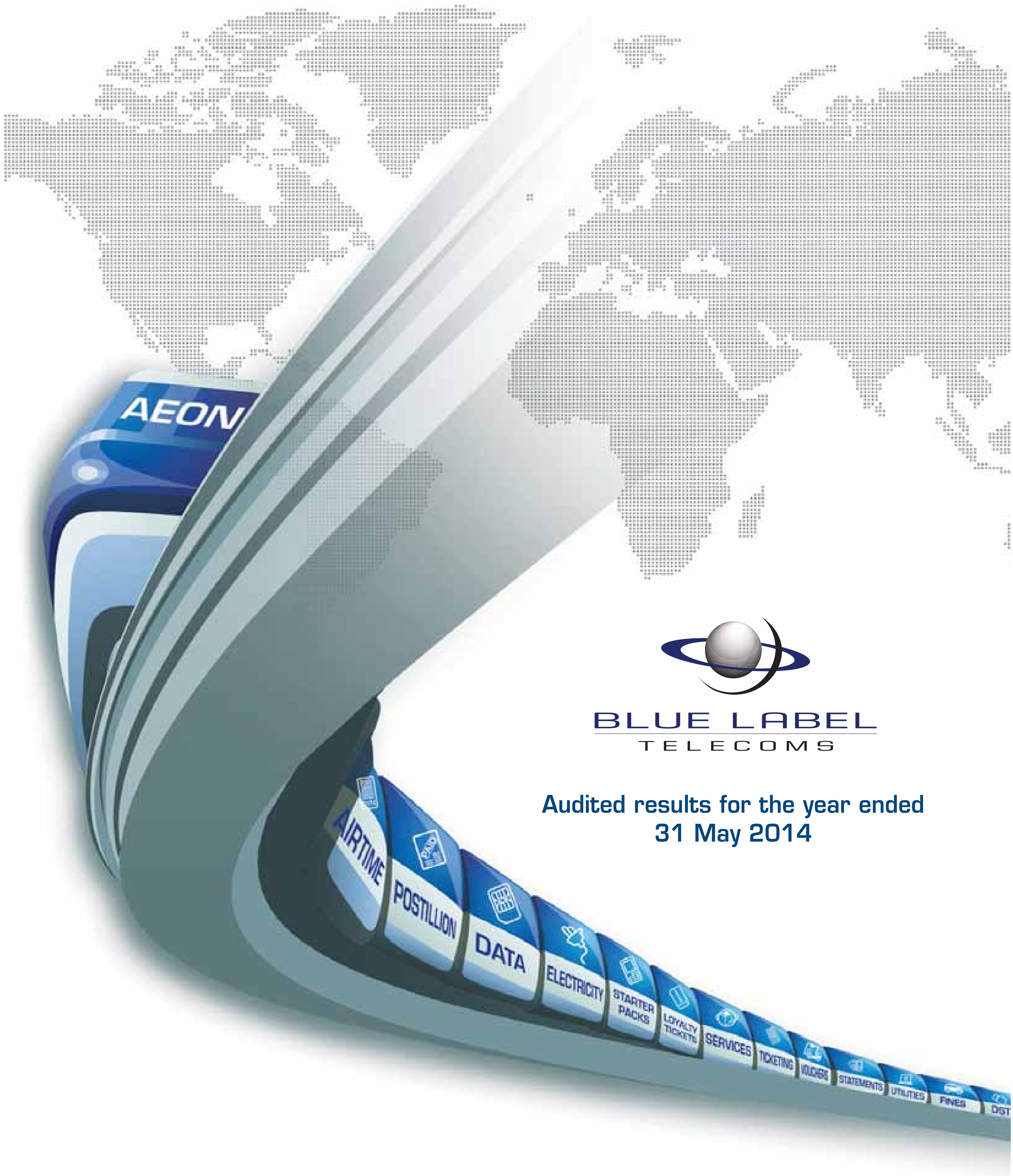

BLUE LABEL TELECOMS

Audited results for the year ended 31 May 2014

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Directors: LM Nestadt (Chairman)*, BM Levy, MS Levy, K Ellerine*, GD Harlow*, NN Lazarus SC*, JS Mthimunye*, MV Pamensky, DA Suntup, J Vilakazi*
(*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

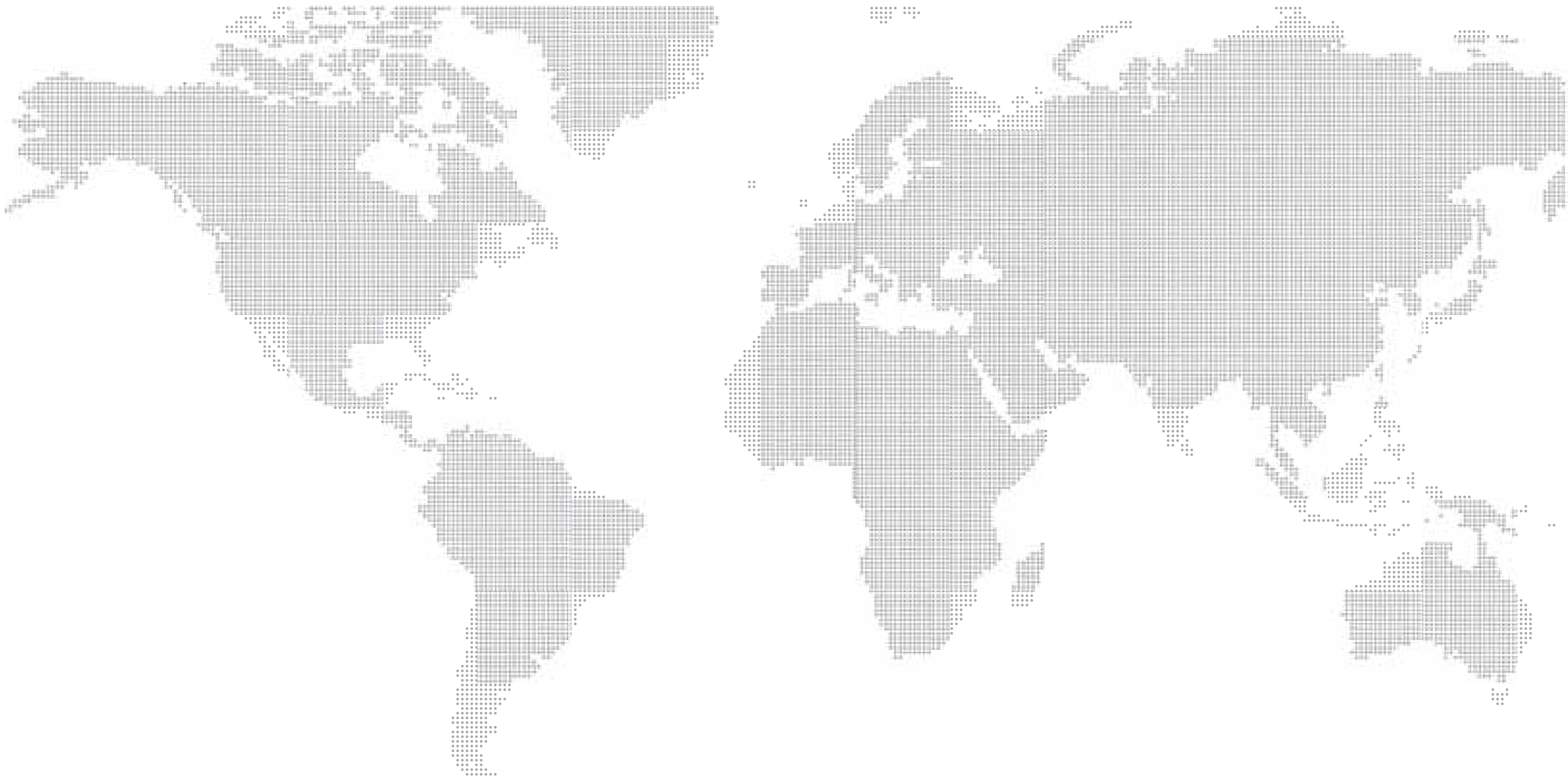
Depository: The Bank of New York, 101 Barclay Street, New York NY. 10286, USA

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")



Increase in gross profit of **R78 million** to **R1,35 billion**

Increase in gross profit margins from **6,70%** to **6,96%**

Increase in EBITDA of **10%** to **R788 million**

Increase in headline earnings of **6%** to **R451 million**

Increase in headline earnings per share of **6%** to **67,98 cents**

Increase in dividend per share of **8%** to **27 cents**

Cash flows from operating activities **R907 million**

EBITDA increased by 10% to R788 million, emanating from revenue growth of 2% to R19,4 billion, an increase in gross profit margins of 0,26% and limiting additional overheads to 3%. Headline earnings per share increased to 67,98 cents.

Revenue generated on "pinless top ups" increased from R997 million to R1,7 billion. As only the commission thereon is accounted for, the effective growth in Group revenue equated to 6%.

The gross profit margin increase was mainly attributable to the application of cash resources to bulk inventory purchases at favourable rebates and early supply settlement discounts. Further growth was attributable to increases in commissions earned on the distribution of prepaid electricity, with turnover generated on behalf of the utilities, escalating to R8,8 billion.

The share of net losses of R57 million from associates and joint ventures was mainly attributable to Blue Label Mexico ("BLM"), negatively impacting headline earnings by 9 cents per share. Expenditure incurred by Blue Label Mexico on the roll out of point of sale devices on a national scale is in line with its strategy to enhance its product and service offerings, the benefits of which are expected to materialise in the future.

In April 2014, the Group acquired Retail Mobile Credit Specialists Proprietary Limited, ("RMCS"), an enhanced service provider of telecommunication products and services, content, data and allied activities, via physical and virtual mediums. This acquisition will afford the Group access to new channels for the distribution of both RMCS and Blue Label products and services.

Cash resources accumulated to R1,2 billion of which R907 million was generated from operating activities.

BASIS OF PREPARATION

The summarised Group annual financial statements have been derived from the Group annual financial statements and were prepared in accordance with the requirements of Section 8.57 of the JSE Limited Listings Requirements, the presentation and disclosure requirements of IAS 34 – Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The Group annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, No. 71 of 2008. A copy of the Group annual financial statements can be obtained from the Company's registered office at no charge.

This financial information has been prepared in accordance with the going concern principle, under the historical cost convention, except for certain financial and equity investments which have been measured at fair value. The accounting policies and methods of computation are consistent with those used in the comparative financial information for the year ended 31 May 2013, with the exception of the standards that are effective for the first time in the current year. These have been disclosed in note 1 to the Group annual financial statements for the year ended 31 May 2014. These standards have not had a significant impact on the financial information.

In addition, the Group uses core net profit as a non-IFRS measure in evaluating its performance. This supplements the IFRS measures disclosed. 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 summarised Group annual financial statements should be read in conjunction with the Group annual financial statements which include details of all related party transactions.

SEGMENTAL REPORT

South African distribution

	2014 R'000	2013 R'000	Growth R'000	Growth %
Revenue	**19 103 652**	18 712 080	391 572	2%
Gross profit	**1 180 376**	1 121 747	58 629	5%
EBITDA	**821 310**	796 439	24 871	3%
Core net profit	**558 996**	570 766	(11 770)	(2%)
Gross profit margin	**6,18%**	5,99%		
EBITDA margin	**4,30%**	4,26%		

Although the South African distribution segment continues to dominate contribution to Group profitability, growth in EBITDA was confined to 3% due to costs incurred for future growth in its distribution channel as well as margin compression caused by competitive forces.

The increase in revenue of 2%, effectively equating to 6% on imputing the gross revenue generated from "pinless top ups", and gross profit margin increases, resulted in the growth in EBITDA by 3% to R821 million. These earnings were inclusive of extraneous costs of R19 million that were incurred in the settlement of a contractual dispute and the early termination of a profit share agreement. EBITDA margins increased from 4,26% to 4,30%.

Net commissions earned on the distribution of prepaid electricity increased by R20 million to R133 million (17%) on revenue generated on behalf of the utilities that increased from R7,2 billion to R8,8 billion.

Core net profit declined by 2% primarily due to a reduction in net finance income of R15 million net of taxation. This was congruent with the application of cash resources to bulk purchasing transactions, early settlement discounts and the cost of funding acquisitions.

International distribution

	2014 R'000	2013 R'000	Growth R'000	Growth %
EBITDA	**(13 961)**	(31 000)	17 039	55%
Share of (losses)/profits from associates and joint ventures	**(56 249)**	(49 036)	(7 213)	(15%)
– Ukash	**14 089**	7 291	6 798	93%
– Oxigen Services India	**(3 259)**	(565)	(2 694)	(477%)
– Blue Label Mexico	**(60 844)**	(51 124)	(9 720)	(19%)
– Other	**(6 235)**	(4 638)	(1 597)	(34%)
Core net loss	**(59 987)**	(73 294)	13 307	18%
– Equity holders of the parent	**(47 862)**	(50 685)	2 823	6%
– Non-controlling interests	**(12 125)**	(22 609)	10 484	46%

The positive movement in EBITDA was attributable to a decline in legal fees incurred by Africa Prepaid Services Nigeria from R31 million to R20 million and foreign exchange movements of R6 million.

The share of net losses from associates and joint ventures comprised the following:

Ukash

The Group's share of profits in Ukash, after the amortisation of intangible assets, increased from R7,3 million to R14,1 million. Of this growth, R2,1 million was attributable to foreign exchange gains and a consolidation adjustment of R3,2 million. Organic growth resulted from increases in revenue of 14%, gross profit of 20% and EBITDA of 7%, all reported in their local currency.

Oxigen Services India

Although revenue increased by 27% at static margins, the Group's share of losses increased by R2,7 million to R3,2 million.

Expenditure increased in line with the strategy to focus on the growth of financial services transactions, facilitated by its vast network of points of presence. Implementation of this strategy requires working capital, improvements in IT infrastructure along with additional personnel and other resources.

Oxigen Services India aims to become India's first non-banked mobile wallet that empowers the unbanked masses to instantly transfer and receive cash across the entire country.

Its money transfer services are currently transacting at USD2,3 million per day, increasing exponentially through its connectivity with the National Payment Corporation of India. This provides instantaneous services to its retail network in India.

Blue Label Mexico

In the comparative year, BLM incurred losses to the equivalent of R113 million of which the Group's share equated to R51 million after the amortisation of intangible assets. In the current year, BLM's losses increased to an equivalent of R131 million, of which the Group's share equated to R61 million. Of this amount, R9 million was attributable to foreign exchange movements.

Although revenue in local currency increased by 43%, increases in expenditure and depreciation, necessitated by an aggressive roll out of point of sale devices and ancillary support required thereon, were the fundamental causes for the increase in losses.

At the end of the financial year, 91 409 point of sale devices had been installed.

Mobile

	2014 R'000	2013 R'000	Growth R'000	Growth %
Revenue	**152 618**	151 420	1 198	1%
Gross profit	**109 756**	95 134	14 622	15%
EBITDA	**34 273**	37 055	(2 782)	(8%)
Core net profit	**24 904**	24 787	117	—

This segment comprises Cellfind, Panacea Mobile, Blue Label Engage, Simigenix and Blue Label One. Of the revenue growth of R1,2 million, Panacea, Blue Label Engage and Cellfind contributed R18 million. This was off-set by a decline of R13 million in revenue generated by the projects and media divisions of Blue Label One. A further R4 million was attributable to the disposal of Content Connect Africa during the comparative year.

The negative performance of Blue Label One manifested itself in neutral growth in core net profit for this segment. Positive growth contributions of R7 million to core net profit by the other companies within this segment were entirely offset by movement in losses incurred by Blue Label One. As a result, the latter has been restructured in order to avoid repetition of its negative performance.

Solutions

	2014 R'000	2013 R'000	Growth R'000	Growth %
Revenue	**145 396**	120 710	24 686	20%
Gross profit	**59 402**	54 364	5 038	9%
EBITDA	**29 257**	24 703	4 554	18%
Core net profit	**12 547**	13 190	(643)	(5%)

The Solutions segment houses Blue Label Data Solutions ("BLDS"), Velociti, Forensic Intelligence Data Solutions, Datacision, Blue Label Call Centre and CNS Call Centre. BLDS contributed R26 million to EBITDA translating to R13 million at core net profit level.

Corporate

	2014 R'000	2013 R'000	Growth R'000	Growth %
EBITDA	**(82 886)**	(113 575)	30 689	27%
Core net loss	**(87 983)**	(120 542)	32 559	27%

The decline in losses was directly attributable to the forfeiture of executive bonuses.

Depreciation, amortisation and impairment charges

Depreciation, amortisation and impairment charges declined by R2,8 million.

The amortisation of intangible assets in terms of purchase price allocations declined by R2,5 million in line with the expiration of useful tenure. Depreciation and impairment charges to the remainder of the Group's assets decreased by R0,3 million.

Net finance income

Finance costs

Finance costs totalled R167 million, of which R23 million related to interest paid on borrowed funds and R144 million to imputed IFRS interest adjustments on credit received from suppliers. On a comparative basis, interest paid on borrowed funds amounted to R24 million and the imputed IFRS interest adjustment equated to R143 million. Interest paid was attributable to the cost of financing bulk inventory purchase transactions and early settlement payments attracting discounts, for which facilities were utilised and repaid during the current year.

Finance income

Finance income totalled R156 million, of which R39 million was attributable to interest received on cash resources and R117 million to IFRS interest adjustments on credit provided to customers. On a comparative basis, interest received on cash resources amounted to R45 million and the imputed IFRS interest adjustment to R128 million. The decline in interest received was attributable to the partial utilisation of funds on hand for bulk inventory purchase transactions, early settlement discounts as well as for the funding of the acquisitions of RMCS and a distribution channel.

Statement of financial position

Total assets increased by R782 million to R6,5 billion, of which growth in non-current assets accounted for R458 million and current assets for R324 million.

The increase in non-current assets was mainly attributable to a net growth in intangible assets and goodwill of R300 million, capital expenditure net of depreciation of R9 million and to investment in associates and joint ventures of R74 million.

The increase in intangible assets and goodwill was mainly attributable to the acquisition of RMCS, of which goodwill equated to R206 million and intangibles R104 million. A further R84 million was incurred for the purchase of a distribution channel. Amortisation of intangibles amounted to R95 million.

The increase in investment in associates and joint ventures was predominantly due to an additional R89 million capital contribution to Blue Label Mexico, movement in loans of R11 million, unrealised foreign exchange gains of R16 million and a positive impact of R26 million in foreign currency translation reserves, off-set by a dividend received from Ukash of R11 million and share of net losses incurred of R57 million.

The net movement in current assets mainly comprised growth in cash resources of R243 million, an increase in accounts receivable of R643 million, off-set by a decline in inventories of R552 million.

The debtors collection period extended from 38 days reported at the interim reporting date to 40 days.

In line with the decline in inventory, the stock turn improved from 33 days reported at the interim reporting date to 26 days.

The net profit attributable to equity holders of R450 million, less a dividend of R169 million, resulted in an accumulation of retained earnings to R2,2 billion.

Trade and other payables increased by R476 million with credit terms averaging 55 days.

Statement of cash flows

Cash flows from operating activities totalling R907 million, the dividend received of R11 million from Ukash and loans recovered of R29 million were applied to investing activities relating to the purchase of intangible assets to the extent of R103 million, acquisitions of R273 million, additional funding of R86 million to Blue Label Mexico and capital expenditure of R46 million.

A further R197 million was applied to financing activities, of which R11 million was expended on the acquisition of treasury shares, dividends paid of R169 million and the acquisition of non-controlling interests totalling R16 million.

The net increase in cash and cash equivalents amounted to R243 million, resulting in cash resources accumulating to R1,2 billion.

Forfeitable share scheme

Forfeitable shares totalling 2 782 541 (2013: 3 496 103) were issued to qualifying employees. During the year 1 074 880 (2013: 1 285 962) shares were forfeited and 3 629 922 (2013: 2 700 513) shares vested.

Dividend No 5

The Group's current dividend policy is to declare an annual dividend. On 19 August 2014, the board approved a gross ordinary dividend (number 5) of 27 cents per ordinary share (22,95 cents per ordinary share net of dividend withholding tax) for the year ended 31 May 2014. This dividend of R182 117 441, inclusive of withholding tax, equates to a 2,48 cover on headline earnings. The dividend for the year ended 31 May 2014 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, 5 September 2014
Shares commence trading ex dividend	Monday, 8 September 2014
Record date	Friday, 12 September 2014
Payment of dividend	Monday, 15 September 2014

Share certificates may not be dematerialised or rematerialised between Monday, 8 September 2014 and Friday, 12 September 2014, 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 divided. The final dividend will be paid 26 days after the directors have performed the solvency and liquidity testing.

Dividend Tax is provided for at 15% of the amount of any dividend paid by Blue Label Telecoms, subject to certain exemptions. The Dividend 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.

Prospects

The recent acquisitions of RMCS and Via Media Proprietary Limited will enhance Group profitability and will afford the Group access to new channels of distribution.

The Group's propensity to generate positive cash flows from operating activities will facilitate opportunities both on an acquisitive and trading basis as well as the distribution of dividends to shareholders.

The growth in prepaid electricity meter roll-outs, is likely to continue and improve future Group revenue.

TicketPros, a ticketing provider and proud partner of premium sporting events in South Africa, continues to expand its service offering to a myriad of events and activities.

The Group's distribution footprint is perfectly positioned to offer a money transfer solution that provides reach across all sectors of the South African economic landscape. Accessibility and convenience are the driving factors in our goal to fulfil the needs of consumers.

Oxigen Services India's mobile wallet, which facilitates instant money transfers, is expected to gain momentum, given its monthly compounded growth that was evident towards the end of the financial year. Its historical investment in infrastructure has created a solid foundation and credibility with banks, to enable it to provide high volume services of this nature.

Blue Label Mexico will continue with the objectives of expanding its footprint and increasing the range of its product and service offerings.

Subsequent events

Subsequent to year end, dividend number 5 was declared and approved by the board.

In August 2014, Blue Label completed a transaction in which it acquired 75% of Via Media Proprietary Limited. The purchase consideration is for an initial sum of R144,4 million plus additional amounts totalling up to R103,1 million if warranted profits are achieved by Via Media during the forthcoming 36 months. If the warranted profits are not achieved, the above additional payments will be abated on a pro rata basis. A further R112,5 million or part thereof will be payable if stretched targets over and above the warranted accumulated profits over the next three years are achieved.

Litigation update

In December 2008 Africa Prepaid Services Proprietary Limited ("APS"), a subsidiary of Blue Label concluded a super dealer agreement with Multi-Links Telecommunications Limited ("MLT"), a wholly owned subsidiary of Telkom, at the time, in terms of which APS was appointed for a period of 10 years to market and distribute a range of products and services for MLT in Nigeria ("the agreement").

In 2009 APS ceded and assigned all its rights and obligations in terms of the agreement to Africa Prepaid Services Nigeria Limited ("APSN"), a subsidiary of APS and Blue Label. On 26 November 2010 APSN cancelled the agreement on the basis of MLT's wrongful repudiation of the agreement.

In June 2011 APSN launched arbitration proceedings in South Africa against MLT ("the arbitration proceedings"). APSN claims payment of USD457 million against MLT and MLT has counterclaimed for payment of the sum of USD123 million.

Telkom sold its shareholding in MLT to Hip Oils Topco Limited on 3 October 2011. In terms of an indemnity contained in the sale and purchase agreement, Telkom is liable for all amounts in excess of USD10 million in respect of APSN's claim against MLT.

Telkom and MLT instituted an action in the High Court against Blue Label, APS, APSN and certain individuals, including a former senior executive of Telkom in the High Court for payment of an aggregate amount of USD724 million ("the action").

The claim in the action is based, *inter alia*, on an alleged breach of the duty of care and alleged misrepresentations made by Blue Label together with alleged breaches of fiduciary duties on the part of the former senior Telkom executive, at the time the agreement was concluded, in respect of which it is alleged Blue Label was a party to.

On 6 September 2013 Telkom and MLT obtained an order from the High Court which had the effect of preventing the arbitrators from determining whether the agreement is valid and enforceable. APSN decided not to appeal against the order and submitted itself to the jurisdiction of the High Court for the purposes of defending the allegations made against it, Blue Label and the other defendants and for the purpose of proceeding with its claim against MLT for payment of the sum of USD457 million arising out of MLT's wrongful repudiation of the agreement.

At the same time and in the same action, APSN has advanced a claim against Telkom for payment of the sum of USD457 million arising out of Telkom's wrongful interference with APSN's contractual rights against MLT. To the extent that APSN is unable to recover its losses from MLT, APSN aims to recover such losses from its claim against Telkom.

Blue Label and the other defendants vehemently deny the allegations made against them by Telkom and MLT and maintain that they are not liable. A trial date has not as yet been allocated.

Independent audit

PricewaterhouseCoopers Inc.'s unqualified audit reports on the Group annual financial statements and the summarised Group annual financial statements for the year ended 31 May 2014 are available for inspection at the Company's registered office. Any reference to future financial performance in this announcement has not been audited or reported on by PricewaterhouseCoopers Inc.

Appreciation

The board of Blue Label Telecoms would once again 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**	**DA Suntup* CA(SA)**
Chairman	Joint Chief Executive Officers	Financial Director

19 August 2014

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

SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION

As at 31 May	2014 R'000	2013 R'000
ASSETS		
Non-current assets	**1 798 307**	1 340 410
Property, plant and equipment	**97 200**	88 125
Intangible assets and goodwill	**1 005 934**	706 018
Investment in and loans to associates and joint ventures	**598 109**	524 162
Loans receivable	**18 501**	1 000
Starter pack assets	**2 307**	2 573
Trade and other receivables	**51 604**	—
Deferred taxation assets	**24 652**	18 532
Current assets	**4 704 580**	4 380 137
Inventories	**1 306 206**	1 858 511
Loans receivable	**27 850**	36 431
Starter pack assets	**1 010**	1 115
Trade and other receivables	**2 181 973**	1 539 365
Current tax assets	**3 410**	3 433
Cash and cash equivalents	**1 184 131**	941 282
Total assets	**6 502 887**	5 720 547
EQUITY AND LIABILITIES		
Capital and reserves	**3 523 989**	3 242 853
Share capital, share premium and treasury shares	**3 945 832**	3 939 891
Restructuring reserve	**(1 843 912)**	(1 843 912)
Other reserves	**138 798**	113 139
Share-based payment reserve	**33 660**	39 496
Transaction with non-controlling interest reserve	**(957 230)**	(931 125)
Retained earnings	**2 222 685**	1 941 082
Non-controlling interest	**(15 844)**	(15 718)
Non-current liabilities	**92 400**	11 942
Deferred taxation liabilities	**41 510**	11 942
Trade and other payables	**50 178**	—
Provisions	**712**	—
Current liabilities	**2 886 498**	2 465 752
Trade and other payables	**2 818 898**	2 393 222
Provisions	**23 777**	19 029
Current tax liabilities	**28 733**	39 504
Current portion of interest-bearing borrowings	**2 653**	1 980
Current portion of non-interest-bearing borrowings	**12 437**	12 017
Total equity and liabilities	**6 502 887**	5 720 547

SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 May	2014 R'000	2013 R'000
Revenue	**19 401 666**	18 984 210
Other income	**26 692**	16 137
Change in inventories of finished goods	**(18 052 132)**	(17 712 965)
Employee compensation and benefit expense	**(332 542)**	(332 901)
Depreciation, amortisation and impairment charges	**(65 137)**	(67 951)
Other expenses	**(255 691)**	(240 859)
Operating profit	**722 856**	645 671
Finance costs	**(166 876)**	(167 096)
Finance income	**156 250**	173 260
Share of loss from associates and joint ventures	**(56 873)**	(47 326)
Net profit before taxation	**655 357**	604 509
Taxation	**(206 442)**	(196 404)
Net profit for the year	**448 915**	408 105
Other comprehensive income:		
Exchange profits on translation of foreign operations	**25 637**	87 888
Other comprehensive profit for the year, net of tax	**25 637**	87 888
Total comprehensive income for the year	**474 552**	495 993
Net profit for the year attributable to:	**448 915**	408 105
Equity holders of the parent	**450 230**	424 841
Non-controlling interest	**(1 315)**	(16 736)
Total comprehensive income for the year attributable to:	**474 552**	495 993
Equity holders of the parent	**475 889**	512 441
Non-controlling interest	**(1 337)**	(16 448)
Earnings per share for profit attributable to equity holders (cents)		
Basic earnings per share (cents)	**67,88**	64,22
Diluted earnings per share** (cents)	**66,86**	63,19
Dividend per share (cents)	**25,00**	23,00
Weighted average number of shares	**663 298 476**	661 577 847
Diluted weighted average number of shares	**672 311 571**	672 304 611
Number of shares in issue	**674 509 042**	674 509 042
Headline earnings per share (cents)	**67,98**	64,17
Diluted headline earnings per share** (cents)	**66,96**	63,14
Reconciliation between net profit and core net profit for the year:		
Net profit for the year attributable to equity holders of the parent	**450 230**	424 841
Amortisation on intangible assets raised through business combinations net of tax and net of non-controlling interest	**10 372**	12 675
Core net profit for the year	**460 602**	437 516
– Core earnings per share (cents)*	**69,44**	66,13

**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 CHANGES IN EQUITY

	Share capital, share premium and treasury shares R'000	Retained earnings R'000
Balance as at 1 June 2012	**3 941 316**	1 671 378
Net profit for the year	—	424 841
Other comprehensive profit	—	—
Total comprehensive income	—	424 841
Dividends paid	—	(155 137)
Treasury shares purchased	**(17 223)**	—
Equity compensation benefit scheme shares vested	**15 798**	—
Equity-based compensation movements	—	—
Share of equity movement in associates	—	—
Transaction with non-controlling interest reserve movement	—	—
Non-controlling interest acquired during the year	—	—
Balance as at 1 June 2013	**3 939 891**	**1 941 082**
Net profit for the year	—	**450 230**
Other comprehensive profit	—	—
Total comprehensive income	—	**450 230**
Dividends paid	—	**(168 627)**
Treasury shares purchased	**(11 120)**	—
Equity compensation benefit scheme shares vested	**17 061**	—
Equity-based compensation movements	—	—
Share of equity movement in associates	—	—
Transaction with non-controlling interest reserve movement	—	—
Non-controlling interest movement	—	—
Balance as at 31 May 2014	**3 945 832**	**2 222 685**

**Included in other reserves is the foreign currency translation reserve and the non-distributable reserve.*

***Includes employee compensation benefit reserve.*

Restructuring reserve R'000	Other reserves* R'000	Transaction with non-controlling interest reserve R'000	Share-based payment reserve** R'000	Non-controlling interest R'000	Total equity R'000
(1 843 912)	25 539	(909 572)	38 915	(9 278)	2 914 386
—	—	—	—	(16 736)	408 105
—	87 600	—	—	288	87 888
—	87 600	—	—	(16 448)	495 993
—	—	—	—	(3 515)	(158 652)
—	—	—	—	—	(17 223)
—	—	—	(15 559)	(239)	—
—	—	—	16 063	117	16 180
—	—	—	77	—	77
—	—	(21 553)	—	7 553	(14 000)
—	—	—	—	6 092	6 092
(1 843 912)	**113 139**	**(931 125)**	**39 496**	**(15 718)**	**3 242 853**
—	**—**	**—**	**—**	**(1 315)**	**448 915**
—	**25 659**	**—**	**—**	**(22)**	**25 637**
—	**25 659**	**—**	**—**	**(1 337)**	**474 552**
—	**—**	**—**	**—**	**(1 805)**	**(170 432)**
—	**—**	**—**	**—**	**—**	**(11 120)**
—	**—**	**—**	**(16 792)**	**(269)**	**—**
—	**—**	**—**	**10 792**	**277**	**11 069**
—	**—**	**—**	**164**	**—**	**164**
—	**—**	**(26 105)**	**—**	**3 760**	**(22 345)**
—	**—**	**—**	**—**	**(752)**	**(752)**
(1 843 912)	**138 798**	**(957 230)**	**33 660**	**(15 844)**	**3 523 989**

SUMMARISED GROUP STATEMENT OF CASH FLOWS

For the year ended 31 May	2014 R'000	2013 R'000
Cash flows from operating activities	**907 332**	(439 794)
Cash flows from investing activities	**(467 220)**	(406 336)
Cash flows from financing activities	**(196 892)**	(188 066)
Increase/(decrease) in cash and cash equivalents	**243 220**	(1 034 196)
Cash and cash equivalents at the beginning of the year	**941 282**	1 975 242
Translation difference	**(371)**	236
Cash and cash equivalents at the end of the year	**1 184 131**	941 282

HEADLINE EARNINGS

For the year ended 31 May	2014 R'000	2013 R'000
Net profit attributable to equity holders of the parent	**450 230**	424 841
Net profit on disposal of property, plant and equipment	**(207)**	(562)
Profit on disposal of subsidiaries	**—**	(120)
Profit on disposal of associates and joint ventures	**—**	(2 107)
Impairment of intangible assets and property, plant and equipment	**866**	2 454
Headline earnings	**450 889**	424 506
Headline earnings per share (cents)	**67,98**	64,17

ACQUISITION OF SUBSIDIARIES

Shares in the following subsidiaries were acquired during the year:	Effective date of acquisition	% acquired
Subsidiaries		
Simigenix Proprietary Limited	23 August 2013	100
Retail Mobile Credit Specialists Proprietary Limited	7 April 2014	100

Details of the total net assets acquired and the resulting goodwill as at the date of acquisition are as follows:

	Total R'000
Total purchase consideration	313 818
Fair value of net assets acquired	108 069
Goodwill	205 749

The assets and liabilities acquired through acquisition are as follows:

	Fair value at acquisition date R'000	Acquirer's carrying amount on acquisition date R'000
Cash and cash equivalents	25 444	25 444
Property, plant and equipment	727	727
Intangible assets	104 177	3 004
Goodwill	205 749	—
Loans receivable	18 632	18 632
Receivables	24 272	24 272
Deferred tax	(26 002)	2 327
Current tax liability	(3 726)	(3 726)
Payables	(35 455)	(35 455)
	313 818	35 225
Total purchase consideration		313 818
Contingent consideration		(15 132)
Cash and cash equivalents in subsidiary acquired		(25 444)
Cash outflow from acquisitions		273 242

SEGMENTAL SUMMARY

Year ended	Total R'000
31 May 2014	
Total segment revenue	**25 354 475**
Internal revenue	**(5 952 809)**
Revenue	**19 401 666**
Operating profit/(loss) before depreciation, amortisation and impairment charges	**787 993**
Net profit/(loss) for the year attributable to equity holders of the parent	**450 230**
Amortisation on intangibles raised through business combinations net of tax and non-controlling interest	**10 372**
Core net profit for the year attributable to equity holders of the parent	**460 602**
At 31 May 2014	
Total assets	**6 502 887**
Net operating assets/(liabilities)	**1 818 082**

Year ended	
31 May 2013	
Total segment revenue	24 720 865
Internal revenue	(5 736 655)
Revenue	18 984 210
Operating profit/(loss) before depreciation, amortisation and impairment charges	713 622
Net profit/(loss) for the year attributable to equity holders of the parent	424 841
Amortisation on intangibles raised through business combinations net of tax and non-controlling interest	12 675
Core net profit for the year attributable to equity holders of the parent	437 516
At 31 May 2013	
Total assets	5 720 547
Net operating assets/(liabilities)	1 914 385

South African distribution R'000	International distribution R'000	Mobile R'000	Solutions R'000	Corporate R'000
24 837 763	**—**	**350 783**	**165 929**	**—**
(5 734 111)	**—**	**(198 165)**	**(20 533)**	**—**
19 103 652	**—**	**152 618**	**145 396**	**—**
821 310	**(13 961)**	**34 273**	**29 257**	**(82 886)**
552 926	**(51 176)**	**23 916**	**12 547**	**(87 983)**
6 070	**3 314**	**988**	**—**	**—**
558 996	**(47 862)**	**24 904**	**12 547**	**(87 983)**
5 651 680	**556 376**	**96 420**	**136 090**	**62 321**
1 871 469	**(16 065)**	**(20 543)**	**23 840**	**(40 619)**
24 363 215	—	220 393	137 257	—
(5 651 135)	—	(68 973)	(16 547)	—
18 712 080	—	151 420	120 710	—
796 439	(31 000)	37 055	24 703	(113 575)
562 824	(54 861)	24 268	13 152	(120 542)
7 942	4 176	519	38	—
570 766	(50 685)	24 787	13 190	(120 542)
4 950 040	481 712	94 581	145 989	48 225
1 981 975	(15 567)	3 313	16 904	(72 240)

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