



## PRESS RELEASE

### BLUE LABEL TELECOMS LIMITED

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#### Final Results for the year ended 31 May 2010: Maiden Dividend Approved

Blue Label Telecoms today announced results for the year ended 31 May 2010.

Joint CEO's Brett and Mark Levy said: *"In maintaining our position as the major distributor of prepaid goods and transactional services in South Africa, Blue Label has once again delivered a robust trading performance. This achievement, together with contributions from our international segment, resulted in EBITDA growth of 21%."*

The growth in profitability was achieved through an increase in revenue by 11% to R17 billion. Cash flow generated from operations amounting to R516 million compounded cash on hand to R2 billion at year end.

Losses in associate company Oxigen India declined by 73% resulting in Blue Labels' share thereof reducing from R26 million to R7 million. The relationship with the State Bank of India has been strengthened with the introduction of kiosk banking and mobile wallets via web enabled retailers.

The South African distribution segment contributed more than 90% of revenue, whilst the International distribution business showed positive growth.

The impact of sustained low rates of interest on interest received, impairments to goodwill attributable to the closure of underperforming call centres, and impairments to intangibles had the net effect of core earnings declining by 6% to 52,34 cents per share.

The joint CEO's concluded: *"As testimony to the strength of our business model, honed since our listing just over 2 years ago, a maiden dividend of 12c per share has been approved. New products encompassing money transfers, bill payments and prepaid electricity will enhance our business model. The cash generative nature of our operations, zero gearing and expansion programmes in South Africa, Nigeria, India and Mexico augur well for the continuing growth of Blue Label. Our strategy is to continue extending our global footprint of touch points while diversifying product and service offerings, thereby maximising revenue generation from this established and expanding foundation."*

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