

## **PART I: ADDITIONAL INFORMATION**

### **64. INFORMATION ON SUBSIDIARIES**

Details of Blue Label Telecoms's subsidiaries are included in Annexure 12 to this Pre-Listing Statement.

### **65. PRINCIPAL IMMOVABLE PROPERTY OWNED OR LEASED**

Details of the principal immovable property owned or leased by the Blue Label Group are set out in Annexure 13 to this Pre-Listing Statement.

The Blue Label Telecoms Directors have the following interests in the principal immovable property of the Blue Label Group:

- Mark Pamensky, Brett Levy and Mark Levy are directors of PLL Investments (Proprietary) Limited ("PLL Investments"), as well as indirect shareholders of that company. PLL Investments indirectly owns 100% of the premises leased by Kwikpay and 50% of the premises leased by by Comm Express and Matragon.
- Mark Pamensky is a director of Friedshelf 669 (Proprietary) Limited ("Friedshelf 669"), as well as indirect shareholder of that company, together with Brett Marlon Levy and Mark Steven Levy. Friedshelf 669 owns 50% of the premises leased by SharedPhone.
- Sidney Ellerine has a 40% indirect, non beneficial interest in Ellerine Bros. (Proprietary) Limited which owns 50% of the Blue Label Telecoms office building. Ellerine Bros. (Proprietary) Limited purchased the property on 1 September 2004. TPC pays monthly rentals to Ellerine Bros. (Proprietary) Limited.

These lease agreements were all concluded on an arms length basis, and with the consent of the directors and shareholders of the companies concerned.

### **66. PROPERTY AND SUBSIDIARIES ACQUIRED OR TO BE ACQUIRED**

There were no material acquisitions made by the Blue Label Group in the three years prior to the Listing Date, save for the acquisitions in terms of the Restructuring as explained in Annexure 1 of this Pre-Listing Statement.

At the date of this Pre-Listing Statement Blue Label Telecoms has signed an agreement with the shareholders of Polsa Holdings to acquire all of the shares and loan claims of Polsa Holdings for R12.4 million. The acquisition of Polsa Holdings is conditional upon Polsa Holdings meeting certain statutory and regulatory requirements to the extent legally required.

Gold Label acquired 260 219 warrants in Oxigen India shares at a non-refundable purchase price of Rupees 16.01. Each warrant entitles the holder to subscribe for one equity share in Oxigen India at Rupees 144.11. The warrants are exercisable from 31 October 2007. Neither the warrants nor the consequences of exercising the warrants were taken into consideration in calculating the *pro forma* financial effects as the effect would be immaterial to a Blue Label Telecoms Shareholder. The exercising of the warrants by Gold Label will result in Gold Label acquiring an additional 0.7% of Oxigen India.

Apart from the abovementioned, there are no other proposed acquisitions by Blue Label Telecoms of any other property and Blue Label Telecoms also does not have any other options to acquire any property.

### **67. PROPERTY AND SUBSIDIARIES DISPOSED OF OR TO BE DISPOSED OF**

There were no material disposals made by the Blue Label Group in the three years prior to the Listing Date, save for the disposals in terms of the Restructuring .

At the date of this Pre-Listing Statement there are no proposed disposals agreed to by Blue Label Telecoms of any subsidiaries or properties other than as disclosed in this Pre-Listing Statement.

### **68. INTEREST OF ADVISORS AND PROMOTERS**

None of the advisors, as set out in the "Corporate information" section of this Pre-Listing Statement, hold any Blue Label Telecoms Shares or have agreed to acquire any Blue Label Telecoms Shares in the share capital of Blue Label Telecoms, apart from:

- Investec – Investec, through its Direct Investments division will own 11 606 265 Blue Label Telecoms Shares, equivalent to approximately 2% in the share capital of Blue Label Telecoms after the Restructuring. Investec will sell Blue Label Telecoms Shares in terms of the Offer for Sale to the value of R1 381 573, a maximum number of Blue Label Telecoms Shares of 240 274;

- aloeCap – aloeCap's controlling shareholder; New Heights Investments owns 3% of Nthwese which owns 125 056 301 Blue Label Telecoms Shares after the Restructuring, equivalent to 21.47% in the share capital of Blue Label Telecoms.

Apart from payments and settlements in terms of the Restructuring, Blue Label Telecoms has not paid any amount (whether in cash or in securities), nor given any benefit to any promoters or any partnership, syndicate or other association of which the promoter was a member; not being a Director or a selling Shareholder during the three years preceding the date of this Pre-listing Statement. No promoters have any material beneficial interest in the promotion of Blue Label Telecoms.

## **69. MATERIAL CONTRACTS**

Annexure 17 to this Pre-listing statement sets out:

- material contracts that have been entered into by the Blue Label Group or its subsidiaries during the two years preceding the date of this Pre-Listing Statement, other than in the ordinary course of business;
- contracts entered into at any time prior to the two years preceding the date of this Pre-Listing Statement other than in the ordinary course of business that contain obligations or settlements material to the Blue Label Group or its subsidiaries as at the date of this Pre-Listing Statement; and
- all the agreements relating to the Restructuring.

There are no existing or proposed contracts relating to royalties, secretarial or technical fees payable by Blue Label Telecoms, nor are there any contracts entered into which contain an obligation or settlement that is material to Blue Label Telecoms or its subsidiaries at the date of the Pre-Listing Statement, other than set out elsewhere in this Pre-Listing Statement.

## **70. MATERIAL CAPITAL COMMITMENTS**

There were no material capital commitments as at the last practicable date.

## **71. CONTINGENT LIABILITIES**

There were no material contingent liabilities as at the last practicable date.

## **72. LEASE PAYMENTS**

Blue Label Group has various operating lease agreements for office equipment and other facilities. The future minimum lease payments under non-cancellable operating leases as at 31 May 2007 were as follows:

- due within 1 year is R8 552 153;
- due in 2 to 5 years is R33 535 190; and
- due in greater than 5 years is R13 330 968.

## **73. LOAN CAPITAL AND MATERIAL LOANS**

Details of the material borrowings of the Blue Label Group as at 31 May 2007 are set out in Annexure 14 to this Pre-Listing Statement.

Blue Label Telecoms has no debentures in issue as at the date of this Pre-Listing Statement.

Blue Label Telecoms does not have any material loans receivable outstanding as at the date of this Pre-Listing Statement.

No loans have been made or security furnished by the Blue Label Group to or for the benefit of any Director or manager as at the date of this Pre-Listing Statement.

The inter-company loans of the Blue Label Group as at 31 May 2007 are set out in Annexure 14 to this Pre-Listing Statement.

None of the companies in the Blue Label Group has exceeded its borrowing powers in the past three years.

No loans in the Blue Label Group carry any conversion or redemption rights.

The borrowing powers of the Blue Label Group were not exceeded at any time during the past three years, nor are there any exchange control restrictions on the borrowing powers of Blue Label Telecoms or its subsidiaries.

## 74. LITIGATION STATEMENT

No legal or arbitration proceedings have been instituted that may have or have had in the last 12 months, a material effect on the Blue Label Group's financial position nor is the Blue Label Group aware of any such proceedings that are pending or threatened.

## 75. EXPENSES

The Blue Label Group has not incurred any preliminary expenses (within the meaning of the Listings Requirements) over the last three financial years.

The expenses of the Private Placing (including expenses incurred in relation to the Offer for Subscription and Offer for Sale, referred to as the issue expenses), estimated to be in the sum of approximately R39 155 000, shall be paid by Blue Label Telecoms.

The table below sets out the total estimated expenses of the Private Placing and the Listing (including the issue expenses):

<b>Details</b>	<b>Payable to</b>	<b>(R`000)</b>
Capital raising fee <sup>(1)</sup>	Investec	23 450
Legal Fees	ENS	5 000
Investment banking and sponsor fees	Investec	3 500
Investment banking fees	aloeCap	2 000
Accounting and auditing fees	PricewaterhouseCoopers Inc.	3 000
Accounting and auditing fees	Ernst and Young	1 600
JSE documentation	JSE	55
Printing, publication, distribution and advertising costs	Various	500
Transfer secretaries	Various	50
<b>Total expenses and fees (exclusive of value added tax thereon)</b>		<b>39 155</b>

<sup>(1)</sup> The capital raising fee charged by Investec will be 1.5% of the total capital raised on the Private Placing from the Offer for Subscription and Offer for Sale. The capital raising fee shown above assumes 100% of the Blue Label Telecoms Shares as contemplated in the Private Placing have been placed (being R1 000 000 000 in terms of the Offer for Subscription and R376 467 352 in terms of the Offer for Sale in the share capital of Blue Label Telecoms).

## 76. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING

Save for the fees and equity interests as disclosed in this Pre-Listing Statement and the equity interests of the advisors, as disclosed in paragraph 68, none of the advisors have any additional equity interest in Blue Label Telecoms.

## 77. CONSENTS

The Legal Advisor, the independent reporting accountants (whose opinions have not been withdrawn prior to the issue of this Pre-Listing Statement), the Bookrunner (in its capacity as Bookrunner, Investment Bank, and Sponsor), the Joint-Financial Advisors and the transfer secretaries named in this Pre-listing statement have consented in writing to act in the capacities stated, and to their names being stated in this Pre-Listing Statement, and none of these consents have been withdrawn prior to the publication of this Pre-Listing Statement.

## 78. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Blue Label Telecoms' registered office and the Sponsor's offices set out in the "Corporate Information" section during normal business hours (Saturdays, Sundays and official South African public holidays excluded) from the date of issue of this Pre-Listing Statement until the Closing Date:

- the Memorandum and Articles of Association of Blue Label Telecoms and its main operating subsidiaries;
- the independent reporting accountants' reports dated 22 October 2007, which are included as Annexures 3 to 10 of this Pre-listing Statement;
- written consents of the legal advisor, the independent reporting accountants, the Bookrunner (in its capacity as Bookrunner, Investment Bank and Sponsor), Joint Financial Advisors and the transfer secretaries named in this Pre-Listing Statement to act in those capacities;

- the audited annual financial statements of Blue Label Telecoms and the consolidated audited financial statements of TPC for the three financial years ended 31 May 2007;
- copies of the material contracts referred to in Annexure 17 "Material Contracts", including the Restructuring Agreements;
- copies of all service agreements with directors or managers; and
- a signed copy of this Pre-Listing Statement.

**SIGNED AT SANDTON ON 26 OCTOBER 2007 BY OR ON BEHALF OF THE DIRECTORS OF BLUE LABEL TELECOMS LIMITED.**