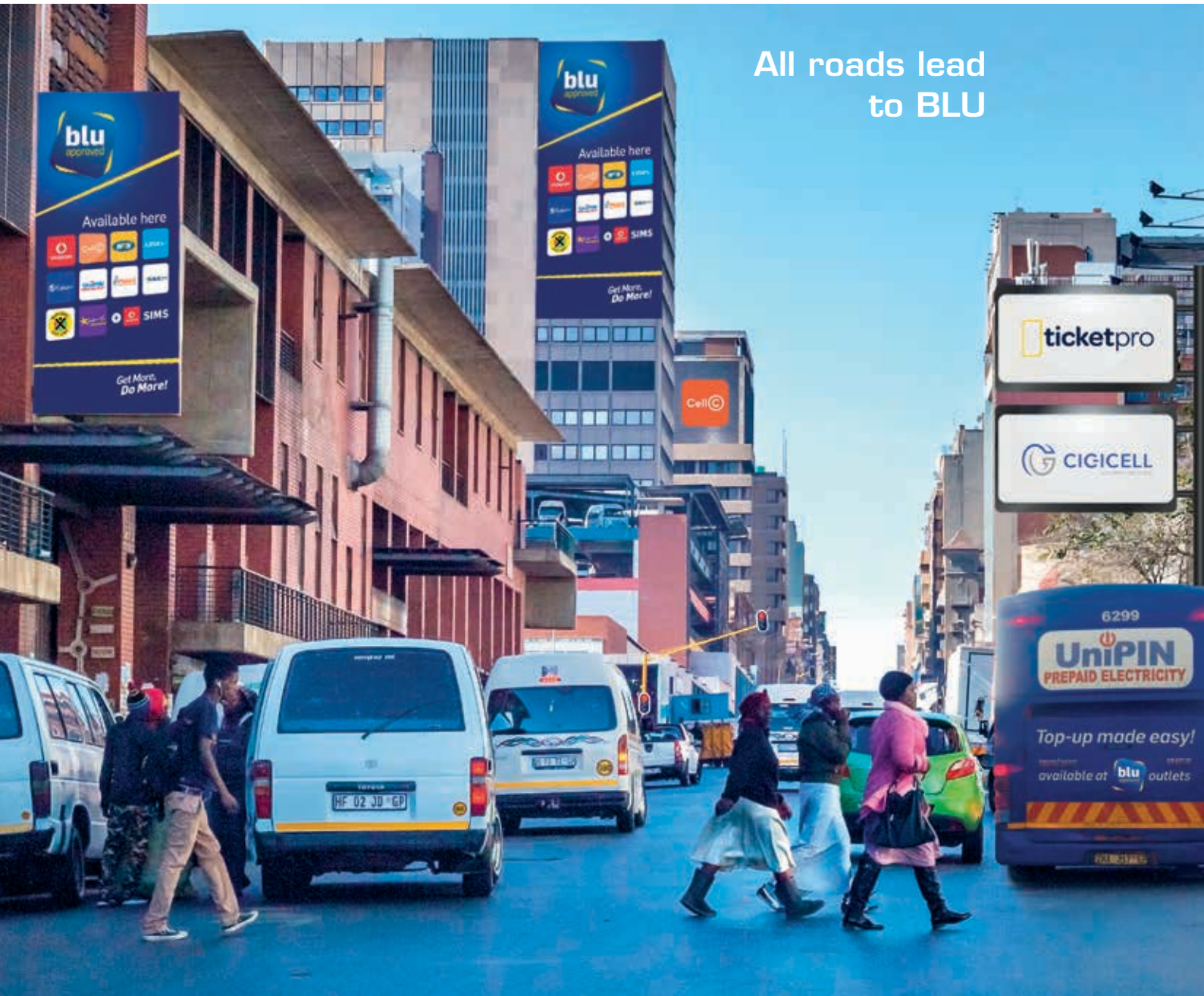
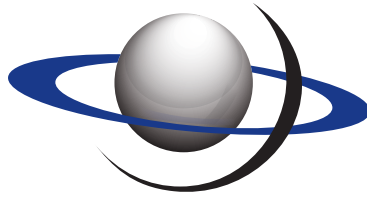


BLUE LABEL TELECOMS

All roads lead
to BLU



Unaudited results for the half year
ended 30 November 2018



BLUE LABEL

TELECOMS

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Interim Results Presentation

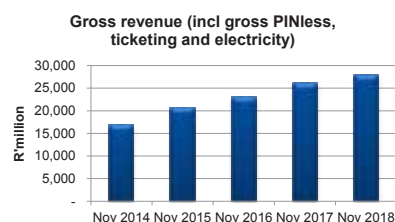
November 2018



Highlights for the six months ended 30 November 2018

- ▶ Revenue of R12.3 billion
- ▶ On inclusion of the gross amount generated on "PINless top-ups", prepaid electricity and ticketing, the effective increase equated to 7%
- ▶ Increase in gross profit of 15% to R1.31 billion
- ▶ Increase in gross profit margin from 8.37% to 10.63%
- ▶ Increase in EBITDA of 13% to R872 million on exclusion of the SPV adjustments
- ▶ Increase in core headline earnings per share of 3% to 55.13 cents on exclusion of Cell C and the SPV adjustments
- ▶ Cash resources R940 million
- ▶ Cell C's 12 months EBITDA growth of 21%, a strong performance relative to market

Blue Label continues to show resilience in tough SA economy



2

NOTES:

- ▶ Integration of acquisitions
- ▶ Continued focus on efficiencies & economies of scale
- ▶ Aggressive informal market expansion
- ▶ Building a unified and integrated platform
- ▶ Using big data analytics to up-sell & cross-sell
- ▶ Actively growing revenue assurance – BLT vertical integration
- ▶ Expanding reach, customer service & footprint
- ▶ Cell C – 5 pillars of growth, liquidity event & procurement opportunity
- ▶ Mexico restructured & finalising investment into Indian operation

Blue Label is a sophisticated technology company that brings first world services through digitization to all South Africans by continuously expanding our distribution footprint.

3



- ▶ Africa Distribution:
 - The Prepaid Company
 - Blue Label Distribution
 - Cell C
 - 3G
 - Cigicell
 - Wi-Connect
 - Blue Label Connect
 - Airvantage
 - Glocell
- ▶ Blue Label Data Solutions:
 - Blue Label Data Solutions
 - United Call Centre Solutions
- ▶ Blue Label Mobile:
 - Integrated Communications
 - VAS & Entertainment
 - Financial Services
 - Marketing
- ▶ International

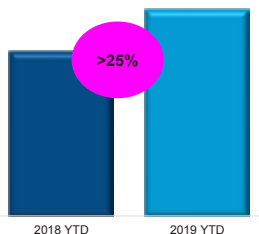
NOTES:

Blue Label Distribution

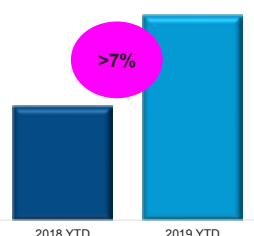


- ▶ Excellent performance across all financial measures

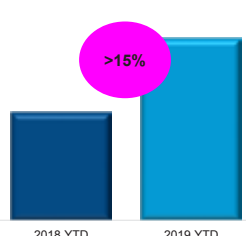
Face Value Performance
YoY - Billions



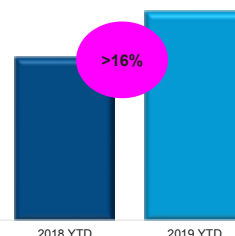
Sales Revenue
Performance YoY - Billions



Gross Profit Performance
YoY - Millions



NPAT Performance YoY -
Millions



5

Blue Label Distribution cont.



- ▶ Our points of presence across all distribution channels continue to grow, extending our reach & penetration throughout South Africa
- ▶ New BLD ecosystem and product range providing resilience in tough SA market
 - ▶ Successful launch of an internally controlled customer interaction centre (CIC)
 - ▶ CIC significantly improved customer service and ability to provide timely solutions
- ▶ New product penetration growth continues for money transfers - Mukuru, gaming - Hollywood Bets, DSTV, card acquiring & Lotto
- ▶ Wi-Connect rolling out new stores – current 71, targeting 150 in next 3 years



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NOTES:

Blue Label Distribution - Informal Market

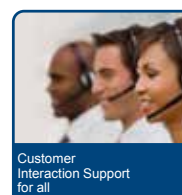
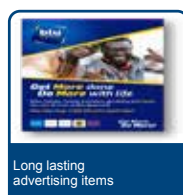
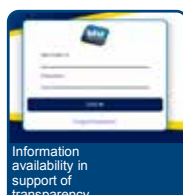
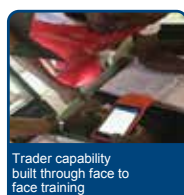


- ▶ Informal market performing well – 10 300 new customers signed up, 8 800 active to November 2018
- ▶ Focused market expansion to bring products and a modern experience to customers who haven't previously had this available in a consistent and affordable manner.
- ▶ Positioning ourselves for sustainable long term growth whilst contributing to effective financial inclusion in striving to eradicate inequality.
- ▶ Long term vision – to have 150 000 points of sale in the informal market

ADDITIONAL INFORMAL TRADERS PER MONTH
*Actively Trading Customers have traded within the last 12 weeks



Differentiation through trader focus and support



Ticketpro



- ▶ Ticketpro boasts the largest ticket sales distribution network in South Africa (Spar, Sasol, Jet, We Connect, Edgars) - 2000 stores nationwide.
- ▶ One of the only ticketing platforms that delivers all types of transport both commuter and long haul – a key differentiator
- ▶ Developed its own travel portal selling flights, accommodation, car rental as well as packages to international destinations
- ▶ State of the art access control designed and built in house connected to one system
- ▶ Fully customizable CRM platform attached to the ticketing engine
- ▶ Built South Africa's first online fully cashless ticketing and cashless integrated solution
- ▶ Fully fledged operating accreditation system
- ▶ 9 different payment methods delivering convenience for all customers



Ticketpro delivers unique and exclusive content to the Blue Label Group and uses innovative strategies to drive foot traffic into our merchants.

8

NOTES:

- ▶ Only distributor in Africa that offers the full suite of tier 1 to 4
- ▶ Able to offer a complete 4pl solution
- ▶ Partnerships with major Southern African MNOs, major Southern African retailers and several significant B2B partners
- ▶ Expanded out of pure telco financing to include DSTV decoders and ISP's.
- ▶ Incorporated Reware, a leader in the South African certified pre-owned mobile phone market, into the Group
- ▶ Untapped market in Southern Africa for certified pre-owned (CPO) phones
 - The global market for refurbished smartphones grew 13% y/y in 2017, reaching close to 140 million units.
 - The total market value for used devices in 2022 will be an estimated \$52.7 billion.

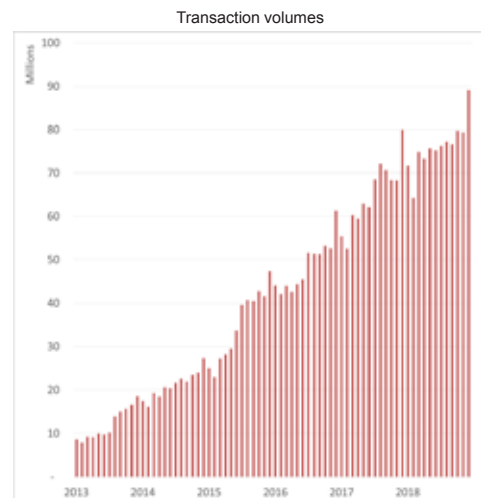


6 months to	May 2018	Nov 2018
Core NPAT	R121m	R144m

9

Technology

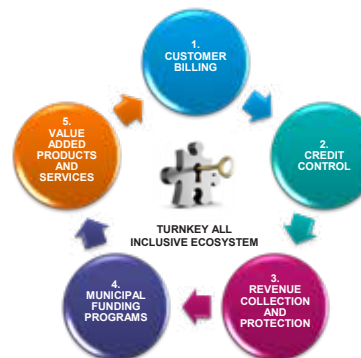
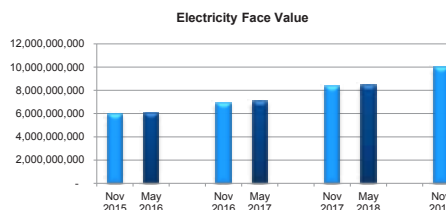
- ▶ Technology is at the center of everything we deliver to our customers and their consumers
- ▶ On-going investment in technology and skills
- ▶ Focus integrating systems to provide a complete solution, allowing greater speed to market and customer satisfaction
- ▶ The number of transactions per month continues to grow
- ▶ Deriving more value from the investment in artificial intelligence and machine learning systems
- ▶ Solutions continue to evolve to deal with growing volumes and delivery of new products
- ▶ Bouquet of products and services differentiates us from competitors



10

NOTES:

- ▶ Face value sales grew 19,7% to in excess of R10 billion in 6 months to November 2018
- ▶ Turnkey solution attractive to municipalities - provides a comprehensive range of solutions, which address municipal revenue enhancement ecosystem
- ▶ Cigicell in uniquely advantageous position - leverage the Blue Label group companies
- ▶ Meter audit funding solutions key to aiding municipal revenue collections
- ▶ Innovative products continue to be developed for municipalities
- ▶ Revenue assurance proof of concept complete – roll-out commencing



BUILDING MUNICIPAL REVENUE ENHANCEMENT ECO-SYSTEMS

11

Solutions Segment

- ▶ Blue Label Data Solutions specialises in data profiling, lead generation and location-based marketing services
- ▶ Very strong performance over past 6 months
- ▶ Focus has been on the diversification of product offering to our customer base
- ▶ Our stake in United Call Centre Solutions add to our service offering – we up-sell and cross-sell 3rd party products and services, particularly in the value added sector
- ▶ Exceptional growth of the call centre from 200 seats to over 1 000 seats
- ▶ Blu Nova specialises in data analytics providing both companies with intelligent data that drives the sales process – suitable products sets for specific customer bases
- ▶ Progress is being made on 'owning our own product' to sell internally and leverage off our current expertise in the direct marketing industry



	H1 2016 R'000	H1 2017 R'000	H1 2018 R'000	H1 2019 R'000
Revenue	103 222	100 063	102 623	105 416
EBITDA	18 975	19 366	24 442	21 978
NPAT	6 808	11 345	13 715	25 155

12

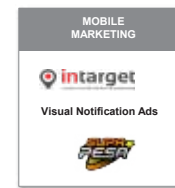
NOTES:

Mobile Segment



- ▶ Operates in 4 verticals – integrated communications, VAS infotainment, mobile financial services and mobile marketing
- ▶ We have restructured this business to integrate all verticals and offer holistic services
- ▶ Instead of a B2C focus, we now concentrate on delivering a B2B2C service
- ▶ Hyve acquisition in process - integrated Service Delivery Platform (SDP)
- ▶ Platform allows management of all 3rd party content, billing, messaging and compliance
- ▶ Our business proposition to customers requires no capex, no up front cost, flexible commercials and is price competitive
- ▶ We continue to expand geographically & grow in a competitive market

	H1 2017 R'000	H1 2018 R'000	H1 2019 R'000
Revenue	148 651	172 988	165 439
EBITDA	46 765	47 283	48 580
NPAT	24 145	26 433	29 447

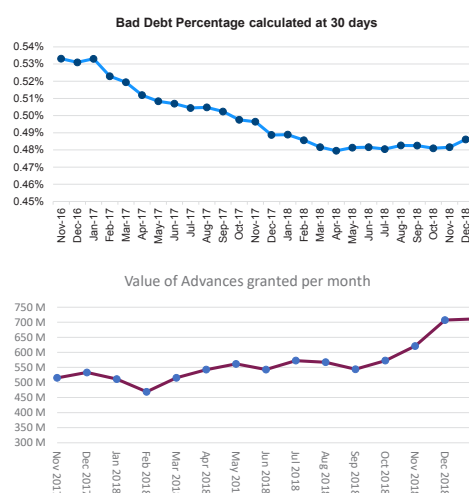


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Airvantage



- ▶ Successful implementation of machine learning into our credit algorithms:
 - Generating ARPU increase and churn reduction
 - Highlight other trends - fraud analysis, pre-empt churn, upselling opportunities from prepaid to hybrid / post paid
- ▶ True partner to MNOs - pay for all costs, take 100% of the risk and only share in the upside
- ▶ Run a fully managed service for our MNO partners with no upfront costs / capex or risk
- ▶ We consistently tender for new territories that are looking to implement our product. Growth opportunities in LATAM, Middle East and Asia
- ▶ Introduce new product innovations such as multiple advances, content advances, auto advances and smartphone applications
- ▶ Key annual metrics:
 - Over 930k advances per day across all territories
 - Bad debt – less than 1 % across all territories
 - An average of 4.2 advances per unique subscriber per month
 - Value of advances granted per annum across all territories equals R7 billion



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NOTES:

Mexico

- ▶ Business restructured to reduce costs significantly
- ▶ Focus on financial services – food vouchers, bill payments
- ▶ Development of hub & spoke strategy
- ▶ On track to be profitable by May 2019



India

- ▶ Negotiations continuing on 3rd party investment into Indian operation



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UNAUDITED Results Presentation

For the year ended 31 December 2018



NOTES:

New accounting standards

Summary of adoption of new accounting standards and basis of results

Cell C adopted IFRS 15 - *Revenue from contracts with customers*, IFRS 9 - *Financial instruments*, and IFRS 16 - *Leases* effective 1 January 2018.

Adoption policy - comparative information have not been restated to reflect the requirements of the new standards. Therefore, the comparative information for 2017 is reported under IAS 17, IAS 18 and IAS 39 and is not comparable to the information presented for 2018.

2018 Restated - For comparability purposes, the 2018 results were restated based on the same accounting standards applied in 2017.

2017 - 2017 reported results are unadjusted for IFRS 15, IFRS 16 and IFRS 9 and excludes the effect of the gain on re-capitalization.

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Unaudited

Highlights – 2018 Key performance indicators

+3%

YTD
Service Revenue
R13.6 Billion

+21%

YTD
EBITDA
R4.4 Billion

+15%

Capital expenditure as a
% of service revenue
R2.1 Billion

+0%

YTD
Total Group Revenue* (incl
equipment revenue)
R16.8 Billion

+5%

YTD
EBITDA Margin
28%

-35%

YTD
Net Loss After Tax
R1.3 Billion

*On a 2018 vs 2017 like for like comparison Group Revenue growth was +7%

¹⁸ Comparison to 2017 reported results (unadjusted for IFRS 15, IFRS 16 and IFRS 9)



NOTES:

Positive results

Summary of reported financial information

R'm	2018	2017	% Change	2018 Restated	% Change vs 2017
Total revenue	15 699	15 715	— -	16 825	▲ 7
Gross margin	8 122	8 170	▼ 1	8 629	▲ 6
Gross margin %	52%	52%	— -	51%	▼ 1
EBITDA	4 406	3 654*	▲ 21	3 512	▼ 4
EBITDA margin %	28%	23%	▲ 5	21%	▲ 2
Net loss after tax	(1 274)	(1 947)	▲ 35	(1 340)	▲ 31

2018 Restated - For comparability purposes, the 2018 results were restated based on the same accounting standards applied in 2017.

* Removed the recapitalization one-off gain of R3.948 billion from 2017 results.

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Unpacking our subscribers

Other key performance indicators

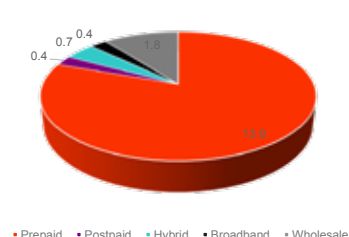
Million	2018	2017	% Change
Total active subscribers	17.2	16.3	▲ 6
MVNO subscriber base	1.8	1.5	▲ 22
Total active data subscribers	12.1	12.6	▼ 4
Total data revenue (R'm)	6 641	5 230	▲ 27
Capital expenditure (R'm)	2 023	1 198	▲ 69

Rand	2018	2017	% Change
Total ARPU	69	73	▼ 5
Prepaid	55	56	▼ 2
Contract	233	209	▲ 11

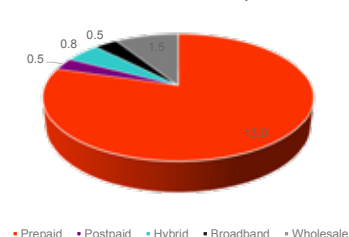
Increase in smartphone users YTD	2018	2017	% Change
Smartphones on our network (million)	9.5	9.2	▲ 3

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2018 Subscriber Base Composition



2017 Subscriber Base Composition



NOTES:

Balance sheet

Unaudited

R'm	2018	2017	% Change	2018 Restated	% Change vs 2017
Network assets	15 145	8 617	▲ 76	10 087	▲ 17
Intangible assets	1 704	1 341	▲ 27	1 423	▲ 6
Trade receivables and other assets	4 701	4 896	▼ 4	4 937	▲ 1
Deferred tax	4 094	4 094	-	4 094	-
Total assets	25 644	18 948	▲ 35	20 541	▲ 8
Loans and borrowings	8 935	6 824	▲ 31	8 062	▲ 18
Other liabilities provisions	6 746	6 875	▼ 2	8 232	▲ 20
Lease obligations	7 560	1 488	▲ >100	1 826	▲ 23
Total liabilities	23 241	15 187	▲ 53	18 120	▲ 19
Net equity	2 403	3 761	▼ 36	2 422	▼ 36

2018 Restated - For comparability purposes, the 2018 results were restated based on the same accounting standards applied in 2017.
 21 Comparison to 2017 reported results (unadjusted for IFRS 15, IFRS 16 and IFRS 9).



Analysis of debt and finance cost

Rand million	Currency	Tenor	Facility amount (ZAR)	Interest rate	Interest paid and accrued	F-X	Contractual Interest rate	Cost of borrowing, including F-X
Bonds	USD	3 years	2 066	8,625%	211	588	7,9%	
CDB	USD	3 years	1 935	LIBOR + 3.45%	111	380	5,7%	
ICBC	ZAR	3 years	1 046	JIBAR + 3.45%	111		10,6%	
Nedbank	ZAR	3 years	797	JIBAR + 5%	95		12,0%	
DBSA	ZAR	3 years	190	JIBAR + 5%	23		12,0%	
ZTE Bridge Vendor Financing	USD	5 years	107	LIBOR + 3.5%	0		6,4%	
RMB/ABSA/Investec	ZAR	1 year	1 400	15,5%	89		15,5%	
Handset financing	ZAR	1 year	865	variable	94		10,9%	
BLT capex facility	ZAR	Repaid		17,0%	84		17,0%	
Capitalised finance cost			(71)					
Net hedge			(160)			(564)		
Total			8 775		818	404	9,7%	13,9%
Other finance cost*					366	280		
Finance leases	ZAR	1-10 years	7 560	variable	909		12,0%	
Cash			(493)		(61)			

Rand million	Facility amount (ZAR)	Interest paid and accrued	F-X	Total interest and F-X
Net debt including leases	15 843	2 032	684	2 716
Net debt excluding leases	8 282	1 123	684	1 807

* including CEC related costs in interest paid and accrued and F-X relates to working capital

Net finance cost are R2.7 Billion including finance leases & including foreign exchange and R1.8 Billion excluding finance leases & including foreign exchange

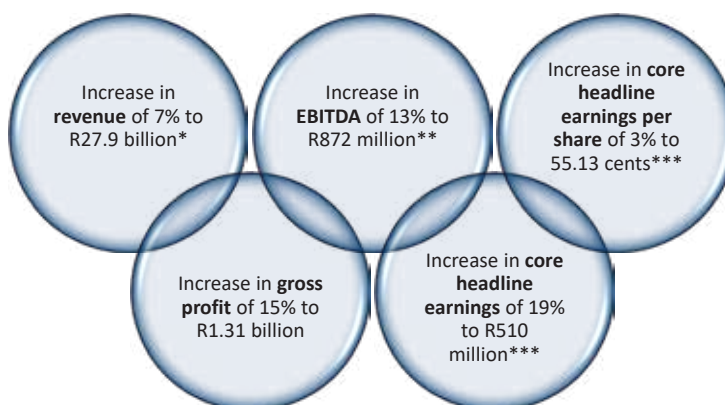


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NOTES:

Financials

Highlights



- * On inclusion of the gross amount generated on "PINless top-ups", prepaid electricity and ticketing
- ** On exclusion of the fair value downward adjustment of R493 million relating to the derivative instruments on the SPVs
- *** On exclusion of the financial results of Cell C and the negative impact of the SPV adjustments

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NOTES:

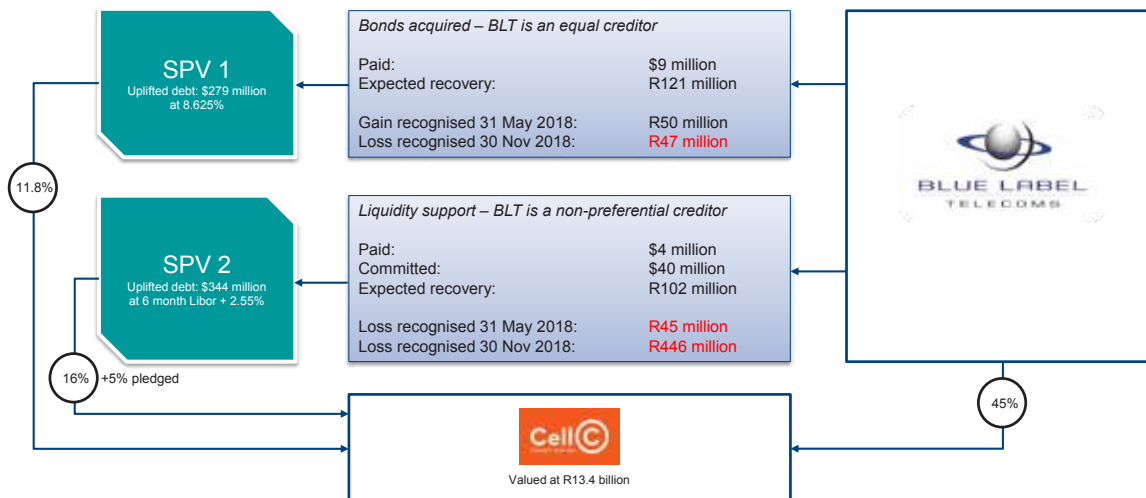
Income Statement



Unaudited	Group Nov 2018 R'000	Cell C Nov 2018 R'000	SPVs adj Nov 2018 R'000	Remaining entities Nov 2018 R'000	Group Nov 2017 R'000	Cell C Nov 2017 R'000	Remaining entities Nov 2017 R'000
Revenue	12,301,717	-	-	12,301,717	13,633,442	-	13,633,442
Gross Profit	1,307,990	-	-	1,307,990	1,141,247	-	1,141,247
EBITDA	379,168	-	-492,640	871,808	768,475	-	768,475
Share of (losses)/profits from associates and joint ventures	-138,038	-133,465	-	-4,573	940,425	924,194	16,231
- Cell C	-133,465	-133,465	-	-	924,194	924,194	-
- Blue Label Mexico	-13,002	-	-	-13,002	-10,511	-	-10,511
- Other	8,429	-	-	8,429	26,742	-	26,742
Net (loss)/profit	-116,532	-133,465	-492,640	509,573	1,350,261	924,194	426,067
Core net (loss)/profit	-82,874	-128,277	-492,640	538,043	1,364,248	927,643	436,605
Core headline earnings	-105,394	-123,056	-492,640	510,302	1,358,229	927,643	430,586
Gross profit margin	10.63%			10.63%	8.37%		8.37%
EBITDA margin	3.08%			7.09%	5.64%		5.64%
Weighted ave shares	925,687,772			925,687,772	805,590,826		805,590,826
EPS (cents)	-12.59			55.05	167.61		52.89
HEPS (cents)	-15.02			52.05	166.86		52.14
Core HEPS (cents)	-11.39			55.13	168.60		53.45

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SPV1 & SPV2



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NOTES:

Revenue



Unaudited	Nov 2018 R'000	Nov 2017 R'000	Growth R'000	Growth %
Prepaid airtime, data and related revenue	15,145,615	16,341,414	-1,195,799	-7%
- Prepaid airtime and data	9,651,183	12,387,119	-2,735,936	-22%
- "PINless" airtime top-ups*	5,494,432	3,954,295	1,540,137	39%
Postpaid airtime, data and related revenue	78,187	54,028	24,159	45%
Prepaid & Postpaid SIM cards	603,092	425,555	177,537	42%
Services	331,717	311,157	20,560	7%
Gross electricity revenue	10,006,253	8,360,543	1,645,710	20%
- Electricity commission	190,470	154,325	36,145	23%
- Gross electricity revenue*	9,815,783	8,206,218	1,609,565	20%
Handsets, tablets and other devices	1,092,645	239,233	853,412	357%
Finance revenue	259,838	-	259,838	-
Gross ticketing revenue*	323,768	275,984	47,784	17%
Other revenue	94,585	62,025	32,560	52%
Gross revenue	27,935,700	26,069,938	1,865,761	7%
Less: imputed gross revenue ^(sum of *)	-15,633,983	-12,436,497	-3,197,485	26%
Reported revenue	12,301,717	13,633,441	-1,331,724	-10%

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Africa distribution



Unaudited	Nov 2018 R'000	Cell C R'000	Adj R'000	3G Group R'000	Air- vantage R'000	Remaining entities Nov 2018 R'000	Nov 2017 R'000	Cell C R'000	Adj R'000	3G Group R'000	Air- vantage R'000	Remaining entities Nov 2017 R'000	Growth ex Cell C and adj R'000	Growth % ex Cell C and adj R'000
Revenue	12,017,922	-	-	1,095,203	43,307	10,879,412	13,357,831	-	-	-	-	13,357,831	-1,339,909	-10%
Gross Profit	1,166,307	-	-	241,484	34,235	890,588	1,009,700	-	-	-	-	1,009,700	156,607	16%
EBITDA	318,065	-	-469,545	199,663	28,564	559,383	732,048	-	-	-	-	732,048	55,562	8%
Share of losses from associates and joint ventures	-139,451	-133,465	-	-	-	-5,986	949,534	924,194	-	31,381	-	-6,041	-31,326	-124%
- Cell C	-133,465	-133,465	-	-	-	-	924,194	924,194	-	-	-	-	0	
- 3G Mobile	-	-	-	-	-	-	31,381	-	-	31,381	-	-	-31,381	
- Other	-5,986	-	-	-	-	-5,986	-6,041	-	-	-	-	-6,041	55	
Core net (loss)/profit	-105,425	-128,277	-468,754	144,264	10,081	337,261	1,395,705	927,643	-21,194	35,537	-	453,719	2,350	0%
Core headline earnings	-127,791	-123,056	-468,754	144,264	10,076	309,679	1,394,892	927,643	-21,194	35,537	-	452,906	-24,424	-5%
Gross profit margin	9.70%			22.05%	79.05%	8.19%	7.56%					7.56%	-11.69%	
EBITDA margin	2.65%			18.23%	65.96%	5.14%	5.48%					5.48%	-4.15%	

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NOTES:

Unaudited	Jun - Nov 2018 Consolidated R'000	Aug - Nov 2017	
		Dec - May 2018 Consolidated R'000	Equity accounted R'000
Revenue	1,095,203	764,917*	569,316*
Change in inventories of finished goods	-853,719	-538,733*	-429,838*
Gross profit	241,484	226,184	139,478
Other income	1,619	1,657	959
Overheads	-43,440	-47,182	-34,504
EBITDA	199,663	180,659	105,933
Depreciation, amortisation and impairment charges	-2,096	-2,144	-1,749
EBIT	197,567	178,515	104,184
Net finance expense	3,160	2,381	2,341
Net profit before taxation	200,727	180,896	106,525
Taxation	-56,463	-59,712	-31,505
Net profit after taxation	144,264	121,184	75,020

* For illustrative purposes, prior period revenue and changes in inventories of finished goods has been restated in line with IFRS 15



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Unaudited	R'million
Cell C loss for 12 months ended to December 2018	-1,274
Deduct: Loss for the month of December 2018	118
Cell C loss for 11 months ended to November 2018	-1,156
Deduct: Cell C loss 6 months ended June 2018	645
	-511
Plus: Cell C loss for the month of June 2018	-124
Cell C loss for 6 months ended November 2018	-634
IFRS 16 adjustments	236
Share scheme adjustments	113
Cell C core net profit accounted for by Blue Label	-285
Blue Label's 45% share of core earnings	-128

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NOTES:

Africa distribution – remaining entities (Excl. Cell c, 3G, Airvantage & SPVs)



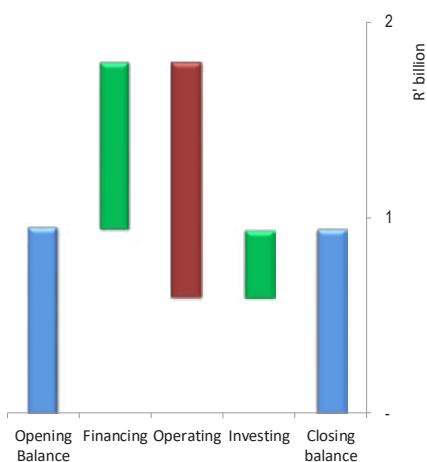
Unaudited	H1 Nov 2018 R'000	H1 Nov 2017 R'000	H1 vs H1 Growth R'000	H1 vs H1 Growth %	H2 Dec 17 - May 18 R'000	H1 vs H2 Growth R'000	H1 vs H2 Growth %
Revenue	10,879,412	13,357,831	-2,478,419	-19%	11,463,417	-584,005	-5%
Gross Profit	890,588	1,009,700	-119,112	-12%	749,044	141,544	19%
EBITDA	559,383	732,048	-172,665	-24%	413,433	145,950	35%
Share of losses from associates and joint ventures	-5,986	-6,041	55	1%	-4,559	-1,427	-31%
Core net profit	337,261	453,719	-116,458	-26%	283,781	53,480	19%
Core headline earnings	309,679	452,906	-143,227	-32%	286,335	23,344	8%
Gross profit margin	8.19%	7.56%			6.53%		
EBITDA margin	5.14%	5.48%			3.61%		

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Cash flow



Unaudited	Nov 2018 R'000	Nov 2017 R'000
Cash generated by operations	(950,899)	3,297,462
Interest received	64,102	43,702
Interest paid	(118,819)	(40,642)
Taxation paid	(187,617)	(184,522)
Cash flows from operating activities	(1,193,233)	3,116,000
Cash flows from investing activities	846,650	(6,345,713)
Cash flows from financing activities	337,650	2,350,250
Decrease in cash and cash equivalents	(8,933)	(879,463)
Cash and cash equivalents at the beginning of the period	947,888	1,350,666
Translation difference	693	—
Cash and cash equivalents at the end of the period	939,648	471,203



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NOTES:

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