Reviewed results

for the half year ended 30 November 2010

Highlights

↑ 8% | INCREASE IN REVENUE TO R9,07 BILLION

↑ 14% | INCREASE IN NPAT*

↑ 11% | INCREASE IN CORE EARNINGS*

↑ 114% | GROWTH IN PREPAID ELECTRICITY

** Excluding STC*

COMMENTARY

INTRODUCTION

In a period in which Blue Label rationalised businesses within its operating segments, contained expenditure and maximised on the benefits of healthy cash reserves, the net profit after tax increased by 9% and core profitability by 7%. A maiden dividend was declared in August 2010 and Secondary Tax on Companies ("STC") was paid during the period under review. On a comparative basis, growth in net profit after tax and core earnings pre the STC payment was 14% and 11% respectively.

Off a strong balance sheet, working capital was managed efficiently. The procurement of inventory was maximised, additional credit was extended to selected long standing channels of distribution and the Group capitalised on bulk purchasing and settlement discounts.

Although on a comparative basis overall gross profit margins declined, margins in fact exceeded those achieved in the second half of the 2010 financial year in the South African distribution segment, the major contributor to Group profitability.

With cash reserves averaging R1,9 billion, the deployment of cash to achieve additional discounts was a natural substitution for declining income earned from monies held on deposit due to lower interest rates.

Turnarounds in the Datacel group, Oxigen India and Ukash were other contributing factors to the growth in profitability.

Blue Label has an effective ownership of 36,72% in Africa Prepaid Services Nigeria ("APSN") through its 72% shareholding in Africa Prepaid Services (Pty) Ltd. The performance of APSN was adversely impacted by negative consumer sentiment in respect of the Multi-Links product, given the statements made by Multi-Links regarding the uncertainty of the network's future and the strained relationship between them and our Group. As the exclusive distributor on behalf of Multi-Links, APSN was negatively affected by a decline in market demand for their services. This weighed heavily on both its revenue and profitability. APSN's contribution to Group net profit was R2.6 million for the period under review compared to R8,4 million for the relative comparative period and R38,7 million for the full year ended May 2010. The latter equated to 5,1 cents of Group headline earnings per share of 48,27 cents. On 26th November 2010 Blue Label announced the cancellation of APSN's contract with Multi-Links arising from Multi-Link's repudiation of its obligations under the contract.

APSN continues to distribute on behalf of other network operators and is proceeding with the roll out of a multi-tiered point of sale vending system in support of the sales of airtime on behalf of these networks. In conjunction with the largest dealers in Nigeria, APSN aims to have national representation of its products and services. The strategy of APSN continues to be one of replicating the South African distribution model by being a distributor for all major networks and to offer value added services and products to its voice offering.

APSN is in the process of instituting arbitration proceedings against Multi-Links to recover the losses it has suffered consequent upon the cancellation of the contract.

BASIS OF PREPARATION

The condensed consolidated interim financial information for the half year ended 30 November 2010 is prepared in accordance with IAS 34 – Interim Financial Reporting, the Listing Requirements of the JSE Limited and the South African Companies Act 61 of 1973, as amended. The condensed consolidated interim financial information should be read in conjunction with the reviewed interim financial information for the six months ended 30 November 2009 and the audited annual financial statements for the year ended 31 May 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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 used in the comparative financial information for the six months ended 30 November 2009, 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 for the year ended 31 May 2010. 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 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.

FINANCIAL OVERVIEW

- Revenues increased by 8% to R9,07 billion.
- Gross profit declined from R621 million to R573 million.
- Overheads declined by R20 million (7%).
- EBITDA declined from R368 million to R310 million.
- Net finance income increased by R25 million.
- Turnaround of R14 million in contribution by associates from a share of losses of R12 million to a share of profits of R2 million.
- Net profit after tax and non-controlling interests increased from R177 million to R193 million (9%).
- Basic earnings per share increased from 23,31 cents to 25,45 cents (9%).
- Core earnings increased from R194 million to R206 million.
- Core earnings per share increased by 7% to 27,27 cents per share.
- NAV per share has increased from 346,50 cents per share to 358,29 cents per share.

SEGMENTAL REPORT

In order to enhance the availability of management information on the Group's performance from the distribution of mobile applications, Blue Label has established a new segment, namely Mobile. These mobile applications were previously housed in Value Added Services and Technology. A separate management and reporting structure has been established for Mobile, and the segmental analysis has been amended and restated accordingly.

The Value Added Services segment has been renamed Solutions. The only change to the reporting of this segment is the extraction of financial information that relates to the newly formed Mobile segment. The comparatives have been adjusted to reflect the change in segment reporting.

REVENUE

	R'000			% of total contribution	
Segments	**Nov 2010**	Nov 2009	% Growth	**Nov 2010**	Nov 2009
South African distribution	**8 519 296**	7 591 164	12,2	**93,8**	90,4
International distribution	**439 907**	674 866	(34,8)	**4,9**	8,0
Mobile	**41 876**	56 992	(26,5)	**0,5**	0,7
Technology	**7 677**	9 718	(21,0)	**0,1**	0,1
Solutions	**61 228**	69 220	(11,5)	**0,7**	0,8
Total	**9 069 984**	8 401 960	8,0	**100**	100

South African distribution

Revenues, which increased by R928 million to R8,5 billion, were generated from the distribution of physical and virtual electronic tokens of value. This growth of 12% was predominantly volume related, achieved through a hybrid of industry and market share growth. Whilst prepaid airtime remains the primary source of revenue, commissions earned on the distribution of prepaid electricity amounted to R30 million for the period, equating to revenue of R1,5 billion on behalf of the utilities. This commission compares to R14 million for the relative comparative period.

The above products as well as Ukash, lotto, bus tickets and starter packs are distributed through the major retailers, independent stores, petroleum forecourts and informal communities.

The distribution mix of prepaid airtime was as follows:

- Vodacom 51%
- MTN 35%
- Cell C 10%
- Telkom 4%

COMMENTARY (continued)

International distribution

International distribution encompasses the Group's operations in Nigeria, Mexico, India and the United Kingdom. APSN and Blue Label Mexico are subsidiary companies whilst Oxigen India and Ukash are associates.

Revenue generated by APSN declined by R137 million to R388 million, directly related to the decline in customer interest in the Multi-Links product in Nigeria.

Revenue in Blue Label Mexico increased by R32 million through the expansion of its roll out of additional point of sale devices.

As the Group's interests in Mozambique, Democratic Republic of Congo and VPN USA were disposed of towards the end of the comparative period, these closures had a negative impact on comparative revenue to the extent of R121 million.

Mobile

Cellfind, Content Connect Africa and Blue Label One make up this newly formed segment. Although revenue declined by R15 million, cost cutting and margin improvement ensured a growth in profitability.

Technology

The Technology segment is an in-house technical support, maintenance and product development and enhancement operation. Revenue generated from sales to third parties was consequently limited.

Blue Label Solutions

Solutions encompasses the business of Datacel, a data base aggregator and vendor and an inbound and outbound call centre operation, focusing on telecommunication offerings. The call centre operations were rationalised in 2009 resulting in a decline in revenue but an increase in profitability.

GROSS PROFIT

Segments	R'000 Nov 2010	Six months ended May 2010	Nov 2009	Margin Nov 2010 %	Six months ended May 2010 %	Nov 2009 %
South African distribution	**442 619**	406 186	461 044	**5,20**	5,11	6,07
International distribution	**58 397**	95 502	92 518	**13,27**	16,67	13,71
Mobile	**35 178**	25 737	40 382	**84,01**	67,69	70,86
Technology	**6 108**	8	2 499	**79,56**	0,10	25,72
Solutions	**31 037**	25 355	24 993	**50,69**	46,90	36,11
Total	**573 339**	552 788	621 436	**6,32**	6,41	7,40

The above table summarises the segmental results after adjusting for the impact of discounting of receivables and payables as required by IFRS. Movements in the mix of debtors and creditors have a direct impact on sales and cost of sales with regard to the interest element pertaining thereto.

The table below has been prepared after eliminating such imputed interest in order to show the underlying growth excluding the impact of accounting reclassifications in terms of IFRS reporting.

The material differences relate to the South African and International distribution segments only. Mobile, Technology and Solutions are not affected by imputed interest adjustments.

Gross profit excluding imputed interest adjustments

Segments	R'000 Nov 2010	Six months ended May 2010	Nov 2009	Margin Nov 2010 %	Six months ended May 2010 %	Nov 2009 %
South African distribution	**454 043**	409 336	444 440	**5,30**	5,11	5,84
International distribution	**53 440**	89 981	74 625	**12,15**	15,72	11,05
Mobile	**35 178**	25 737	40 382	**84,01**	67,69	70,86
Technology	**6 108**	8	2 499	**79,56**	0,10	25,72
Solutions	**31 036**	25 355	24 993	**50,69**	46,90	36,11
Total	**579 805**	550 417	586 939	**6,36**	6,34	6,97

South African distribution

The implementation of RICA in August 2009 initially had a negative impact on margins due to the delay in activations of starter packs across the industry. The gradual streamlining of RICA registrations between implementation and November 2010 is evidenced by the steady improvement in margins. This together with the growth in commissions earned on prepaid electricity sales resulted in margin growth from the second half of the financial year ended May 2010 of 0,19% from 5,11% to 5,30%. Gross profit increased by R9,6 million on the comparable period in spite of a decline in margins in line with the revenue increase in this segment.

International distribution

Of the R21 million decline, R7 million related to APSN. The impact of the cessation of interests in Mozambique, DRC and VPN USA accounted for R14 million.

EBITDA

EBITDA declined by R57 million of which the imputed interest adjustments accounted for R40 million. The latter had a converse positive affect on net finance income.

Total EBITDA

Segments	R'000 Nov 2010	Nov 2009	% Growth
South African distribution	**346 171**	361 746	
International distribution	**7 344**	63 349	
Mobile	**13 070**	9 083	
Solutions	**12 388**	(268)	
Total trading operations	**378 973**	433 910	(12,7)
EBITDA margin (%)	**4,2**	5,2	
Technology	**(27 939)**	(25 735)	
Corporate	**(40 772)**	(40 346)	
Total support	**(68 711)**	(66 081)	(4,0)
Net total	**310 262**	367 829	(15,7)
EBITDA margin (%)	**3,4**	4,4	

EBITDA excluding imputed interest adjustments

Segments	R'000 Nov 2010	R'000 Nov 2009	Margin Nov 2010 %	Margin Nov 2009 %
South African distribution	**357 593**	345 140	**4,2**	4,5
International distribution	**2 388**	45 456	**0,5**	6,7
Mobile	**13 070**	9 083	**31,2**	15,9
Solutions	**12 388**	(268)	**20,2**	(0,4)
Total trading operations	**385 439**	399 411	**4,2**	4,7
Technology	**(27 939)**	(25 735)		
Corporate	**(40 772)**	(40 346)		
Total support	**(68 711)**	(66 081)		
Net total	**316 728**	333 330	**3,5**	4,0

On exclusion of the impact of imputed interest adjustments, South African distribution contributed a growth in EBITDA of R12 million, International distribution a decline of R43 million, Mobile a growth of R4 million and Solutions a growth of R13 million, with a resultant net decline of R14 million at trading operations level as opposed to R55 million when including imputed interest adjustments.

Of the R43 million International distribution decline, R30 million was attributable to a capital profit on the sale of Mozambique in the comparative period.

The Mobile segment, by reducing overheads, grew by R4 million and Solutions by R13 million, benefiting from its rationalisation programme.

Technology declined by R2 million whilst Corporate, through an expenditure containment drive, remained static in its EBITDA charge.

As the profit on sale of Mozambique was of a capital nature, comparative EBITDA on a pure trading basis effectively increased by R16 million.

NET FINANCE INCOME

Finance costs

Of the costs of R43 million, R4 million related to interest paid on borrowed funds and R39 million to imputed IFRS interest adjustments relating to credit received from suppliers.

On a comparative basis the imputed IFRS interest adjustment was R60 million. The decline amounting to R21 million in these present value adjustments resulted from the utilisation of funds for early settlement discounts.

Finance income

Interest received on cash resources declined by R16 million from R44 million to R28 million due to a reduction in interest rates and the preference of settlement discounts to interest when the opportunities availed themselves.

The imputed IFRS interest adjustments increased by R20 million as a result of extended credit afforded to selected customers.

DEPRECIATION, AMORTISATION AND IMPAIRMENT

Goodwill impairments of R12 million in the Datacel group and a software impairment in the Technology segment of R5 million, occurred in the comparative period. There were no impairments in the current period, thus the decline.

SHARE OF PROFITS/(LOSSES) FROM ASSOCIATES AND JOINT VENTURES

Associate company	% Holding	R'000 Nov 2010	R'000 Nov 2009
Oxigen Services India Pvt Ltd (Oxigen)	37,22	**(1 972)**	(4 595)
Smart Voucher Limited (Ukash)	15,75	**3 308**	(7 542)
Other	—	**632**	240
Total		**1 968**	(11 897)

Associates and joint ventures' net contribution to Group profit is now positive.

Oxigen continued to reduce losses with a decline of 57%. This was achieved as a result of revenue increases of 7% and reduction in overheads by 18%, reported in local currency.

Although Ukash has accounted for a turnaround of R11 million, the inclusion of an historical unrecognised deferred tax asset accounted for R3,7 million of this amount. The increase of R7 million in trading profit was as a result of higher volumes in redemption of vouchers by 101%.

CORE NET PROFIT

Segments	R'000 Nov 2010	R'000 Nov 2009	% Growth
South African distribution	**286 650**	288 412	(0,6)
International distribution	**(2 015)**	1 371	(246,9)
Mobile	**5 274**	1 695	211,2
Solutions	**7 449**	(16 033)	146,5
Total trading operations	**297 358**	275 445	8,0
Technology	**(37 737)**	(35 727)	(5,6)
Corporate	**(53 240)**	(45 510)	(17,0)
Total support	**(90 977)**	(81 237)	(12,0)
Core earnings	**206 381**	194 208	6,3
Basic earnings per share (cents)	**25,45**	23,31	9,2
Core earnings per share (cents)	**27,27**	25,59	6,6
Headline earnings per share (cents)	**25,45**	23,38	8,9
Diluted earnings per share (cents)	**25,22**	23,09	9,2

Core earnings for the period increased by R12 million (6%) after the deduction of STC of R9 million applicable to the dividend paid in September 2010. Real growth therefore equated R21 million (11%).

In computing core earnings per share, basic earnings were increased by the amortisation of intangible assets amounting to R14 million equating to 1,82 cents per share.

COMMENTARY (continued)

DIVIDEND

The dividend policy is to consider paying a dividend after taking into account cash flow needs for working capital, capital expenditure, share buy backs and acquisitions. The Group intends maintaining a dividend cover of three to four times earnings.

BALANCE SHEET

•Assets

Total assets increased by R982 million to R5,43 billion.

There were no material movements in total non-current assets. Included in non-current assets is a loan to Oxigen of R17 million.

•Net current assets

Current assets increased by R979 million and current liabilities increased by R891 million resulting in an increase in net current assets of R88 million.

The Group took advantage of additional discounts from suppliers by increasing inventories prior to the traditionally busy December season. This was funded through a combination of the utilisation of cash resources, short-term loans and additional credit facilities afforded to the Group.

The application of the above was as follows:

–Inventory increased by R699 million.
–Cash resources declined by R295 million.
–A short-term loan of R301 million was procured for a tenure of 10 days.
–Accounts payable increased by R584 million equating to average creditors terms of 50 days.

Accounts receivable, which included a prepayment of R329 million for a bulk purchase transaction, increased by R616 million in line with increased revenues and the provision of additional credit to selected customers.

Loans receivable include a related party loan of R32 million to ZOK Cellular (Pty) Ltd.

•Capital and reserves

Capital and reserves increased by the net profit for the period of R192 million less dividends of R91 million. Non-controlling interests decreased by R5 million. Treasury shares were purchased for R9 million and R3 million of shares previously awarded under the forfeitable share scheme vested, resulting in a net decline of R6 million in share capital. There was a net increase in the share-based payment reserve of R6 million to account for the future vesting of shares in terms of the forfeitable staff share scheme. The decrease of R6 million in the non-distributable reserve was mainly due to foreign exchange movements in the translation of foreign subsidiaries.

The above equated to an increase in capital and reserves of R90 million.

FORFEITABLE SHARE SCHEME

Forfeitable shares totalling 5 532 192 were issued to qualifying employees, 219 616 shares were forfeited during the period and a total of 466 875 shares vested.

CASH FLOW

The temporary growth in inventories to the extent of R699 million, the prepayment of R329 million and additional credit afforded to customers were funded by free cash flow resources, additional funding from trade creditors and a short term loan. This resulted in a negative generation of cash from trading operations and positive cash flows from financing activities net of a dividend payment of R91 million. The investing activities of R43 million mainly related to capital expenditure.

PROSPECTS

Driving revenue growth and increasing gross profit margins are the short and medium term objectives.

The Group will continue to focus on expanding its product range offering and distribution network, organically and through acquisition, both locally and internationally.

In August 2010 Vodacom and Nedbank launched M-PESA, an initiative that facilitates the conversion of real money into electronic money at any authorised M-PESA outlet. Blue Label is in the process of providing its vast client base with M-PESA authorisation and capabilities to deliver this service. The impact of this will not be limited to money transfers but will enable the consumer to pay for all of the value added services that the Group offers to the end user through the M-PESA mechanism.

Although the Multi-Links contract has been cancelled, APSN will be distributing airtime and starter packs on behalf of other networks in Nigeria as well as introducing value added services and products to its distribution network. This will be supported by an aggressive roll out of intelligent point of sale devices throughout Nigeria.

The growth in prepaid electricity commissions is expected to continue as more municipalities offer prepaid electricity options to their customers and additional distribution contracts are concluded with municipalities across South Africa.

The strategic partnership launched with Ubank will combine their banking capabilities and the Group's technology platforms, products and services as a unique value proposition to Ubank's customers.

The Group will continue to capitalise on its vast "real estate" of printed vouchers through the generation of advertising revenue thereon.

SUBSEQUENT EVENTS

No event occurred subsequent to period end that required disclosure.

REVIEW REPORT

The results for the period ended 30 November 2010 have been reviewed by the company's auditors, PricewaterhouseCoopers Inc. and the unmodified review report is available for inspection at the company's registered office.

APPRECIATION

The board of Blue Label Telecoms would once again like to thank 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 2011

SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION

as at	30 November 2010 Reviewed R'000	31 May 2010 Audited R'000
ASSETS		
Non-current assets	**720 932**	717 581
Property, plant and equipment	**163 111**	156 888
Intangible assets and goodwill	**424 130**	436 824
Investment in associates and joint ventures	**100 423**	96 888
Starter pack assets	**19 642**	16 826
Deferred taxation assets	**13 626**	10 155
Current assets	**4 709 810**	3 730 721
Financial assets at fair value through profit and loss	**10**	150
Inventories	**1 259 446**	560 846
Loans receivable	**32 493**	43 617
Starter pack assets	**46 727**	77 467
Trade and other receivables	**1 603 558**	987 279
Current tax assets	**5 516**	4 285
Cash and cash equivalents	**1 762 060**	2 057 077
Total assets	**5 430 742**	4 448 302
EQUITY AND LIABILITIES		
Capital and reserves	**2 745 762**	2 655 436
Share capital, share premium and treasury shares	**4 346 361**	4 352 617
Restructuring reserve	**(1 843 912)**	(1 843 912)
Non-distributable reserve	**(18 978)**	(12 691)
Share-based payment reserve	**18 302**	12 037
Transaction with non-controlling interests reserve	**(914 867)**	(914 867)
Retained earnings	**1 101 506**	1 000 327
	2 688 412	2 593 511
Non-controlling interests	**57 350**	61 925
Non-current liabilities	**48 546**	47 696
Deferred taxation	**30 809**	31 616
Interest bearing borrowings	**17 737**	16 080
Current liabilities	**2 636 434**	1 745 170
Trade and other payables	**2 303 394**	1 718 907
Current tax liabilities	**29 247**	21 320
Bank overdraft	**—**	2 175
Current portion of interest bearing borrowings	**303 793**	2 768
Total equity and liabilities	**5 430 742**	4 448 302

SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME

six months ended	30 November 2010 Reviewed R'000	30 November 2009 Reviewed R'000
Revenue	**9 069 984**	8 401 960
Other income	**6 769**	36 460
Change in inventories of finished goods	**(8 496 645)**	(7 780 524)
Employee compensation and benefit expense	**(148 305)**	(151 326)
Depreciation, amortisation and impairment charges	**(51 013)**	(68 499)
Other expenses	**(121 541)**	(138 741)
Operating profit	**259 249**	299 330
Finance income	**68 809**	63 499
Finance expense	**(43 431)**	(63 105)
Share of profit/(loss) in associates	**1 968**	(11 897)
Profit for the period before taxation	**286 595**	287 827
Taxation	**(94 698)**	(100 874)
Net profit for the period	**191 897**	186 953
Other comprehensive loss:		
Exchange losses on translation of equity loans	**(6 737)**	(3 308)
Exchange losses on translation of foreign operations	**(4 779)**	(37)
Foreign currency translation reserve reclassified to profit or loss	**—**	(506)
Other comprehensive loss for the year, net of tax	**(11 516)**	(3 851)
Total comprehensive income for the year	**180 381**	183 102
Net profit for the period attributable to:	**191 897**	186 953
Equity holders of parent	**192 637**	176 915
Non-controlling interests	**(740)**	10 038
Total comprehensive income for the period attributable to:	**180 381**	183 102
Equity holders of parent	**185 511**	173 198
Non-controlling interests	**(5 130)**	9 904
Earnings per share for profit attributable to equity holders (cents)		
– Basic	**25,45**	23,31
– Headline	**25,45**	23,38
– Diluted basic**	**25,22**	23,09
– Diluted headline**	**25,22**	23,15
Dividend per share	**12,00**	—
Weighted average number of shares	**756 814 806**	758 921 476
Diluted weighted average number of shares	**763 874 243**	766 360 894
Number of shares in issue	**766 360 894**	766 360 894

**Dilutive earnings per share and dilutive 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.

Reconciliation between net profit and core net profit for the period:

Net profit for the period	**191 897**	186 953
Amortisation on intangibles raised through business combinations net of tax	**14 007**	18 357
Core net profit for the period	**205 904**	205 310
Core net profit for the period attributable to:	**205 904**	205,310
Equity holders of parent	**206 381**	194,208
Non-controlling interests	**(477)**	11,102
– Core earnings per share (cents)*	**27,27**	25,59

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

SUMMARISED GROUP STATEMENT OF CASH FLOWS

six months ended	30 November 2010 Reviewed R'000	30 November 2009 Reviewed R'000
Cash flows from operating activities	**(447 079)**	316 434
Cash flows from investing activities	**(42 924)**	(34 958)
Cash flows from financing activities	**203 363**	(23 730)
(Decrease)/increase in cash and cash equivalents	**(286 640)**	257 746
Cash and cash equivalents at the beginning of the period	**2 054 902**	1 756 806
Cash and cash equivalents disposed of/acquired in subsidiaries	**384**	(46 209)
Translation difference	**(6 586)**	(8 594)
Cash and cash equivalents at the end of the period	**1 762 060**	1 959 749

HEADLINE EARNINGS

six months ended	30 November 2010 Reviewed R'000	30 November 2009 Reviewed R'000
Profit attributable to equity holders of parent	**192 637**	176 915
Loss on disposal of property, plant and equipment	—	1 377
Intangible asset impairment	—	4 884
Profit on sale of group companies	—	(17 345)
Foreign currency translation reserve reclassified to profit or loss	—	(364)
Goodwill impairment	—	11 961
Headline earnings	**192 637**	177 428
Headline earnings per share (cents)	**25,45**	23,38

SUMMARISED GROUP STATEMENT OF CHANGES IN EQUITY

six months ended	Share capital, share premium and treasury shares Reviewed R'000	Retained earnings Reviewed R'000
Balance as at 1 June 2009	4 379 175	635 305
Net profit for the period	—	176 915
Other comprehensive loss	—	—
Total comprehensive income/(loss)	—	176 915
Treasury shares purchased	(26 408)	—
Share based payment	—	—
Equity based compensation movements	—	—
Non-controlling interests disposed of during the period	—	—
Contribution from non-controlling interests	—	—
Balance as at 30 November 2009	4 352 767	812 220
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	**—**	**(91 458)**
Treasury shares purchased	**(8 790)**	**—**
Share based payment	**—**	**—**
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**	**1 101 506**

Restructuring reserve Reviewed R'000	Non-distributable reserve Reviewed R'000	Transaction with non-controlling interests reserve Reviewed R'000	Share-based payment reserve Reviewed R'000	Non-controlling interests Reviewed R'000	Total equity Reviewed R'000
(1 843 912)	(13 399)	(914 399)	10 602	(9 252)	2 244 120
—	—	—	—	10 038	186 953
—	(3 717)	—	—	(134)	(3 851)
—	(3 717)	—	—	9 904	183 102
—	—	—	—	—	(26 408)
—	—	—	295	—	295
—	—	—	8 614	151	8 765
—	—	(383)	—	12 650	12 267
—	—	—	—	621	621
(1 843 912)	(17 116)	(914 782)	19 511	14 074	2 422 762
(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**
—	**—**	**—**	**—**	**—**	**(91 458)**
—	**—**	**—**	**—**	**—**	**(8 790)**
—	**—**	**—**	**(234)**	**234**	**—**
—	**—**	**—**	**(2 323)**	**—**	**211**
—	**—**	**—**	**8 822**	**288**	**9 110**
—	**—**	**—**	**—**	**33**	**33**
—	**839**	**—**	**—**	**—**	**839**
(1 843 912)	**(18 978)**	**(914 867)**	**18 302**	**57 350**	**2 745 762**

SEGMENTAL SUMMARY

six months ended	Total Reviewed R'000
30 November 2010	
Total segment revenue	**15 477 677**
Internal revenue	**(6 407 693)**
External revenue	**9 069 984**
EBITDA	**310 262**
Net profit for the period	**192 637**
Amortisation on intangibles raised through business combinations net of tax and non-controlling interests	**13 744**
Core net profit for the period	**206 381**
At 30 November 2010	
Total assets	**5 430 742**
Net operating assets/(liabilities)	**2 073 376**
30 November 2009	
Total segment revenue	13 839 037
Internal revenue	(5 437 077)
External revenue	8 401 960
EBITDA	367 829
Net profit for the period	176 915
Amortisation on intangibles raised through business combinations net of tax and non-controlling interests	17 293
Core net profit for the period	194 208
At 31 May 2010	
Total assets	4 448 302
Net operating assets/(liabilities)	1 985 551

South African distribution Reviewed R'000	International distribution Reviewed R'000	Technology Reviewed R'000	Mobile Reviewed R'000	Solutions Reviewed R'000	Corporate Reviewed R'000
14 914 687	**440 674**	**10 360**	**48 598**	**63 358**	**—**
(6 395 391)	**(767)**	**(2 683)**	**(6 722)**	**(2 130)**	**—**
8 519 296	**439 907**	**7 677**	**41 876**	**61 228**	**—**
346 171	**7 344**	**(27 939)**	**13 070**	**12 388**	**(40 772)**
282 159	**(2 747)**	**(37 927)**	**(692)**	**5 084**	**(53 240)**
4 491	**732**	**190**	**5 966**	**2 365**	**—**
286 650	**(2 015)**	**(37 737)**	**5 274**	**7 449**	**(53 240)**
4 650 633	**430 961**	**88 979**	**98 182**	**138 734**	**23 253**
1 873 317	**188 449**	**16 114**	**11 684**	**22 151**	**(38 339)**
12 971 347	674 596	59 018	58 897	75 179	—
(5 380 183)	270	(49 300)	(1 905)	(5 959)	—
7 591 164	674 866	9 718	56 992	69 220	—
361 746	63 349	(25 735)	9 083	(268)	(40 346)
283 928	(1 561)	(35 917)	(4 271)	(19 754)	(45 510)
4 484	2 932	190	5 966	3 721	—
288 412	1 371	(35 727)	1 695	(16 033)	(45 510)
3 612 970	517 400	67 930	104 223	139 429	6 350
1 807 991	208 322	(2 730)	4 512	9 363	(41 907)

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")

Directors
LM Nestadt (Chairman)*, BM Levy, MS Levy, K Ellerine*,
GD Harlow*, NN Lazarus sc*, JS Mthimunye*, M Nyati*,
MV Pamensky, DB Rivkind, LM Tyalimpi*

(*Non-Executive)

Company Secretary
E Viljoen

Sponsor
Investec Bank Limited

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