

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 May 2016

2. Group composition continued

2.1 Investments in and loans to associates and joint ventures continued

Shares in associates and joint ventures acquired during the current year

		Date acquired	Effective percentage
Banosign Proprietary Limited	Joint venture	01-Apr-16	50.1
Oxygen Services India Private Limited	Associate	01-Mar-16	2.35
Blue Label Mexico S.A. de C.V.	Joint venture	01-Sep-15	0.92

The Group's effective shareholding in OSI prior to March 2016 was 55.83%. Of this shareholding, 37.22% was held by Gold Label Investments (GLI), a wholly owned subsidiary of the Group and 18.61% indirectly through the Group's 50% shareholding in 2DFine Holdings Mauritius. In March 2016, a rights issue was offered by OSI for USD10.5 million. The Group exercised its rights for the entire amount through GLI congruent with 2DFine Holdings Mauritius waiving its rights. The effect of this is that GLI's shareholding has increased from 37.22% to 40.97% and its indirect shareholding of 18.61% has been diluted to 17.21%. The latter has in turn resulted in a gain of R30 million on dilution, being the Group's share of the increased net asset value emanating from the rights issue. The Group's effective shareholding in OSI therefore increased by 2.35% to 58.18%. The amount paid for this was R159.4 million, the difference of R8.3 million relates to foreign exchange differences.

In September 2015 BLT increased its holding by 0.92% to 47.56% in BLM for an amount of R42.5 million.

Shares in associates disposed of during the current year

		Date disposed	Effective percentage
Forensic Intelligence Data Solutions Proprietary Limited	Associate	01-Dec-15	20.25

The Group disposed of Forensic Intelligence Data Solutions Proprietary Limited for a nominal value.

Blue Label Telecoms Limited has guaranteed 45% of the amount owed by BLM to Radiomovil Dipsa S.A. de C.V. (trading as Telcel). At year-end there is no balance due to them by BLM.

There are no other contingent liabilities relating to the Group's interest in joint ventures.

For details on related-party transactions, refer to note 8.

2.2 Disposal of subsidiary

Date disposed % disposed	30 October 2015 100 Velociti Proprietary Limited R'000
Carrying/fair value of subsidiary disposed of	17 216
Goodwill	3 169
Carrying/fair value of net assets disposed of	20 385
Loss on disposal of subsidiary	(3 885)
Total proceeds on disposal received in cash	16 500
Less: Cash and cash equivalents in subsidiary	(3 281)
Cash inflow on disposal	13 219

On 30 October 2015, Blue Label Telecoms Limited sold its 100% shareholding in Velociti Proprietary Limited to a third party for an amount of R16.5 million. The loss on disposal of R3.9 million has been recognised in the income statement.