shares	548 372 858	–	–	743 127 787

Notes:

1. Represents the profit forecast of Blue Label Group for the period ending 31 May 2008.
2. Represents the aggregated forecast financial results of other subsidiaries and associates of Blue Label Telecoms extracted from their respective forecasts for the year ended 31 May 2008 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.
3. Represents interest saving on interest bearing debt settled and interest earned on balance of cash raised from proceeds of private placement at R6.25 per share.
4. Represents the *pro forma* profit forecast of Blue Label Group on the assumption the Restructuring was effective 1 June 2007.
5. This represents an accounting adjustment for the discounting of purchases on credit to their present value in line with terms provided by trade creditors.
6. The principle assumptions to the profit forecast are set out in paragraph 23.1 of the Pre-Listing Statement.
7. All adjustments are expected to have a continuing effect on Blue Label Telecoms.