BLUE LABEL
TELECOMS

Unaudited Results

for the half year ended 30 November 2011

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Investec Bank Limited

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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TELECOMS
Unaudited Results
for the half year ended 30 November 2011


Agenda
Salient Features
Strategy Update
South African Distribution
International Distribution
Financial Overview
Prospects

Salient Features for the half year ended 30 November 2011

- Revenue growth 7% to R9,2bn
- Gross profit increased 14% to R590m
- EBITDA up 47% to R438m
  - excluding once–off receipt of R79,4m up 20%
- Headline earnings up 44% to R277,4m
  - excluding once-off receipt of R79,4m up 8%
- Cash generated from operating activities R795m
- Cash resources increased to R2,3bn
- Accelerating points of presence roll-out programme in Mexico
- Specific 91,8m share buyback concluded at R4.25/share totaling R391m
- Entered strategic alliance with Mobilitrix for digital couponing

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SA Distribution
Operational and Financial Highlights

- Revenue growth 7% to R9,1bn - increased volumes
- 3 income pillars:
  - commodity
  - annuity
  - interest earned
- Electricity commissions received up 37% to R41m
- Money transfers platform right–sized to reflect slower growth
- GP margins maintained

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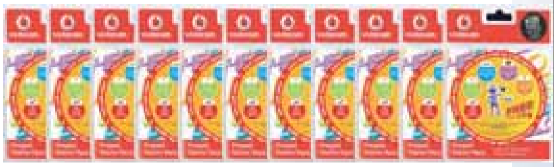
Prepaid Airtime and Starter-Packs

- Revenue growth 7%
- Target of 450 000 new connections per month on track
- Growth plan with 60 trucks and 100 foot-soldiers
- Price increases from MNO's passed down to distribution channel
- Annuity revenue >R20m per month



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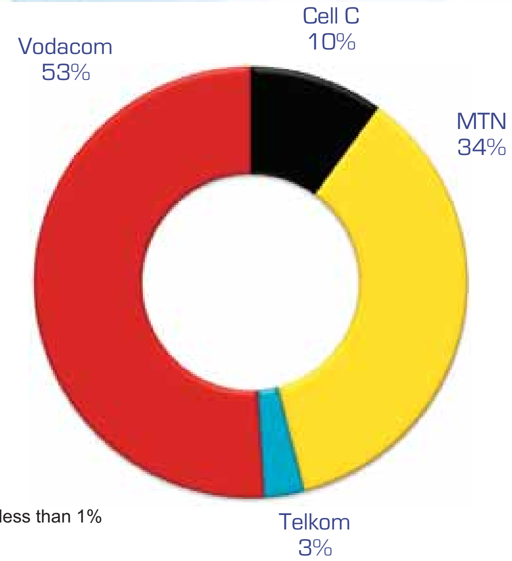
Airtime Revenue per Network – November 2011

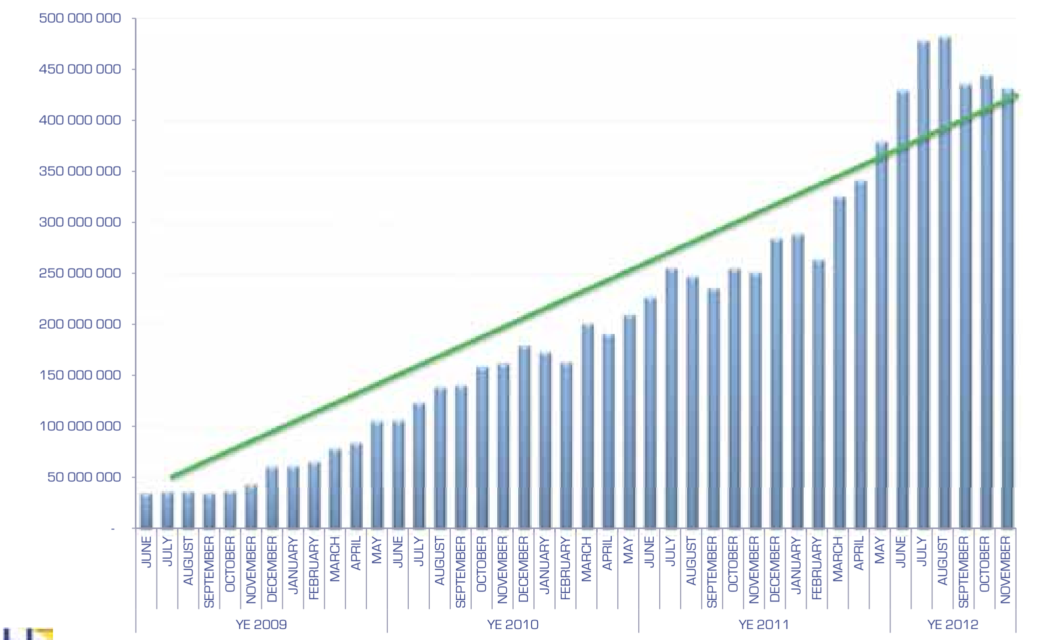


*the other networks amount to less than 1%

Prepaid Electricity

- Commissions received up 37% to R41m from R30m
- Equates to R2,7bn in sales, up from R1.5bn (1/2Yo1/2Y)
- Receive up to ~2% on net commissions
- Act as agent not principle - only commission earned included in revenue and not face value of sales
- Widespread electricity utility and municipality endorsements:
  - awarded Bela Bela and Polokwane contracts to vend electricity directly on their behalf
  - awarded Witzenberg contract to distribute prepaid tokens
- UniPIN offline prepaid electricity growth, Nov 2010 vs Nov 2011:
  - revenue: R8m to R30m
  - redemptions: 32 000 to 280 000

Prepaid Electricity Revenue Growth



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Other Products and Services

- Retail outlets
- Near Field Communications (NFC)
- Media advertising
- Spinner
- SupaStakes football
- Senda Mobile Merchant
- Bill Payments
- Electronic Funds Transfers
- Financial services
- Transport ticketing and solutions
- Lotto
- Bela international calling card

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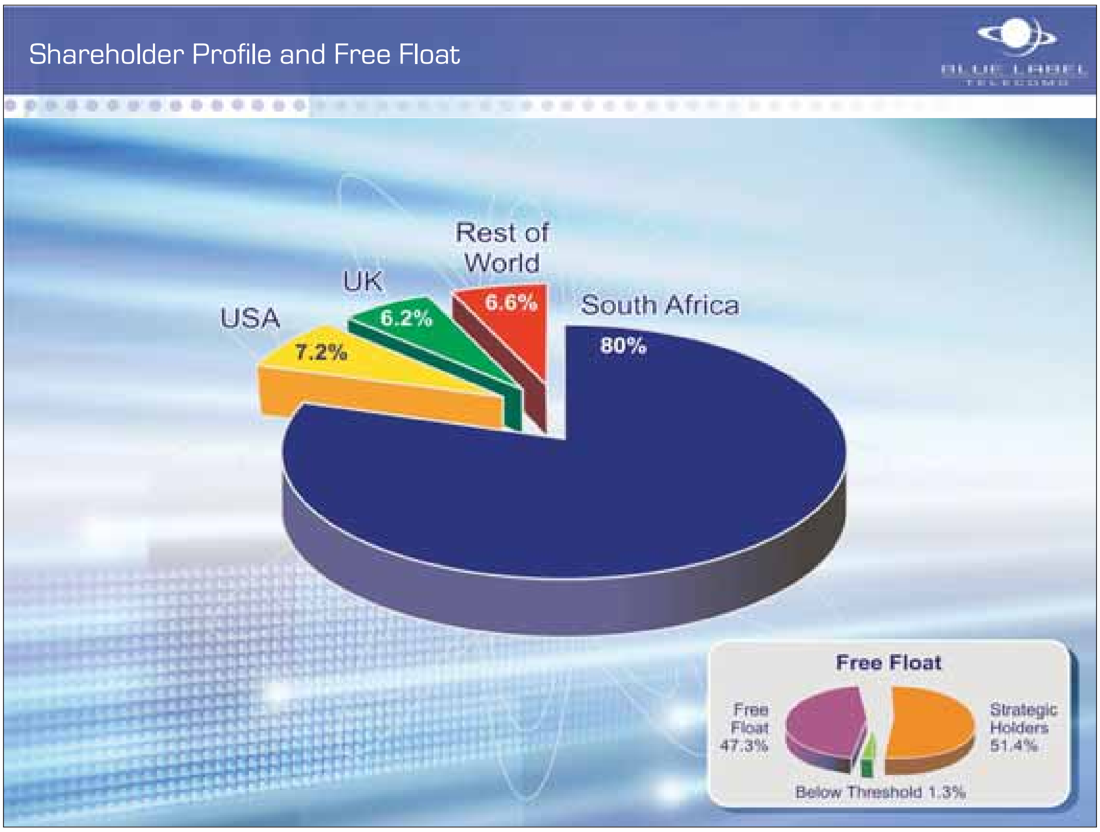
Shareholder Profile and Free Float
Rest of World
6.6%
UK
6.2%
USA
7.2%
South Africa
80%
Free Float
Free Float 47.3%
Strategic Holders 51.4%
Below Threshold 1.3%


BLUE LABEL TELECOMS
GRUPO BIMBO
International Distribution
Mark Levy - Joint CEO

International Distribution: Operational and Financial Highlights

- Accelerating POP roll-out in Mexico
- Claims and counter-claims lodged in Multi-Links arbitration and date set down for November 2012
- Ukash redemption values up 89%, volumes up 81% and profit up 1,242%
- Disposal of 50.1% stake in Sharedphone International, post reporting period

Oxigen Services India

- Strategic shift into versatile payment solutions provider continues
- Macro view:
  - Oxigen powering 90% of all mobile banking transactions*
  - 52% of Indian population is unbanked
- Financial inclusion business grows 24%:
  - domestic remittances (SBI and Yes Bank)
  - business correspondent banking (SBI and Yes Bank)
  - kiosk banking outlets (SBI)
  - long-term technology and marketing agreements (SBI - *MobiCash*)
  - Union Money mobile wallet (Union Bank with Nokia)
- National Payments Corporation of India and Oxigen jointly launch merchant payments on mobile
- 6,000 *Oxismart* low operating cost terminals already deployed
- Share of loss R4.4m

* source: RBI, April 2011

OxiCash
The Smart Way to Pay

Blue Label Mexico

- Strong distribution capabilities with strategic partner Grupo Bimbo
- Rapid roll-out delivering average 2000 POPs per month
- Currently >20 000 POPs and growing steadily from 5 000 in May 2011
- Target market of independent shop owners reached thro' 17,000 truck routes
- Share of loss R8.5m
- Retail and financial services strategy in place
- Extending into US and Latin America markets based on self-service kiosk in-store

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Blue Label Technology Segment

- Optimising group systems and platforms
- Focus on AEON : robustness, availability, scalability and skills development
- Significant increase in transaction volumes in calendar year
  - bulk distribution up 15%
  - AEON volumes up 100%
- Operating expenditure: R40m

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Blue Label Mobile Segment

- >5 billion mobile users in world
- Ecosystem includes NFC

MSC

- Mobile services business
  - mobile banking platform and mobile merchant services

Cellfind

- WASP, aggregator and LBS Service Provider
  - miStatement and miPayslip

Media

- Advertising

Mobilitrix

- coupons and retail & virtual rewards
  - *"Engage, Motivate, Measure"*

MTN 2MyAid

MTN WhereRU

miStatement

miPayslip

mobi secure

mobi merchant

mobi wallet

vodacom look 4 me

vodacom look 4 help

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Blue Label Media

> 1 BILLION BULK PRINT VOUCHERS PER YEAR	TILL ROLL CAMPAIGNS	OUTDOOR MEDIA

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Mobilitrix

Engage. Motivate. Measure.

Mobilitrix: End to End Solution

Retail Rewards

Coupon – linked to a specific SKU

Voucher – discounted value of total basket

Virtual Rewards

Airtime | Mxit Moola | Competition Entry | Content

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Blue Label Solutions Segment

Blue Label Data Solutions

- Continues its excellent performance
- Diversifying product range
- Entrenching direct marketing strategies
- *"Your service partner in direct marketing"*

Velociti

- Creative management in difficult market conditions
- Call centre expertise increased to 850 seats supporting successful campaigns
- *"Empowering your brand"*

Enterprise Applications

Geo Marketing & Analysis

Call Centre

Target Marketing

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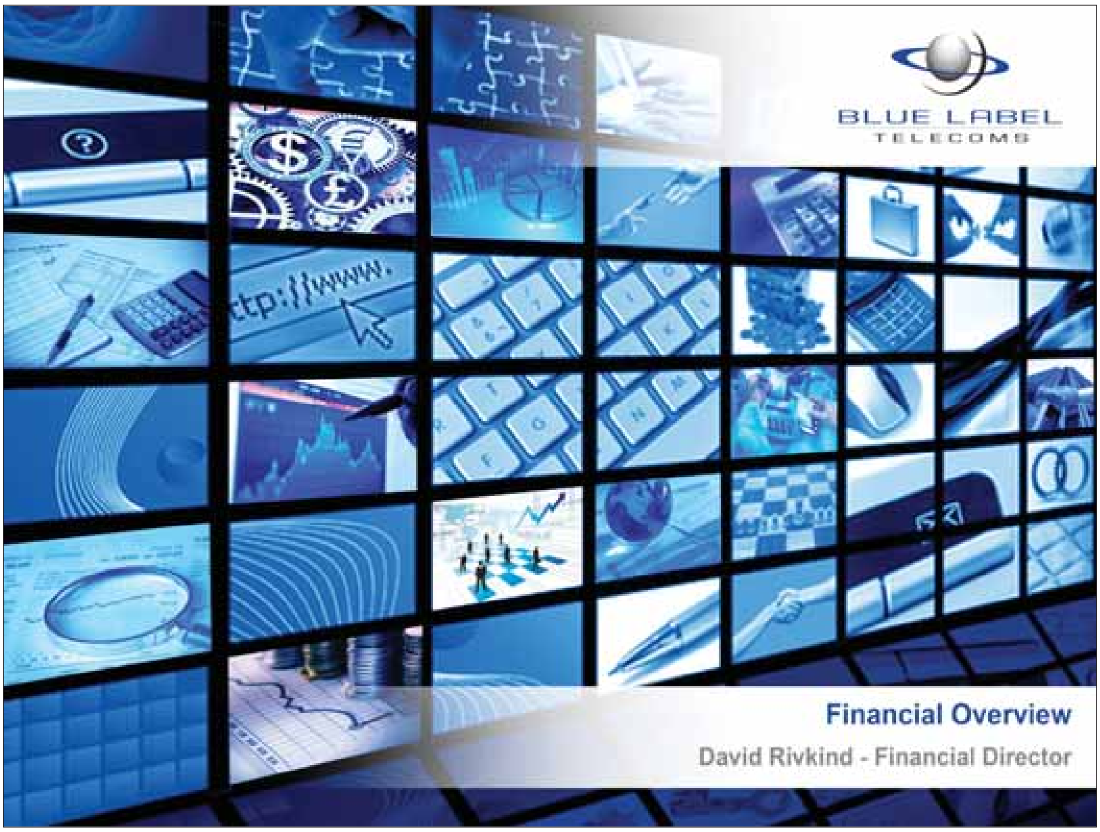

Highlights for the six months ended – Nov 2011

Revenue
Increased by 7%
to
R9.2 billion

Gross Profit
Increased by 14%
to
R590 million

EBITDA
Increased by 47%
to
R438 million*

NPAT
Increased by 41%
to
R272 million*

Headline EPS
Increased by 44%
to
36.74 cents
per share*

Cash Generation
R795 million
accumulated to cash
resources of
R2.3 billion

** Includes once off income receipt of R79.4 million*

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Income Statement

	Nov 2011 R'000	Nov 2010 R'000	Growth R'000	% Growth
Revenue	9,249,177	8,643,554	605,623	7%
Gross profit	589,732	518,906	70,826	14%
GP margins	**6.38%**	**6.00%**	**0.38%**	
Other income *	89,787	6,769	83,018	1 226%
Overheads	(241,249)	(226,825)	(14,424)	(6%)
EBITDA	438,270	298,850	139,420	47%
Depreciation, amortisation and impairment	(45,953)	(47,037)	1,084	2%
EBIT	392,317	251,813	140,504	56%
Net finance income	10,652	31,874	(21,222)	(67%)
Net profit before taxation	402,969	283,687	119,282	42%
Taxation	(117,862)	(95,197)	(22,665)	(24%)
Net profit after tax	285,107	188,490	96,617	51%
Minority interest	1,206	1,642	(436)	(27%)
Share of (losses)/profits from associates	(2,120)	1,336	(3,456)	(259%)
Share of losses from joint ventures	(9,188)	(5,708)	(3,480)	(61%)
Net profit from continuing operations	**275,005**	**185,760**	**89,245**	**48%**

** Includes once off income receipt of R79.4 million*

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South African Distribution

	Nov 2011 R'000 Total group	Nov 2011 R'000 SA Distribution	Nov 2010 R'000 SA Distribution	Growth R'000 SA Distribution	% Growth
Revenue	9,249,177	9,088,819	8,519,296	569,523	7%
Gross profit	589,732	503,402	442,619	60,783	14%
Gross profit %	6.38%	5.54%	5.20%		
EBITDA	438,270	394,357	346,171	48,186	14%
EBITDA Margins	4.74%	4.34%	4.1%		

	6 months ended 30 Nov 2011	6 months ended 31 May 2011	6 months ended 30 Nov 2010	6 months ended 31 May 2010
Gross Profit Margins	5.54%	5.19%	5.20%	5.11%

- Predominant contributor to revenue and profitability
- Commissions recognised on electricity increased 37% to R41m. Gross revenue – R2.7bn

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Associates

	Nov 2011 R'000	Nov 2010 R'000	Growth R'000	% Growth
Share of (losses)/profit from associates	**(2,120)**	**1,336**	**(3,456)**	**(259%)**
- Ukash	2,274	3,308	(1,034)	(31%)
- Oxigen Services India	(4,399)	(1,972)	(2,427)	(123%)
- Other	5	-	5	

- Ukash *
  - Growth in trading profits of R2.7m after eliminating deferred tax asset of R3.7m in prior year.
- India *
  - Revenue increased by 52%
  - Increase in overheads

** As reported in their local currency*

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Joint Ventures

	Nov 2011 R'000	Nov 2010 R'000	Growth R'000
Share of losses from joint ventures	**(9,188)**	**(5,708)**	**(3,480)**
- Blue Label Mexico	(8,464)	(6,340)	(2,124)
- Other	(724)	632	(1,356)

- Blue Label Mexico
  - The increase in losses were attributable to expansionary expenditure in support of a concerted drive in the roll-out of point of sale devices in conjunction with Grupo Bimbo.

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Income Statement

	Nov 2011 R'000	Nov 2010 R'000	Growth R'000	% Growth
Net profit from continuing operations	**275,005**	**185,760**	**89,245**	**48%**
Discontinued operation – APS Nigeria	(3,102)	6,877	(9,979)	(145%)
Net profit attributable to equity holders of parent	**271,903**	**192,637**	**79,266**	**41%**
Core intangible adjustment	10,237	13,744	(3,507)	(26%)
Core net profit	**282,140**	**206,381**	**75,759**	**37%**
Earnings per share (cents)	36.02	25.45		42%
Headline earnings per share (cents)	36.74	25.45		44%
Core earnings per share (cents)	37.38	27.27		37%

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Balance Sheet

Summarised Group Statement of Financial Position as at	30 Nov 2011	31 May 2011
Non- current assets	**998,127**	**851,665**
Property, plant and equipment	130,741	139,747
Intangible assets and goodwill (1)	528,074	433,513
Investment in associates and joint ventures (2)	322,854	239,997
Other non-current assets	16,458	38,408
Current assets	**4,725,338**	**4,216,942**
Inventories (4)	667,099	1,012,594
Trade and other receivables (5)	1,316,823	914,164
Prepayment (3)	391,402	-
Other current assets	44,113	63,487
Cash and cash equivalents	2,305,901	2,226,697
Assets of disposal group classified as held for sale	**-**	**20,481**
Total assets	**5,723,465**	**5,089,888**
Capital and reserves	**3,119,701**	**2,955,363**
Non-current liabilities	**109,048**	**38,093**
Current liabilities	**2,494,716**	**2,081,760**
Trade and other payables (6)	2,484,878	2,046,773
Bank overdraft	-	527
Other current liabilities	9,838	34,460
Liabilities of disposal group classified as held for sale	**-**	**13,872**
Total equity and liabilities	**5,723,465**	**5,089,088**

1. Purchase of starter pack bases – R121m
2. Funding for additional shareholding in Oxigen Services India – R74m
3. Prepayment for Microsoft shares of R391m.
4. Stock turn – 14 days
5. Debtors days – 24 days
6. Creditors days – 49 days

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Cash Flow

Summarised Group Statement of Cash Flows as at 30 Nov	2011
Cash generated by operations	**879,393**
Interest received	31,946
Interest paid	(2,939)
Taxation paid	(113,756)
Cash flows from operating activities	**794,644**
Cash flows from investing activities	**(204,684)**
Cash flows from financing activities	**(517,629)**
Increase in cash and cash equivalents	**72,331**
Cash and cash equivalents at the beginning of the year	2,226,170
Translation difference	7,400
Cash and cash equivalents at the end of the year	**2,305,901**

- Cash generated by operating activities R795
- Starter pack base purchased for R121m
- Funding for additional equity in Oxigen Services India R74m
- Purchase of Microsoft 's 12% shareholding in BLT R391m
- Dividend payment R107m

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Prospects

- Continued focus on the marketing and distribution of prepaid starter packs is expected to compound existing annuity revenues.
- Commissions generated from prepaid electricity sales are expected to continue to increase both organically and through contracts with additional electricity providers.
- The mobile segment is expected to compound its advertising revenue on bulk printed prepaid vouchers and point of sale receipt vouchers.
- The distribution capabilities of Grupo Bimbo is expected to filter down to a significant gain in the momentum of the roll-out of point of sale devices.
- Oxigen Services India has developed a robust foundation and is poised to embark on an aggressive foot print expansion which will incorporate banking services that will service the vast unbanked population in India.
- The strategic alliance established with Mobilitrix is expected to accelerate growth in loyalty and mobile couponing services in order to strengthen customer retention and incentive capabilities.

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Thank you
Questions & Answers

Supplementary: Technical Overview
BLUE LABEL
TELECOMS
PRODUCTS / SERVICES
Blue Label or Third Party
Airtime
Utilities (electricity/ water)
Insurance
Gift voucher, Loyalty card, etc
Bill payments /EFT
Airline tickets, bus tickets
OTHER
Mobile Services
BLUE LABEL TECHNOLOGY PLATFORM (AEON)
POSTILION
BLUE LABEL DISTRIBUTION
Vending Machine
Kiosks
POS Terminal
Integrated Gateway
Touch Screen
Bulk Voucher
Financial Institutions
Wholesale
Main Retailers
Independent Retail
Kiosks
Informal Retail

Supplementary: Group Structure

Blue Label South Africa
- Blue Label Distribution
- The Prepaid Company
  - Crown Cellular
  - Bela Phone Company (51%)
- Ventury
  - CiGiCell (74%)
- The Post Paid Company (75%)

Blue Label International
- African Prepaid Services (72%)
  - APS Nigeria (51%)
- Gold Label Investments
  - Oxigen Services India (55.83%)
  - Ukash (15.75%)
- SharedPhone International (50.1%)
- Blue Label Mexico (40%)

Blue Label Mobile
- Cellfind
- Content Connect Africa
- Blue Label One
- Mobilitrix (51%)

Blue Label Technology
- Activi Deployment Services
- Transaction Junction (60%)

Blue Label Solutions
- Datacel
  - Velociti
  - CNS Call Centre
  - Blue Label Data Solutions (81%)

* 100% unless otherwise stated

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Supplementary: Global Footprint

Two strategies for international expansion: Bricks and Mortar & Technology Offerings

Bricks and Mortar

India
Mexico
South Africa
United Kingdom

Technology offering

Austria
Belgium
Benin
Canada
China
Czech Republic
Denmark
DRC
Estonia
Finland
France
Greece
Guinea Bissau
Haiti
Hungary
Ireland
Italy
Latvia
Lesotho
Liberia
Mozambique
Netherlands
Norway
Poland
Portugal
Russia
Rwanda
Serra Leone
Slovenia
Spain
Sweden
Tanzania
Uganda
Ukraine
United Kingdom
Uruguay
Yemen
Zimbabwe

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Supplementary: Barriers to Entry

- The following natural barriers to entry exist in the environments in which BLT operates:
    - The ease of ability to integrate can be hindered by lag times in the negotiation of supplier and customer contracts
    - Lock out periods for the processing of new technologies
    - Customers desire to prioritise for their own objectives and/or products and services
- These have become some of our greatest assets, achieved by securing long term contracts with customers and suppliers

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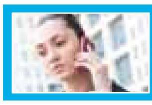
Supplementary: Strategy to Creating Value



Opportunity	Delivery	Value Added
• Prepaid provides certainty • Prepaid is an alternative payment method • Airtime builds the highway • Growing demand in SA: - electricity, money transfers, data delivery • Robust cash flows fund growth • Retail and wholesale markets • India and Mexico springboard	• Robust, scalable and proprietary technology-AEON • Ensure right skills and talent • Minimal capital expenditure • Minimal cost to delivery • Sustainable across cycle • Unleveraged balance sheet • Build network distribution and introduce products	• ~150,000 POPs in SA • Organic growth • Dividend yielding • Large, fast-growing markets with low penetration • Grow product-lines and consumer-base • specific share buyback concluded

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Unaudited Results

for the half year ended 30 November 2011

Highlights

7% ↑ increase in revenue to R9,2 billion

14% ↑ increase in gross profit to R590 million

47% ↑ increase in EBITDA to R438 million*

41% ↑ increase in NPAT to R272 million*

44% ↑ increase in headline earnings per share to 36,74 cents*

R795 million cash flows from operating activities

**Includes once off income receipt of R79,4 million.*

Commentary

FINANCIAL REVIEW

The financial results for the interim period ended 30 November 2011 reflected growth in revenue of 7%, an increase in gross profit margins from 6,00% to 6,38% and overhead growth limited to 6%.

Profitability was enhanced by a once off other income receipt of R79,4 million. The disclosure of the source and circumstance of the payment are prohibited by a confidentiality agreement.

On the International front, the negative impact caused by the closure of the Africa Prepaid Services Nigeria operation manifested itself in a turnaround of a comparative profit contribution of R6,9 million to a negative contribution of R3,1 million in the current period. Ukash contributed an effective increase in profitability whilst Oxigen Services India ("Oxigen") and Blue Label Mexico continued to incur losses. A strong foundation in Mexico has been developed for an accelerated roll-out of point of sale devices through Grupo Bimbo's distribution capabilities. Financial inclusion services in India, are gaining momentum as an additional offering to the vast footprint that has been established by Oxigen.

Cash generated from operations amounted to R795 million. After the buy-back of Microsoft's 12% interest in the group for R391 million, a dividend payment of R107 million and other finance and capital expenditure activities, cash resources increased to R2,3 billion.

The statement of financial position reflecting accumulated equity of R3,1 billion, remains robust and liquid.

FINANCIAL OVERVIEW

- Revenues increased by 7% to R9,2 billion.
- Gross profit increased by R71 million to R590 million.
- Overheads were contained at 6% growth.
- EBITDA increased by 47% to R438 million which includes the once off income receipt of R79,4 million.
- Net finance income declined by R21 million.
- Net profit after tax and non-controlling interests from continuing operations increased by 43% to R275 million. Excluding the once off income receipt of R79,4 million, the increase was 7%.
- Headline earnings per share increased by 44% from 25,45 cents to 36,74 cents per share. Excluding the once off income receipt of R79,4 million, the growth was 8%.
- NAV per share increased from 388,90 cents per share to 413,69 cents per share

BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the requirements of Section 8.57 of the JSE Limited Listings Requirements and the presentation and disclosure requirements of IAS 34 – Interim Financial Reporting. The condensed consolidated interim financial information has been prepared in accordance with International Financial Reporting Standards ("ÏFRS") and the requirements of the Companies Act of South Africa.

The condensed consolidated interim financial information is prepared in accordance with the going concern principle, under the historical cost basis, as modified by the revaluation of certain assets and liabilities where required or elected in terms of IFRS. The accounting policies and methods of computation are consistent with those applied in the annual financial statements for the year ended 31 May 2011, with the exception of the standards that are effective for the first time in the current period. These have been disclosed in note 1 to the annual financial statements. These standards have not had a significant impact on the interim financial information.

In addition, the group uses core net profit as a non-IFRS measure in evaluating the group's performance. This supplements the IFRS measures. Core net profit is calculated by adjusting net profit for the year with the amortisation of intangible assets that arise as a consequence of the purchase price allocations completed in terms of IFRS 3(R): Business Combinations.

The results have not been reviewed or audited for the period ended 30 November 2011.

SEGMENTAL REPORT

South African distribution segment

	Unaudited 2011 R'000	Unaudited 2010 R'000	Growth R'000	Growth
Revenue	**9 088 819**	8 519 296	569 523	7%
Gross profit	**503 402**	442 619	60 783	14%
EBITDA	**394 357**	346 171	48 186	14%
Core net profit	**304 362**	286 650	17 712	6%
Gross profit margin	**5,54%**	5,20%		
EBITDA margin	**4,34%**	4,06%		

Commentary *(continued)*

Revenue

Revenue comprised sales of physical and virtual prepaid airtime, commissions on the distribution of prepaid electricity and compounded annuity revenue generated from starter packs. The increase in revenue was predominantly volume driven in all of these components.

Commissions earned on the distribution of prepaid electricity amounted to R41 million (2010: R30 million) for the period, equating to revenue of R2,7 billion (2010: R1,5 billion) on behalf of the utilities.

Gross profit

Gross profit increased by R61 million (14%). The margin increase from 5,20% to 5,54% was after IFRS adjustment requirements. Excluding the effect of this adjustment, margins decreased from 5,30% to 5,24% compared to 5,09% for the year ended 31 May 2011.

The percentage margin contributions relating to prepaid electricity commissions, included in revenue net of costs, were 0,34% and 0,43% for November 2010 and November 2011 respectively and 0,34% for the year ended 31 May 2011.

EBITDA

The growth in EBITDA of 14% was inclusive of the effects of IFRS adjustments. On exclusion of these adjustments in both the comparative and current period, a more representative growth of R13 million is achieved, which would equate to a 3% growth.

INTERNATIONAL DISTRIBUTION SEGMENT

	Unaudited 2011 R'000	Unaudited 2010 R'000	Growth R'000	Growth
Revenue	**14 331**	13 477	854	6%
Gross profit	**3 488**	3 964	(476)	(12%)
EBITDA	**2 918**	(4 069)	6 987	172%
Discontinued operations*	**(3 102)**	537	(3 639)	(678%)
Africa Prepaid Services Nigeria	**(3 102)**	6 877	(9 979)	(145%)
Blue Label Mexico	**—**	(6 340)	6 340	—
Share of (losses)/profits from associates and joint ventures	**(11 008)**	1 336	(12 344)	(924%)
Ukash	**2 274**	3 308	(1 034)	(31%)
Oxigen Services India	**(4 399)**	(1 972)	(2 427)	(123%)
Blue Label Mexico	**(8 464)**	—	(8 464)	—
Other	**(419)**	—	(1 419)	—
Core net loss from continuing operations	**(11 296)**	(4 772)	(6 524)	(137%)
– Equity holders of the parent	**(6 510)**	(2 553)	(3 957)	(155%)
– Non-controlling interests	**(4 786)**	(2 219)	(2 567)	116%
Core net loss from discontinued operations	**(12 064)**	1 439	(13 503)	(938%)
– Equity holders of the parent	**(3 102)**	537	(3 639)	(678%)
– Non-controlling interests	**(8 962)**	902	(9 864)	1 094%

**Represents net profit after taxation and non-controlling interests.*

Revenue, gross profit and EBITDA pertain mainly to Sharedphone International, Africa Prepaid Services SA and Gold Label Investments. The positive turnaround of R7 million at EBITDA level was mainly representative of foreign exchange gains in Gold Label Investments.

Discontinued operations

The assets and liabilities of Africa Prepaid Services Nigeria were disposed of in the current interim financial period, in line with the group's commitment at 31 May 2011. IFRS requires treatment of its financial performance to be reflected as a discontinued operation, with comparatives restated. The Multi-links contract was cancelled in November 2010 with the result that the share of losses incurred in the current period, were confined to expenditure relating to the winding down of the operation.

The dilution from a 70% shareholding in Blue Label Mexico to a minority stake of 40% required the group's share of losses of R6,3 million to be reflected as a discontinued operation in the comparative period. The current share of losses of R8,5 million is reflected as a joint venture which is equity accounted for. The increased losses were attributable to expansionary expenditure in support of a concerted drive in the roll-out of point of sale devices in conjunction with Grupo Bimbo.

Share of (losses)/profits from associates and joint ventures

Oxigen Services India

BLT's share of losses increased from R2 million to R4.4 million which were exacerbated by its increase in shareholding from 37,22% to 55,83%.

Although revenue increased by 52% at consistent margins, increased overheads relating to the implementation of a financial services offering onto the existing footprint eroded its performance in the short term.

Ukash

Ukash continues to increase profitability exponentially, both through volume growth and increases in average revenue per users. The prior period included the recognition of a deferred tax asset, of which the group's share amounted to R3,7 million. On a comparative basis, the current share of earnings of R2,3 million, whilst reflecting a decline of R1 million, collates to a growth in share of profit of R2,7 million on elimination of the extraneous credit pertaining to the deferred tax asset.

MOBILE SEGMENT

	Unaudited 2011 R'000	Unaudited 2010 R'000	Growth R'000	Growth
Revenue	**44 725**	41 876	2 849	7%
Gross profit	**33 345**	35 178	(1 833)	(5%)
EBITDA	**89 946**	13 070	76 876	588%
Core net profit	**74 781**	5 274	69 507	1 318%

This segment comprises Cellfind, Blue Label One and Content Connect Africa.

Positive contributions by Cellfind's location-based services and media revenue generated by Blue Label One, were suppressed at gross profit level due to a decline in Content Connect Africa.

EBITDA and core net profit was inclusive of the once off income receipt.

SOLUTIONS SEGMENT

	Unaudited 2011 R'000	Unaudited 2010 R'000	Growth R'000	Growth
Revenue	**93 047**	61 228	31 819	52%
Gross profit	**44 503**	31 037	13 466	43%
EBITDA	**24 186**	12 388	11 798	95%
Core net profit	**13 696**	7 449	6 247	84%

The Solutions segment houses the Datacel group which operates call centres and provides data and lead generation services. The improvements in the call centre operations and the constant growth in data accumulation have clearly manifested themselves in growth at all levels.

TECHNOLOGY SEGMENT

	Unaudited 2011 R'000	Unaudited 2010 R'000	Growth R'000	Growth
Revenue	**8 255**	7 677	578	8%
Gross profit	**4 994**	6 108	(1 114)	(18%)
EBITDA	**(34 564)**	(27 939)	(6 625)	(24%)
Core net loss	**(44 645)**	(37 737)	(6 908)	(18%)

Technology losses and the growth thereon represented the costs of development and support of the group's Information Technology infrastructure. Income generation was limited to services to third parties.

CORPORATE SEGMENT

	Unaudited 2011 R'000	Unaudited 2010 R'000	Growth R'000	Growth
EBITDA	**(38 573)**	(40 771)	2 198	5%
Core net loss	**(56 442)**	(53 240)	(3 202)	(6%)

Core net losses increased in spite of a decline in corporate expenditure by R2 million.

Commentary *(continued)*

DEPRECIATION, AMORTISATION AND IMPAIRMENT

A hybrid of the expiration of the useful life and the non-amortisation on historically impaired intangible assets, offset by impairments of R7,5 million on point of sale devices.

NET FINANCE INCOME

Finance costs

Finance costs totalled R75 million, of which R3 million related to interest paid on borrowed funds and R72 million to imputed IFRS interest adjustments on credit received from suppliers. On a comparative basis the imputed IFRS interest adjustment was R33 million and interest on borrowed funds R4 million.

Finance income

Finance income totalled R86 million of which R32 million was interest received on cash resources and R54 million IFRS adjustments. These adjustments increased by R13 million due to the affordance of additional credit to customers.

STATEMENT OF FINANCIAL POSITION

Total assets increased by R634 million to R5,7 billion during the six months ended 30 November 2011. Material increases included the purchase of starter pack bases for R121 million, additional funding of R74 million relating to the increase in shareholding in Oxigen and a prepayment of R391 million for the purchase of Microsoft's 12% shareholding in the group.

During the current period, stock levels were reduced by R345 million equating to an average inventory holding of 14 days. This stock turn was still in excess of historical averages of 12 days, due to inventory being bolstered in November in order to cater for the festive season.

Debtors collection period averaged 24 days and creditors payment terms averaged 49 days.

STATEMENT OF CASH FLOWS

Cash flow of R795 million generated from operating activities was applied to the funding for the additional shareholding in Oxigen, the acquisition of starter pack bases, the prepayment for Microsoft's 12% shareholding in the group and a dividend payment of R107 million.

The net increase in cash on hand of R72 million accumulated cash resources to R2,3 billion at 30 November 2011.

FORFEITABLE SHARE SCHEME

Forfeitable shares totalling 4 836 611 (2010: 5 532 192) were issued to qualifying employees. 910,093 (2010: 219,616) shares were forfeited during the period and no shares vested during the current period (2010: 466 875).

PROSPECTS

Continued focus on the marketing and distribution of prepaid starter packs is expected to compound existing annuity revenues.

Commissions generated from prepaid electricity sales on behalf of utilities are expected to continue to increase both organically and through contracts with additional electricity providers. Consumer awareness of this payment mechanism is becoming more prevalent in this arena.

The mobile segment is expected to compound its advertising revenue on bulk printed prepaid vouchers and point of sale receipt vouchers, following its sound entry into this space during the reporting period.

The distribution capabilities of Grupo Bimbo, the largest bakery in the world and a 40% shareholder in Blue Label Mexico, is expected to filter down to a significant gain in the momentum of the roll-out of point of sale devices. Since the commencement of this strategic alliance with them in March 2011, the roll-out of point of sale devices has increased at an exponential rate.

Oxigen has developed a robust foundation and is poised to embark on an aggressive foot print expansion which will incorporate banking services that will service the vast unbanked population in India. This initiative will be implemented through associations with several banks in India, including State Bank of India, the largest bank in that country.

The strategic alliance established with Mobilitrix, is expected to accelerate growth in loyalty and mobile couponing services in order to strengthen customer retention and incentive capabilities. This will be supported by the best of breed technology, providing an end-to-end mobile reward service to retailers, manufactures and media companies.

SUBSEQUENT EVENTS

In January 2012, 100% of Multiserve (Pty) Ltd was purchased with the objective of utilising their 169 stores located nationally as a platform for Blue Label's strategy of marketing its products and services on a retail basis.

Blue Label's 50,1% shareholding in Sharedphone International (Pty) Ltd was disposed of in January 2012. The decision to dispose of this interest was in line with its decline in revenue as a result the demise of its competitive edge that it historically had over community pay phones.

APPRECIATION

The board of Blue Label Telecoms would like to express its appreciation to its suppliers, customers, business partners and staff for their ongoing support and loyalty.

For and on behalf of the board

LM Nestadt	**BM Levy and MS Levy**	**DB Rivkind***	
Chairman	Joint Chief Executive Officers	Financial Director	21 February 2012

**Supervised preparation of the group financial statements.*

Summarised group statement of financial position

As at	30 November 2011 Unaudited R'000	30 November 2010 Unaudited R'000	31 May 2011 Audited R'000
ASSETS			
Non-current assets	**998 127**	720 932	851 665
Property, plant and equipment	**130 741**	163 111	139 747
Intangible assets and goodwill	**528 074**	424 130	433 513
Investment in associates and joint ventures	**322 854**	100 423	239 997
Starter pack assets	**9 715**	19 642	20 361
Deferred taxation assets	**6 743**	13 626	18 047
Current assets	**4 725 338**	4 709 810	4 216 942
Financial assets at fair value through profit and loss	**10**	10	10
Inventories	**667 099**	1 259 446	1 012 594
Loans receivable	**31 607**	32 493	32 370
Starter pack assets	**8 286**	46 727	16 777
Trade and other receivables	**1 316 823**	1 603 558	914 164
Prepayments	**391 402**	—	—
Current tax assets	**4 210**	5 516	14 330
Cash and cash equivalents	**2 305 901**	1 762 060	2 226 697
Assets of disposal group classified as held-for-sale	**—**	—	20 481
Total assets	**5 723 465**	5 430 742	5 089 088
EQUITY AND LIABILITIES			
Capital and reserves	**3 119 701**	2 745 762	2 955 363
Share capital, share premium and treasury shares	**4 332 137**	4 346 361	4 348 231
Restructuring reserve	**(1 843 912)**	(1 843 912)	(1 843 912)
Non-distributable reserve	**7 819**	(18 979)	(13 601)
Share-based payment reserve	**23 612**	18 302	19 099
Transaction with non-controlling interests reserve	**(909 572)**	(914 867)	(909 006)
Retained earnings	**1 505 177**	1 101 507	1 340 318
Non-controlling interests	**4 440**	57 350	14 234
Non-current liabilities	**109 048**	48 546	38 093
Deferred taxation liabilities	**25 977**	30 809	22 196
Interest-bearing borrowings	**12 018**	17 737	15 897
Trade and other payables	**71 053**	—	—
Current liabilities	**2 494 716**	2 636 434	2 081 760
Trade and other payables	**2 484 878**	2 303 394	2 046 773
Provisions	**4 012**	—	8 676
Current tax liabilities	**1 577**	29 247	22 326
Bank overdraft	**—**	—	527
Current portion of interest-bearing borrowings	**4 249**	303 793	3 458
Liabilities of disposal group classified as held-for-sale	**—**	—	13 872
Total equity and liabilities	**5 723 465**	5 430 742	5 089 088

Summarised group statement of comprehensive income

	Six months ended 30 November 2011 Unaudited R'000	Six months ended 30 November 2010 Unaudited R'000	Year ended 31 May 2011 Audited R'000
Continuing operations			
Revenue	**9 249 177**	8 643 554	18 064 572
Other income	**89 787**	6 769	7 197
Change in inventories of finished goods	**(8 659 445)**	(8 124 648)	(16 996 939)
Employee compensation and benefit expense	**(146 339)**	(133 146)	(263 360)
Depreciation, amortisation and impairment charges	**(45 953)**	(47 037)	(145 985)
Other expenses	**(94 910)**	(93 679)	(213 738)
Operating profit	**392 317**	251 813	451 747
Finance expense	**(74 959)**	(36 806)	(115 845)
Finance income	**85 611**	68 680	146 429
Share of (loss)/profit in associates and joint ventures	**(11 308)**	1 968	(2 757)
Profit for the period before taxation	**391 661**	285 655	479 574
Taxation	**(117 862)**	(95 197)	(152 176)
Net profit from continuing operations	**273 799**	190 458	327 398
Discontinued operations			
Net (loss)/profit for the period from discontinued operations	**(12 064)**	1 439	57 573
Net profit for the period	**261 735**	191 897	384 971
Other comprehensive income/(loss):			
Exchange profits/(losses) on translation of equity loans	**9 038**	(6 737)	(4 926)
Exchange profits/(losses) on translation of foreign operations	**14 588**	(4 779)	(6 550)
Foreign currency translation reserve reclassified to profit or loss	**—**	—	4 219
Other comprehensive income/(loss) for the period, net of tax	**23 626**	(11 516)	(7 257)
Total comprehensive income for the period	**285 361**	180 381	377 714
Net profit for the period attributable to:			
Equity holders of the parent	**271 903**	192 637	431 448
– From continuing operations	**275 005**	192 100	337 547
– From discontinued operations	**(3 102)**	537	93 901
Non-controlling interests	**(10 168)**	(740)	(46 477)
– From continuing operations	**(1 206)**	(1 642)	(10 149)
– From discontinued operations	**(8 962)**	902	(36 328)
Total comprehensive income for the period attributable to:	**285 361**	180 381	377 714
Equity holders of the parent	**293 323**	185 511	430 538
Non-controlling interests	**(7 962)**	(5 130)	(52 824)
Earnings per share for profit attributable to equity holders (cents)			
Basic earnings per share	**36,02**	25,45	57,04
– From continuing operations	**36,43**	25,38	44,63
– From discontinued operations	**(0,41)**	0,07	12,41
Diluted earnings per share**	**35,58**	25,22	56,49
– From continuing operations	**35,99**	25,15	44,08
– From discontinued operations	**(0,41)**	0,07	12,41
Headline earnings per share	**36,74**	25,45	46,20
– From continuing operations	**37,15**	25,38	50,12
– From discontinued operations	**(0,41)**	0,07	(3,92)
Diluted headline earnings per share**	**36,29**	25,22	45,75
Dividend per share	**14,00**	12,00	12,00
Weighted average number of shares	**754 875 983**	756 814 806	756 359 399
Diluted weighted average number of shares	**764 256 072**	763 874 243	763 742 466
Number of shares in issue	**753 042 132**	766 360 894	756 269 004
Reconciliation between net profit and core net profit for the period:			
Net profit for the year attributable to equity holders of the parent	**271 903**	192 637	431 448
Amortisation on intangible assets raised through business combinations net of tax and net of non-controlling interest	**10 237**	13 744	24 975
Core net profit for the period	**282 140**	206 381	456 423
Core net profit attributable to:			
Equity holders of the parent	**282 140**	206 381	456 423
Non-controlling interests	**(10 294)**	(1 003)	(47 000)
– Core earnings per share (cents)*	**37,38**	27,27	60,34

**Core earnings per share is calculated after adding back the amortisation of intangible assets as a consequence of the purchase price allocations completed in terms of IFRS 3(R): Business Combinations.*

***Diluted earnings per share and diluted headline earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for the number of shares that would be issued on vesting under the employee forfeitable share plan.*

Summarised group statement of cash flows

	Six months ended 30 November 2011 Unaudited R'000	Six months ended 30 November 2010 Unaudited R'000	Year ended 31 May 2011 Audited R'000
Cash flows from operating activities	**794 644**	(447 079)	427 663
Cash flows from investing activities	**(204 684)**	(42 540)	(147 438)
Cash flows from financing activities	**(517 629)**	203 363	(100 004)
Increase/(decrease) in cash and cash equivalents	**72 331**	(286 256)	180 221
Cash and cash equivalents at the beginning of the year	**2 226 170**	2 054 902	2 054 902
Translation difference	**7 400**	(6 586)	(8 953)
Cash and cash equivalents at the end of the period	**2 305 901**	1 762 060	2 226 170

Headline earnings

	Six months ended 30 November 2011 Unaudited R'000	Six months ended 30 November 2010 Unaudited R'000	Year ended 31 May 2011 Audited R'000
Profit attributable to equity holders of the parent	**271 903**	192 637	431 448
Net loss/(profit) on disposal of property, plant and equipment	**41**	—	(109)
Net profit on disposal of subsidiaries	**—**	—	(6 759)
Gain on remeasuring retained interest in Mexico due to loss of control	**—**	—	(143 365)
Impairment of intangible assets and property, plant and equipment	**5 431**	—	20 972
Impairment of goodwill	**—**	—	27 985
Impairment of available-for-sale financial asset	**—**	—	15 056
Foreign currency translation reserve reclassified to profit or loss	**—**	—	4 219
Headline earnings	**277 375**	192 637	349 447
Headline earnings per share (cents)	**36,74**	25,45	46,20
– From continuing operations	**37,15**	25,38	50,12
– From discontinued operations	**(0,41)**	0,07	(3,92)

Summarised group statement of changes in equity

Six months ended	Share capital, share premium and treasury shares Unaudited R'000	Retained earnings Unaudited R'000
Balance as at 1 June 2010	4 352 617	1 000 327
Net profit for the period	—	192 637
Other comprehensive loss	—	—
Total comprehensive income/(loss)	—	192 637
Dividends paid	—	(91 457)
Treasury shares purchased	(8 790)	—
Share-based payment movement	—	—
Forfeitable shares vested	2 534	—
Equity-based compensation movements	—	—
Non-controlling interests disposed of during the period	—	—
Share of equity movement in associates	—	—
Balance as at 30 November 2010	4 346 361	1 101 507
Balance as at 1 June 2011	**4 348 231**	**1 340 318**
Net profit for the period	**—**	**271 903**
Other comprehensive income	**—**	**—**
Total comprehensive income/(loss)	**—**	**271 903**
Dividends paid	**—**	**(107 044)**
Treasury shares purchased	**(16 094)**	**—**
Equity-based compensation movements	**—**	**—**
Transaction with non-controlling interest movements	**—**	**—**
Balance as at 30 November 2011	**4 332 137**	**1 505 177**
Year ended	Audited R'000	Audited R'000
Balance as at 1 June 2010	4 352 617	1 000 327
Net profit for the year	—	431 448
Other comprehensive loss	—	—
Total comprehensive income/(loss)	—	431 448
Dividends paid	—	(91 457)
Treasury shares purchased	(8 935)	—
Share-based payment movement	—	—
Forfeitable shares vested	4 549	—
Equity-based compensation movements	—	—
Non-controlling interests disposed of during the year	—	—
Share of equity movement in associates	—	—
Balance as at 31 May 2011	4 348 231	1 340 318

Restructuring reserve Unaudited R'000	Non-distributable reserve Unaudited R'000	Transaction with non-controlling interests reserve Unaudited R'000	Share-based payment reserve Unaudited R'000	Non-controlling interests Unaudited R'000	Total equity Unaudited R'000
(1 843 912)	(12 691)	(914 867)	12 037	61 925	2 655 436
—	—	—	—	(740)	191 897
—	(7 126)	—	—	(4 390)	(11 516)
—	(7 126)	—	—	(5 130)	180 381
—	—	—	—	—	(91 457)
—	—	—	—	—	(8 790)
—	—	—	(234)	234	—
—	—	—	(2 323)	—	211
—	—	—	8 822	288	9 110
—	—	—	—	33	33
—	838	—	—	—	838
(1 843 912)	(18 979)	(914 867)	18 302	57 350	2 745 762
(1 843 912)	(13 601)	(909 006)	19 099	14 234	2 955 363
—	—	—	—	(10 168)	261 735
—	21 420	—	—	2 206	23 626
—	21 420	—	—	(7 962)	285 361
—	—	—	—	(1 900)	(108 944)
—	—	—	—	—	(16 094)
—	—	—	4 513	68	4 581
—	—	(566)	—	—	(566)
(1 843 912)	7 819	(909 572)	23 612	4 440	3 119 701
Audited R'000	Audited R'000	Audited R'000	Audited R'000	Audited R'000	Audited R'000
(1 843 912)	(12 691)	(914 867)	12 037	61 925	2 655 436
—	—	—	—	(46 477)	384 971
—	(910)	—	—	(6 347)	(7 257)
—	(910)	—	—	(52 824)	377 714
—	—	—	—	(950)	(92 407)
—	—	—	—	—	(8 935)
—	—	—	(234)	234	—
—	—	—	(4 549)	—	—
—	—	—	10 903	229	11 132
—	—	5 861	—	5 620	11 481
—	—	—	942	—	942
(1 843 912)	(13 601)	(909 006)	19 099	14 234	2 955 363

Segmental summary

Six months ended	Total Unaudited R'000	South African distribution Unaudited R'000
30 November 2011		
Total segment revenue	**14 703 706**	**14 533 390**
Internal revenue	**(5 454 529)**	**(5 444 571)**
External revenue	**9 249 177**	**9 088 819**
Operating profit before depreciation, amortisation and impairment charges	**438 270**	**394 357**
Net profit for the period	**273 799**	**301 534**
Amortisation on intangibles raised through business combinations net of tax	**10 363**	**4 223**
Core net profit for the period	**284 162**	**305 757**
Core net profit for the period attributable to:		
Equity holders of the parent	**285 242**	**304 362**
Non-controlling interests	**(1 080)**	**1 395**
At 30 November 2011		
Total assets	**5 723 465**	**4 618 252**
Net operating assets	**2 230 622**	**1 771 651**
Six months ended 30 November 2010		
Total segment revenue	15 051 247	14 914 687
Internal revenue	(6 407 693)	(6 395 391)
External revenue	8 643 554	8 519 296
Operating profit before depreciation, amortisation and impairment charges	298 850	346 171
Net profit for the period	190 458	281 990
Amortisation on intangibles raised through business combinations net of tax	14 007	4 491
Core net profit for the period	204 465	286 481
Core net profit for the period attributable to:		
Equity holders of the parent	205 843	286 650
Non-controlling interests	(1 378)	(169)
At 30 November 2010		
Total assets	5 430 742	4 650 633
Net operating assets/(liabilities)	2 073 376	1 873 317
Year ended	Audited R'000	Audited R'000
31 May 2011		
Total segment revenue	30 224 202	29 954 525
Internal revenue	(12 159 630)	(12 132 920)
External revenue	18 064 572	17 821 605
Operating profit before depreciation, amortisation and impairment charges	597 732	711 767
Net profit for the year	327 398	562 048
Amortisation on intangibles raised through business combinations net of tax	25 498	8 933
Core net profit for the year	352 896	570 981
Core net profit for the year attributable to:		
Equity holders of the parent	362 522	571 471
Non-controlling interests	(9 626)	(490)
At 31 May 2011		
Total assets	5 068 607	4 362 116
Net operating assets/(liabilities)	2 135 182	2 004 900

	International distribution Unaudited R'000	Technology Unaudited R'000	Mobile Unaudited R'000	Solutions Unaudited R'000	Corporate Unaudited R'000
	14 331	**13 292**	**46 978**	**95 715**	**—**
	—	**(5 037)**	**(2 253)**	**(2 668)**	**—**
	14 331	**8 255**	**44 725**	**93 047**	**—**
	2 918	**(34 564)**	**89 946**	**24 186**	**(38 573)**
	(12 511)	**(45 204)**	**70 204**	**16 218**	**(56 442)**
	1 215	**316**	**4 577**	**32**	**—**
	(11 296)	**(44 888)**	**74 781**	**16 250**	**(56 442)**
	(6 510)	**(44 645)**	**74 781**	**13 696**	**(56 442)**
	(4 786)	**(243)**	**—**	**2 554**	**—**
	329 763	**87 478**	**67 901**	**181 928**	**438 143**
	27 939	**2 733**	**15 951**	**52 258**	**360 090**
	14 244	10 360	48 598	63 358	—
	(767)	(2 683)	(6 722)	(2 130)	—
	13 477	7 677	41 876	61 228	—
	(4 069)	(27 939)	13 070	12 388	(40 771)
	(5 641)	(38 012)	(692)	6 053	(53 240)
	869	316	5 966	2 365	—
	(4 772)	(37 696)	5 274	8 418	(53 240)
	(2 553)	(37 737)	5 274	7 449	(53 240)
	(2 219)	41	—	969	—
	430 961	88 979	98 182	138 734	23 253
	188 449	16 114	11 684	22 151	(38 339)
	Audited R'000	Audited R'000	Audited R'000	Audited R'000	Audited R'000
	30 252	22 902	94 121	122 402	—
	(998)	(6 082)	(15 505)	(4 125)	—
	29 254	16 820	78 616	118 277	—
	(8 683)	(61 766)	19 347	18 731	(81 664)
	(43 643)	(85 944)	(12 627)	5 881	(98 317)
	2 034	632	11 871	2 028	—
	(41 609)	(85 312)	(756)	7 909	(98 317)
	(32 005)	(84 932)	(756)	7 061	(98 317)
	(9 604)	(380)	—	848	—
	386 561	89 876	80 899	138 403	10 752
	125 291	12 535	10 901	21 674	(40 119)

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