

BLUE LABEL
TELECOMS

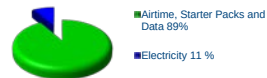
**RESULTS FOR
THE YEAR ENDED
31 MAY 2016**



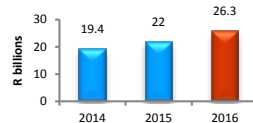
Group highlights for the year ended 31 May 2016

- Compounded earnings continue to escalate:
 - **Headline earnings per share** by 22% to 100.35 cents, in spite of negative contribution of International Segment equating to 13.85 cents
 - **Core headline earnings per share** by 21% to 102.85 cents
 - **Earnings per share** by 20% to 103.85 cents
 - **Dividend** declared by 16% to 36 cents per share
 - **Revenue** by 19% to R26.2 billion
 - **Gross Profit** by 11% to R1.8 billion
 - **EBITDA** by 15% to R1.2 billion
- Acquisition of stake in Cell C progressing positively
- Cash on hand amounted to R589 million

Gross Profit Contribution



Revenue



Dividend per share





South African Distribution Segment:

- Prepaid Airtime, Data and Starter packs
- Retail Distribution Channel
- Prepaid Electricity and Prepaid Water
- Ticketing by *ticketpro*
- Financial and other Value Added Services

Acquisition of stake in Cell C

Making a difference in South Africa

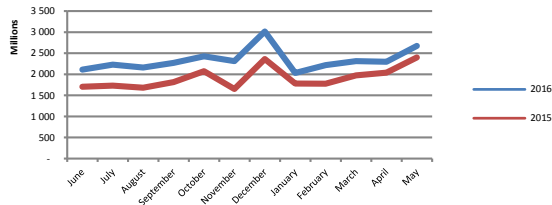
Shareholder Profile

Brett Levy – Joint CEO

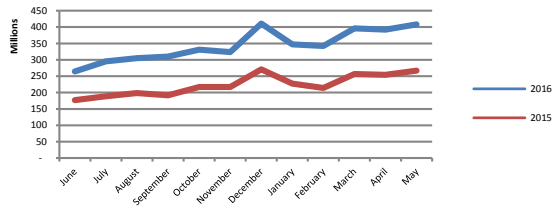
Financial and operational highlights

- Revenue up 19% to R25.7 billion through organic growth
- PINless top-up revenue up 52% to R4.1 billion
 - when imputed to revenue effective growth is 23%
- Gross profit up 10% to R1.6 billion
- Gross Profit margins contracted from 6.67% to 6.15%
- Core net profit up 10% to R751 million
- Electricity commissions earned up 20%

Prepaid Airtime Revenue Growth



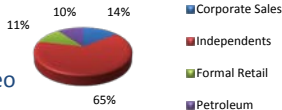
Direct Top Up - PINless Airtime Growth



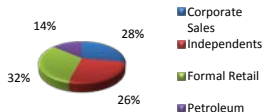
Prepaid Airtime, Data and Starter packs

- New connections ~700,000 SIM's per month
- Increasing sales across expanding distribution channels driven by:
 - differentiating merchants into 3 tiers, with matching service levels
 - additional online data products - bundling voice/data, social networking and video
 - 'chat 4 change' sales up 75%
 - increasing availability of lower-cost devices
 - M2M/IoT communication applications
 - strong support in banking, independent and retail channels
- Informal/rural market -89% of revenue:
 - commercial arrangements with large independent cellular service providers
 - deeper reach into rural areas
 - entrepreneur model now encompasses *bicycle trader (BLU Agent)*, as well as *gazebo & umbrella-table*
- Formal market - 11% of revenue
 - retail distribution

Airtime Contribution by channel



Data Contribution by channel



Retail Distribution

- Forward integration plan
- Hardware products include POS devices, tablets, phablets, handsets and phones
- Boost, Blaupunkt and Verssed brands
- Route-to-market through most major chain stores
- Customers utilise cash or Edcon group approved credit facilities

- **Blue Label Connect:**

- merchandise includes postpaid, hybrid, VAS - wholesale and retail
- money transfer service soon to launch

- **Edgars Connect:**

- merchandise includes telephony and SIM cards – prepaid, postpaid, hybrid, voice and data, IoT/M2M (monitoring cameras, home appliances, room temperatures, security systems, irrigation devices), prepaid electricity and VAS of 'Blu Approved' brand,
- Ticketpro products launched in Edgars Connect and Edcon stores
- rolling-out of stand alone stores in rural, regional and small centres
- currently 53 stores open



VERSED

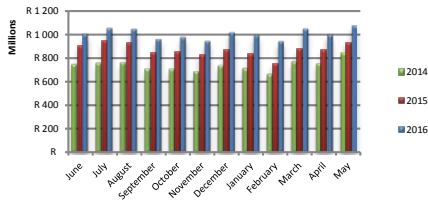
 **BLAUPUNKT**



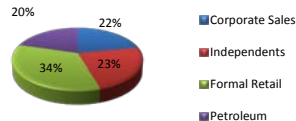
Prepaid Electricity

- Commissions earned up 20% to R197 million
- Equates to R12.1 billion in sales, up 15% (ave. R1 billion/month)
- Margin improvement in consolidating market and through direct contracts:
 - acquired equity in Prepaid24 and Utilities World
 - expanding customer base, extending product offerings, broadening horizons into rest of Africa
 - campaigns by Eskom on benefits of prepaid and paying online
 - distribution for City of Cape Town and on behalf of ABSA, FNB and Pick n Pay
- Marketing our VAS:
 - Arrears Collection via Prepaid Electricity purchases
 - Municipality Bill Payment collections
 - Data Cleansing
 - Bulk upfront purchasing of energy

Prepaid Electricity - Revenue

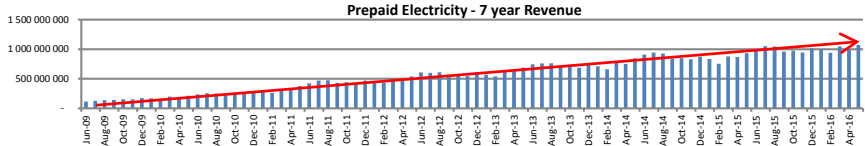
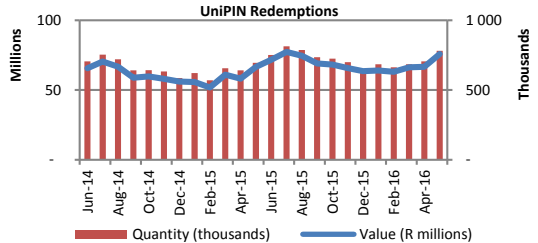


Electricity commissions contribution by channel



Prepaid Electricity and Prepaid Water

- Prepaid Electricity:
 - ongoing growth in UniPIN's redeemed
 - value up 13% to R825.6 million
 - quantity (volume) up 10% to 8.7 million vouchers
- Prepaid Water:
 - increasing interest from service providers
 - emulate prepaid electricity model
- Cigicell - *'assuring revenue for utilities'*



Airtime, Data and Starter packs:

- Total mobile market 90 million subscribers, with 160% penetration (*Research and Markets*)
- Data traffic growing ~50% p.a. (*Cisco*)
- Informal market size R46 billion to R120 billion, with >134,000 informal shops (*GIBS*)
- IoT market growing 4-fold p.a. By 2020, there will be 21-50 billion devices supporting \$3 trillion- \$8 trillion p.a. industry (*Cisco and Gartner Research*).

Electricity (*Eskom*):

- 10 million prepaid meters installed in an addressable market of 19 million meters
- Market penetration 86% of households connected, with aim of reaching universal access in 2025
- 283 municipalities countrywide

Ticketpro - 'ticketing on another level'

- Ticketing solutions for events, sports and transport sectors
- Three pillar strategy to profitability:
 - market differentiation: from technology to rewards
 - raising brand awareness/recognition amongst consumers and promoters
 - growing market share
- Recent achievements:
 - upgrading of ticketpro Dome and creating *Blue Label Wing* (+2,000m²)
 - entrenched in >600 Edcon and Edgars Connect retail stores and our 150,000 POS
 - commuter bus ticketing with Putco
 - ticketing and access management for events: Nicki Minaj, Tony Braxton, Wedding Expo, Nampo agricultural Show, The Rand Show, SA vs England Cricket Tour, Goliath and Goliath Comedy Club, BET Africa Experience, Cassper Nyovest fill up the Dome
- >2 million event tickets sold
- 63 different venues
- Revenue up 34%



Financial and other Value Added Services

- **Bill Payments**

- revenue growth of 11%
- transaction volumes increasing
- especially in independent and low cost channels
- hold ~7% market share
- now available in Edcon and Edgars Connect stores



- **Debit and Credit Card Acquiring**

- retrofitting and upgrading POS devices to accept credit card acquiring
- MasterCard holders able to pay for purchases at the upgraded *BLU Approved* terminals



- **Wallets and Money Transfers**

- support for M-Pesa discontinued by Vodacom
- wallet opportunities for BLU in a consolidating market
- deep reach of 150,000 POS devices vs 26,000 ATM's of commercial banks*

*source: Moneyweb

- Proposed acquisition of stake in Cell C announced 10 Dec 2015
- Process is progressing positively
- Rationale for vertical integration plan:
 - valuation: ROI in medium term
 - defensive: existing trading relationship
 - synergies: BLU becomes VSP to Cell C across multiple shared services



For Consumers:

- Sophisticated proprietary technology
- Distributing innovative products and services
- Airtime, Starter packs, prepaid Electricity, Financial services and New solutions – Data, Ticketing and prepaid Water
- Reaching un- and under-banked, especially rural communities
- Taking product to the people
- Enabling payment for merchandise in a convenient manner
- Enriching and uplifting lifestyles
- Facilitating household electrification

For Merchants:

- Informal employment ~30,000 merchants, footsoldiers, BLU Agents
- Building solid relationships with merchant base
- Fostering entrepreneurial and empowerment skills
- Various entrepreneurial trading models – gazebos, umbrellas, tables, stalls, bicycles, trucks
- Upskilling, education, mentoring and development programmes and courses

CSI Spend:

- R6.5 million
- mainly on youth projects:
 - CEO Sleepout
 - Charity Golf Day
 - Boys & Girls Club Protea Glen opened May 2016



Boys & Girls Clubs of South Africa:

#greatfuturesstartthere

*'these young ones will create jobs,
be innovative and defend our economy...'
(MEC for Education, Panyaza Lesufi)*

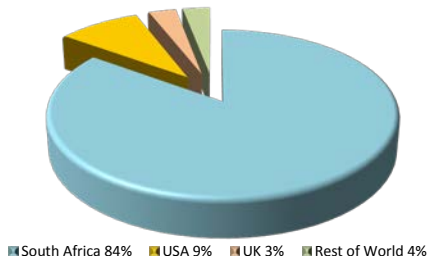
Top Shareholders:

- Allan Gray and clients – 23.5%
- Shotput Investments – 14.8%
- B M Levy – 12.5%
- M S Levy – 11.4%
- 36ONE Asset Management – 2.9%
- Old Mutual – 2.7%
- Dimensional Fund Advisors – 2.3%
- Public Investment Corporation – 2.3%

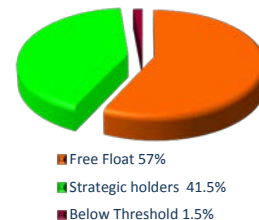
Notes:

- Shareholders holding >2% of issued capital account for ~70% of total issued share capital
- ADR programme through BNY Mellon
- Market capitalisation R12 billion (at R18/share)

Beneficial Shareholders



Free Float



International Distribution Segment:

- Oxygen Services India (58.18%)
- Blue Label Mexico (47.56%)

Mobile Segment

Solutions Segment

Technology

Marketing

Group Prospects

Mark Levy – Joint CEO

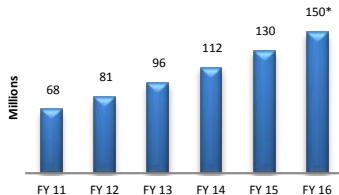


Oxygen Services India – Synopsis

- Expansion of India's *fintech* economy continues apace in embracing financial inclusion
- E-commerce doubled from \$9.5 billion (2012) to \$21.3 billion (2015)#
- Evolutionising business to commercialise digitising of cash payments
- Across all platforms Oxygen reaches:
 - 200,000 merchants
 - 150 million users
 - 600 million transactions p.a.
 - processed over 2.5 billion transactions to date

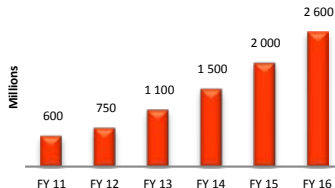
#Source: PwC

Unique Transacting Customers

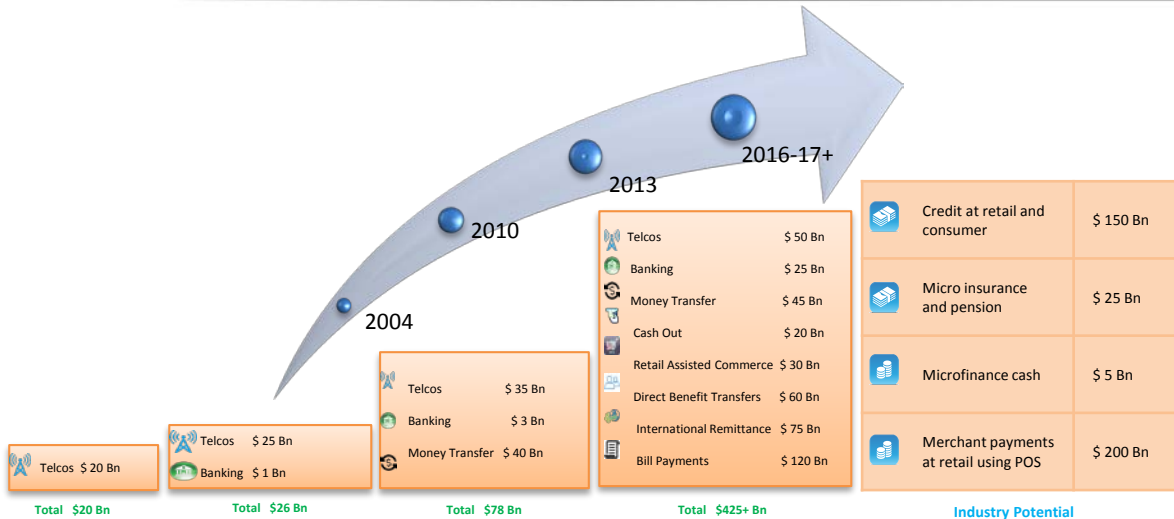


*46 million customers are now transferred to Online Business

No. of Transactions (Cumulative)



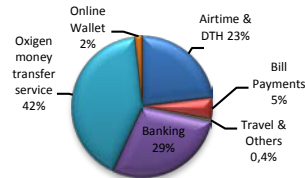
Oxygen Services India – Business Evolution



Oxygen Services India cont.

- Product mix by % contribution to revenue -->
 - financial services vs airtime & others
- Demerged online wallet business into '*Oxygen Online Services*'
- Online wallets require developmental and marketing spend
- Revenue up 8%, with share of losses R28 million
- Addressable market 1.3 billion population
- 650,000 villages

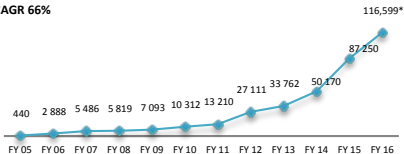
Product mix by % Revenue



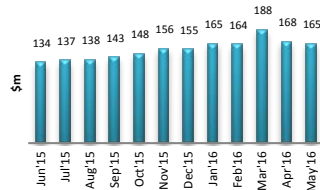
12-year Total Revenue

* Mn INR

CAGR 66%

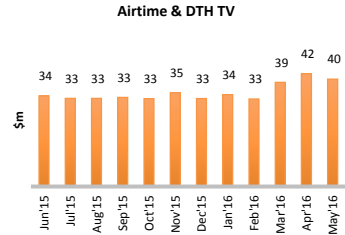


Gross Transactional Value



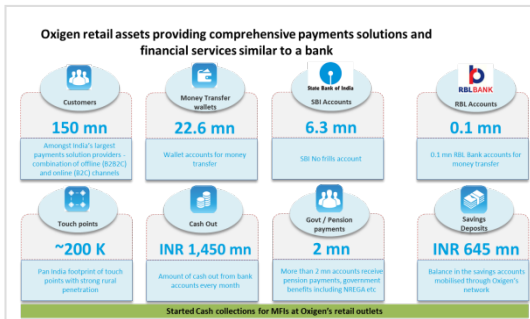
Oxygen Services India – Airtime recharge, Oxygen Money Transfer Services and Bill Payments

- Traditional, POS, offline products
- Distribution network of retail outlets supporting 200,000 devices
- Target market includes customers using feature phones
- **Mobile topups** (including datacard recharges and DTH TV):
 - 24% revenue growth
 - Expanding footprint and additional market share
- **Bill Payments**
 - Important VAS



Oxygen Services India – Banking

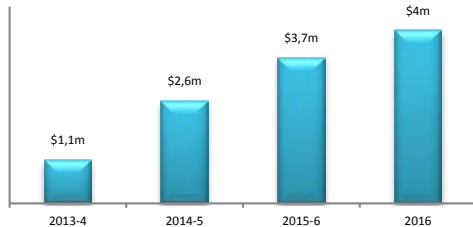
- Comprehensive payments and financial services solutions:
 - services similar to a bank
- Includes business correspondent, off- and online wallets
- New business opportunities
- Connects to NPCI centralised bill payments system (Bharat)
- Aadhaar Enabled Payment System at micro ATM's launched
- Connects to 24/7 Immediate Payment System (IMPS)



Oxygen Services India - Remittances

- Off- and online wallet transactions
- Currently transacting \$4 million per day in money transfers
- Connectivity with National Payments Corporation of India
- 0.3% net margin earned on cash-in of money transfers
- Conduit for remittances
- International remittances opportunities largely untapped
- Domestic and international remittances:
 - = \$100 billion market in 2015, with 7% CAGR*
- India is top international remittance receiving country at \$70 billion*

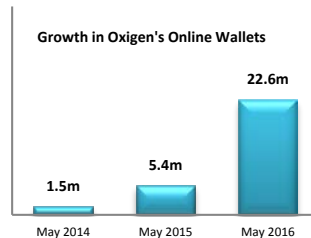
Daily Domestic Money Transfers



*source: World Bank

Oxygen Services India

- *How to digitise the cash economy?*
- Only 20 million credit and 600 million debit cards*
- Wallets, a new growth platform:
 - 22.6 million wallet subscribers
 - number of transactions up 66%
 - revenue up 83%
- Product distribution through app# friendly, smart and web based devices
- Focus on extending wallet subscriber base ('land grab')
- Result is in increasing revenue
- Requires marketing, branding, advertising, sport sponsorships, brand ambassador



* Reserve Bank of India. Active wallet defined as 1 transaction within last 6 months, with apx 1/3 of wallet downloads active (*Master Guidelines*)

India is world's 4th largest app economy, after China, USA and Brazil (no. apps downloaded p.a.)

	CGR Monthly	Growth Rate 1 year
Number of Transactions	+4%	66%
Revenue	+5%	83%
Revenue / Wallet	+2%	29%

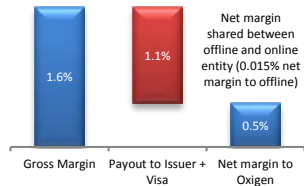
Oxygen Services India – Wallets

- Launch of virtual Visa Card
- Interoperability of ~75,000 virtual Visa Cards on our wallet platform
- Oxygen wallet is preferred name with gift cards:
 - eGift Cards launched with Pizza Hut, Shoppers Stop, BookMyShow, World of Titan
 - preferred wallet with several Gift Card names
 - tie-ups with leading retailers, such as Big Bazaar
 - numerous wallet reload capabilities:
 - retail outlets
 - credit & debit cards
 - internet banking
- Valuation

Virtual Visa Card

- Service offered in partnership with RBL and Visa
- Payment through virtual visa card accepted at all e-commerce / m-commerce merchants that accept Visa payments; payment not restricted to merchants tied up with Oxygen
- Can be instantaneously created through Oxygen wallet app
- Payment instrument for people who do not have debit cards / credit cards
- Secure payment alternative to debit card / credit card holders
- US\$ 5 mn grant received from Visa to promote Virtual Visa over the next 5 years
- Crossed INR 10 mn of transaction value within 20 days of launch without any marketing

Economics

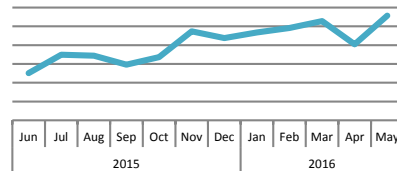


- Customer selects "Virtual E Visa Prepaid Card" on wallet app homepage and enters amount details
- Card is created instantaneously using Oxygen Wallet
- Card no and CVV is issued to customer while additional factor (Verified by Visa Password) is chosen by Customer
- Card can be used at any e-commerce / m-commerce portal in India where Visa Payment is accepted

Blue Label Mexico

- Mexico's GDP is world's 11th highest, maintaining 2.5% growth p.a.*
- Mobile penetration 67%
- Structural reforms leading to competitive market
- Revenue increased 14%
- Gross profit increased by R67 million
- Share of loss narrows by 28% from R89 million to R63 million
- Continuing to reduce losses steadily

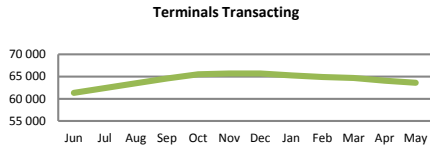
Gross Profit



%	Telcel	Movistar	AT&T	OMV
Market share	68	23	8	1
Revenue share	77	19	4	-

Blue Label Mexico – Active Devices and Total Transactions

- 75,000 devices installed
- 64,000 active* POS devices
- ~40,000 more POS ready to roll-out
- No. of total transactions for all products:
 - top ups under pressure
 - constant growth in bill payments, card payments and food vouchers

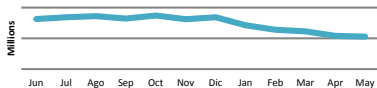


** Active is defined as devices registering a transaction during the past month*

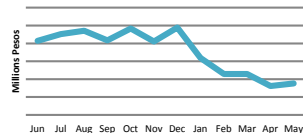
Blue Label Mexico – Airtime

- MNO downward pricing pressure – declining transactions
- But ARPU's now increasing after promotions:
 - competitive pricing
 - diverse solutions (cell phones, internet, tablets, POS)
 - aggregation of full set of products and services
 - cash collection, our unique selling point
 - preferred supplier
 - platform reliability
- Total top-up transactions down
- Consumer benefits – more knowledgeable and demanding better value
- ~96% of devices transact airtime top-ups

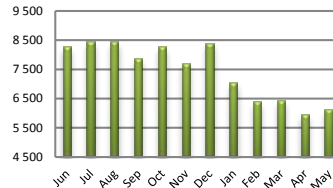
Top Ups – No. of Transactions



Top-ups - Revenue



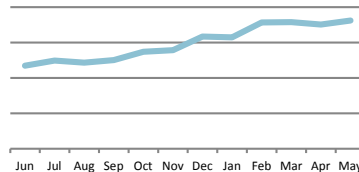
Top-ups - ARPU



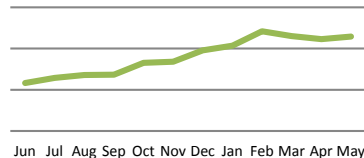
Blue Label Mexico – Bill Payments

- Another year of constant growth
- Revenue up 55%
- Total transactions up 39%
- No. of transactions of bill payments increase to 39% of total
- Opportunity to increase transactions without further investment
- Marketing campaigns target airtime top-up users
- Communications underline convenience in paying bills at *Red Qiubo* stores

Bill Payments - Revenue



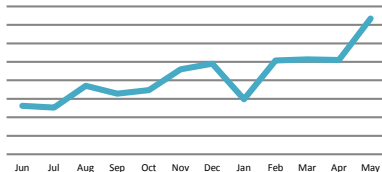
Bill Payments – No. of Transactions



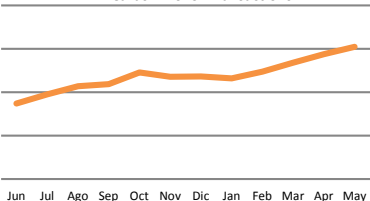
Blue Label Mexico – Card Acquiring

- Partnership with Visa and Banamex
- Another year of growth
- Revenue up 71% and transactions up 68%
- Growth driven by maturing and acceptance of users
- 22% of merchants utilise card acquiring
- Initiatives to increase number of terminals accepting card payments

Cards - Revenue



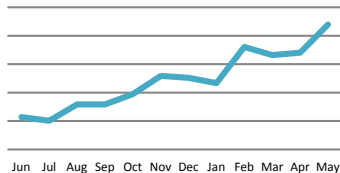
Cards – No. of Transactions



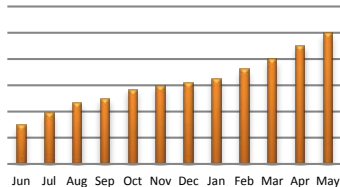
Blue Label Mexico – Food Vouchers

- Consistent growth
- Revenue up 89%
- No. of transactions more than doubled
- Number of merchants transacting up 40%
- Number of terminals transacting increased to 15% of total
- Keen uptake from consumers
- Servicing Edenred's customers

Food Vouchers - Revenue



Food Vouchers - Transactions

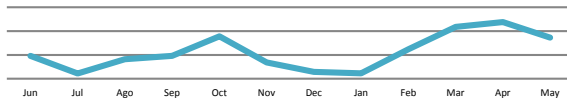


Blue Label Mexico – SIM cards

- Newest product line acceptance progressing steadily
- Agreements with AT&T/Unefon and Telefonica/Movistar
- Sales of SIM cards increased 80%
- Awareness campaigning – benefits of delinking & unblocking of SIMs & phones
- Model includes income stream from:
 - sales of SIM cards
 - annuity earned on SIM cards: promising growth at Movistar and AT&T
- Extensive 'route to market' – *Red Quibo* Mom & Pop stores, the Grupo Bimbo network, vending machines, concessionaires, sub-distributors



Total Number of Chips Sold



Blue Label Mexico – New products and initiatives

- Domestic and international remittances
- Prepaid and postpaid electricity
- Financial inclusion initiatives
- 2D Mobile Payments
- Cloud based HUB



- Core net profit contribution R64 million
- Comprising mainly Blue Label One, Panacea, Simigenix, as well as:
- **Via Media**
Content, entertainment and information for mobile phones through subscriptions:
 - predominant contributor to segment's growth
 - B2C and B2B platforms
 - extensive infotainment catalogues available in 7 African countries and 10 languages
- Size of A2P markets:



- **Cellfind**
Messaging, VAS and financial services for mobile phones: targets sub-Sahara market, already its largest enabler
 - 1,000 SMS's/second sending capacity
 - refocussed into 3 business units: mobile messaging/communications, value added services, and mobile financial services
 - 2.6 billion SMS's sent FY16, up 8%, now new records of >300 million per month
 - founding member of WASPA and Accredited Service Provider of all 3 major MNO's

Converged communications:

8% CAGR with SMS market size 1.5 billion - 1.8 billion SMS's /month

VAS (traditional LBS):

11% CAGR and includes customers of MNO's, Insurers, Medical Aids

Financial services:

includes users of mobile payments, statements, money transfers, wallets, value based tokens, services etc.

Entertainment and information content:

R2 billion - R4 billion. 58% CAGR of 3G subscribers in sub-Sahara key driver of content.

- Sale of Velociti call centre
- Core net profit R18 million
- **Blue Label Data Solutions** – *data intelligence & analytical services*
- Supplying recent, clean and accurate data:
 - from 'cold calling' to 'hot lead generation'
 - from 'telemarketer' to 'data scientist'
 - the richer the data, the more precise in lead generation
 - lead generation up 153% to 2.2 million unique qualifying leads
 - SMS's sent up 83% to 879 million
- Developing integrated database managing Group 'Big Data'
- POPI & FAIS Acts and TCF principles
- Founding member of Direct Marketing Association
- Impressive database:

62 million unique cell numbers

31.5 million ID numbers linked to full contact details

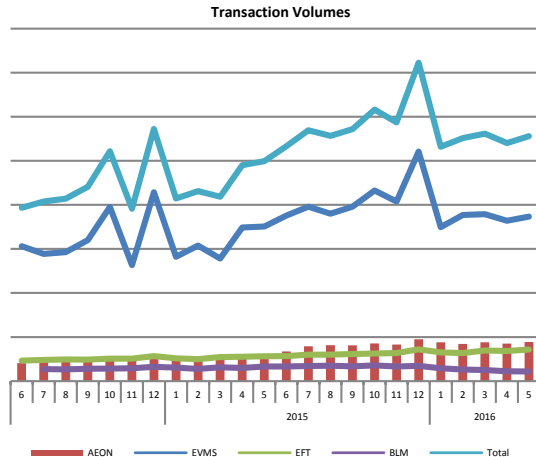
1.95 million right party contacts

1.7 million email addresses linked to ID's

16.6 million on opt-in register



- Proprietary platforms support neutral aggregation
- Transaction Junction for banking:
 - largest independent card processor in South Africa
 - 90 million online card and VAS transactions per month
 - transaction volumes growing:
 - 2006-2011: up 1,500%
 - 2011-2013: up 340% (speed of adoption)
- Stable platforms peak annually in December
- Skills and staff retention focus ongoing



- Participation in the recapitalisation of Cell C by way of subscription of shares is progressing positively. Management is of the opinion that the transaction is compelling both from an investment and commercial perspective
- The Group is well positioned to meet increasing demand for low cost smart phones and tablets, through its extensive distribution network in South Africa and beyond its borders.
- The distribution of prepaid electricity will continue to grow, through enhanced government initiatives to roll out additional prepaid electricity meters throughout South Africa.
- New initiatives at Blue Label Mexico, including the escalation of starter pack distribution, will contribute to a reduction in losses that have arisen from its aggressive roll out strategy.
- Oxigen Services India will focus on enhancing its mobile wallet subscriber base with increased marketing to the vast unbanked population in India. This will result in compounding growth in transactional revenue and the intrinsic value of the wallet subscriber base, which has accumulated to 22.6 million wallets at present.

Financial Overview

Dean Suntup - Financial Director



BLUE LABEL
TELECOMS



Increase in
revenue of
19% to
R26.2 billion



Increase in
gross profit
of 11% to
R1.8 billion



Increase in
EBITDA of
15% to
R1.2 billion



Increase in
headline earnings
per share of 22%
to **100.35 cents**



Increase in core
headline earnings
per share of 21%
to **102.85 cents**



Increase in
capital and
reserves to
R4.5 billion



Increase in
dividend per
share of 16%
to **36 cents**



Increase in net
asset value per
share to **R6.62**

	May 2016 R'000	May 2015 R'000	Growth R'000	% Growth
Revenue	26,204,722	22,044,222	4,160,500	19%
Gross profit	1,829,694	1,644,340	185,354	11%
GP margins	6.98%	7.46%	(0.48%)	
Other income	126,294	99,972	26,322	26%
Overheads	(715,429)	(664,147)	(51,282)	(8%)
EBITDA	1,240,559	1,080,165	160,394	15%
Depreciation, amortisation and impairment charges	(98,183)	(94,019)	(4,164)	(4%)
EBIT	1,142,376	986,146	156,230	16%
Net finance expense	(20,211)	(60,118)	39,907	66%
Net profit before taxation	1,122,165	926,028	196,137	21%
Taxation	(318,783)	(265,497)	(53,286)	(20%)
Net profit after tax	803,382	660,531	142,851	22%
Minority interest	(40,022)	(3,576)	(36,446)	
Share of (losses)/profits from associates	(31,279)	12,497	(43,776)	(350%)
Share of losses from joint ventures	(40,491)	(91,835)	51,344	56%
Net profit attributable to equity holders of parent	691,590	577,617	113,973	20%

	May 2016 R'000 Total group	May 2016 R'000 SA Distribution	May 2015 R'000 SA Distribution	Growth R'000 SA Distribution	% Growth
Revenue	26,204,722	25,722,540	21,657,891	4,064,649	19%
Gross profit	1,829,694	1,582,743	1,444,730	138,013	10%
Gross profit %	6.98%	6.15%	6.67%		
Overheads	(715,429)	(450,665)	(413,107)	(37,558)	(9%)
EBITDA	1,240,559	1,133,433	1,038,252	95,181	9%
EBITDA Margins	4.73%	4.41%	4.79%		

- Commissions earned on electricity increased by 20% to R197m (2015: R165m). Gross revenue – R12.1bn (2015: R10.4bn).
- “PINless top up” revenue increased by R1.4 billion from R2.7 billion to R4.1 billion. Only the commission earned thereon is recognised in group revenue. Effective growth in revenue equated to 23%.

Income Statement

	May 2016 R'000	May 2015 R'000	Growth R'000	% Growth
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	May 2016 R'000	May 2015 R'000	Growth R'000	% Growth
Share of (losses)/profits from associates	(31,279)	12,497	(43,776)	(350%)
- Ukash	-	12,004	(12,004)	(100%)
- Oxygen Services India	(27,672)	2,621	(30,293)	(1,156%)
- Other	(3,607)	(2,128)	(1,479)	(70%)

- Ukash
 - BLT disposed of its interest in Ukash in March 2015
- India
 - R28 million loss includes amortisation of intangible assets of R0.6 million
 - Money transfers currently transacting at USD4.0 million per day (2015: USD3.3 million per day)

Income Statement

	May 2016 R'000	May 2015 R'000	Growth R'000	% Growth
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	May 2016 R'000	May 2015 R'000	Growth R'000	% Growth
Share of losses from joint ventures	(40,491)	(91,835)	51,344	(56%)
- Blue Label Mexico	(63,293)	(88,508)	25,215	28%
- 2DFine Mauritius	19,734	(7,574)	27,308	361%
- Other	3,068	4,247	(1,179)	(28%)

- Blue Label Mexico
 - Revenue increased by 14%
 - Decline in losses due to:
 - Improved gross profit margins attributable to becoming a multicarrier distributor
 - Focus on cost efficiencies resulting in an increase in operational expenditure by only 3%

Income Statement

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Income Statement

	May 2016 R'000	May 2015 R'000	Growth R'000	% Growth
Net profit attributable to equity holders of parent	691,590	577,617	113,973	20%
Headline earnings adjustment	(23,329)	(30,566)	7,237	24%
Headline earnings attributable to equity holders of parent	668,261	547,051	121,210	22%

Core Headline Earnings

Headline earnings attributable to equity holders of parent	668,261	547,051	121,210	22%
Core adjustment	16,650	18,961	(2,311)	(12%)
Core Headline Earnings	684,911	566,012	118,899	21%

Earnings per share (cents)	103.85	86.86		20%
Headline earnings per share (cents)	100.35	82.26		22%
Core headline earnings per share (cents)	102.85	85.11		21%

Balance Sheet

Summarised Group Statement of Financial Position as at

	May 2016 R'000	May 2015 R'000
Non- current assets	2,275,161	2,040,214
Property, plant and equipment	100,434	106,684
Intangible assets and goodwill	1,201,773	1,254,893
Investment in associates and joint ventures	910,567	548,572
Other non-current assets	62,387	130,065
Current assets	5,030,790	4,986,606
Inventories	1,658,860	1,433,104
Trade and other receivables	2,679,023	2,712,165
Other current assets	103,880	52,926
Cash and cash equivalents	589,027	788,411
Total assets	7,305,951	7,026,820
Capital and reserves	4,519,567	3,917,981
Share capital, share premium and treasury shares	3,942,512	3,943,888
Other reserves	(2,527,995)	(2,648,465)
Retained earnings	3,105,050	2,622,558
Non-current liabilities	102,954	197,673
Current liabilities	2,683,430	2,911,166
Trade and other payables	2,601,807	2,831,000
Other current liabilities	81,623	80,166
Total equity and liabilities	7,305,951	7,026,820

- R168m investment in Oxigen Services India
- R43m investment in Blue Label Mexico
- R60m loan granted to Edgars Connect
- Inventory Turn – 25 days
- Debtors collections – 38 days
- Creditors payments – 40 days

Cash Flow

Summarised Group Statement of Financial Position as at

	May 2016 R'000	May 2015 R'000
Cash generated by operations	744,185	429 806
Interest received	42,082	15,995
Interest paid	(48,207)	(67,811)
Taxation paid	(305,118)	(245,495)
Cash flows from operating activities	432,942	132,495
Cash flows from investing activities	(396,333)	(328,751)
Cash flows from financing activities	(236,150)	(205,276)
Decrease in cash and cash equivalents	(199,541)	(401,532)
Cash and cash equivalents at the beginning of the year	788,411	1,184,131
Translation difference	157	5,812
Cash and cash equivalents at the end of the period	589,027	788,411

- Further investment in Blue Label Mexico – R43 million
- Investment in Oxigen India – R168 million
- Capex – R127m
- Treasury shares acquired – R23 million
- Dividend payment to shareholders and minorities – R213 million

Dividend of **36 cents**
per share declared

Cover of **2.73 times**

Thank You
Q & A



Supplementary Information

- Strategy creating value
- Charting our growth
- Blue Label factsheet
- Group operating structure
- Technical overview
- Oxigen Services India
- Cellfind
- Marketing
- Peer group
- Barriers to entry

August 2016



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Strategy creating value

OPPORTUNITY

- Prepaid provides certainty
- Prepaid is an alternative payment method
- Airtime builds railroad tracks
- Add products and services
- Growing demand in SA: data delivery, electricity, water, ticketing, financial services
- Income based on 3 pillars: commodity, annuity and interest earned
- Business model generates robust cash flows
- Growth in operations in India and Mexico - regional springboards

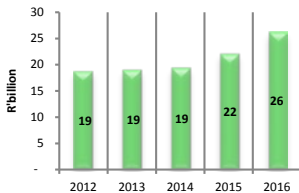
DELIVERY

- Robust, scalable, agnostic and proprietary technology platform - AEON
- Postilion switch for financial services
- Disciplined and minimal capex
- Sustainable in formal (retail) and informal sectors
- Unleveraged balance sheet
- Measured and scaled approach to expansions
- Building network distribution and introducing products and services
- Growing product lines and consumer bases
- Manage 'the last mile' in the distribution channel

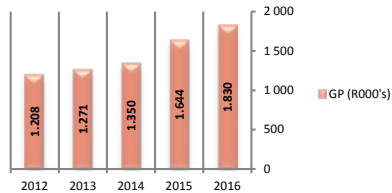
VALUE ADDING

- >150,000 POPs in SA
- Organic growth
- Bulk buying/early settlement discounts
- Surplus cash: Dividend yielding, share buy-back, mergers and acquisitions
- Large, fast growing markets with low penetration
- Equity, contractual and strategic partnerships
- Additional products and services at minimal extra cost
- Entrepreneurial spirit

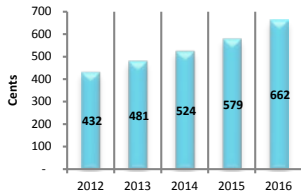
Revenue



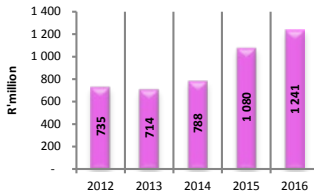
Group Gross Profit



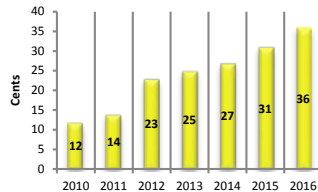
NAV per share



EBITDA

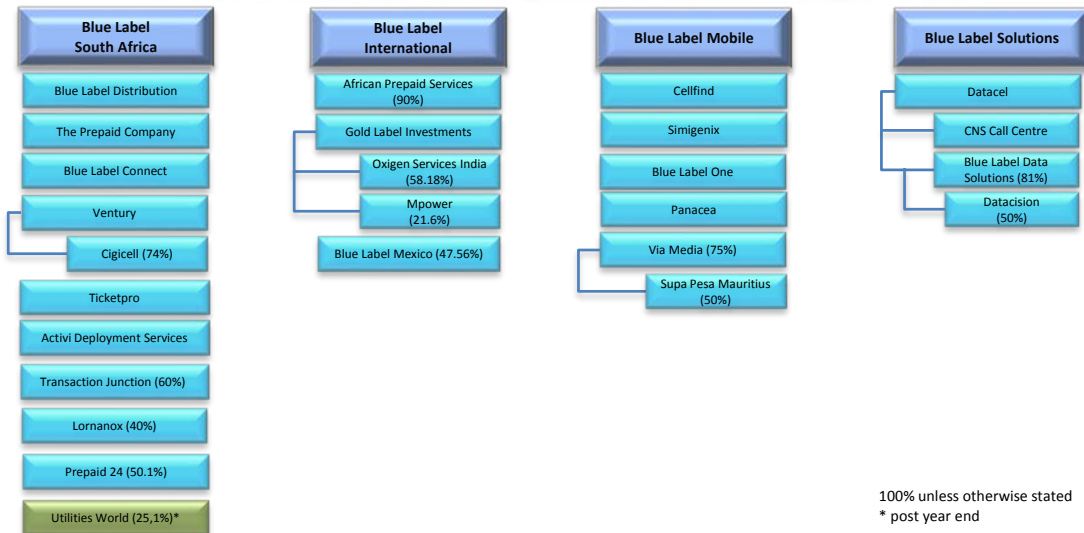


Dividends declared per share



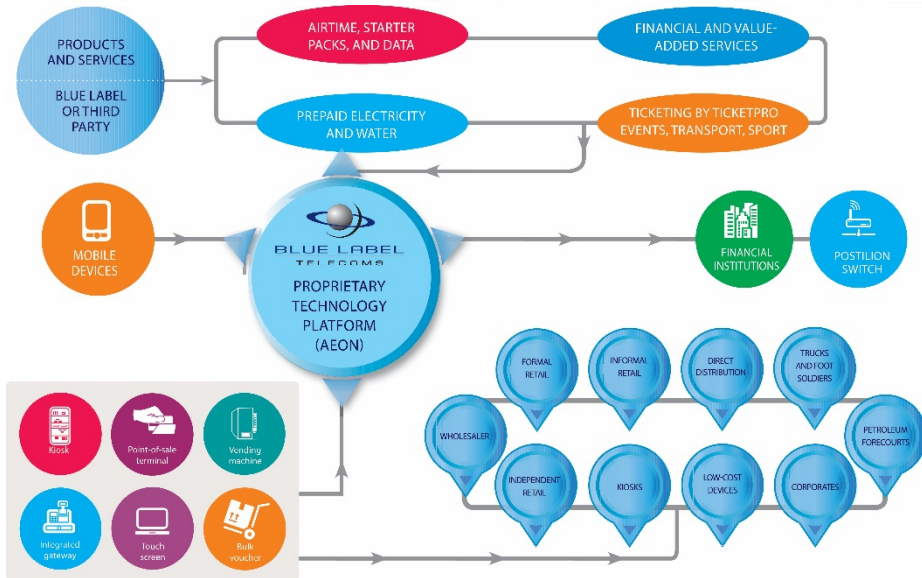
- Founded in 2001
- 1,844 employees Groupwide
- Business model underpinned by long-term distribution contracts
- Products and services include
 - airtime, starter packs and data
 - electricity and water
 - ticketing
 - financial and value adding services
- Listed as BLU on JSE in 2007
 - R12 billion current market capitalisation (at R18/share)
 - free float ~57% with diverse institutional shareholder base
 - ADRs launched in 2013
- Maiden dividend paid in September 2010
- CSI spend R6.5 million and training, development & bursaries R7.4 million (FY16)

Group Operating structure as at 31 May 2016



100% unless otherwise stated

* post year end



Key features of Oxygen e-wallet

1

Balance / Transfer limits

- No KYC for sum upto INR 10,000;
- With full KYC maximum amount that can be stored in a wallet is INR 100,000; maximum amount remitted per account in a month for:
 - Money transfer INR 25,000
 - Merchant payments is unlimited

2

Cash loading / unloading

- Oxygen only e-wallet that allows physical cash loading into its wallets through its widespread RO network
- Electronic loading of wallet through net banking, credit card / debit card, IMPS transfer
- Money can be remitted to recipient bank account, BC outlet or another Oxygen wallet

3

Social media integration

- Exclusive partnership with Singapore-based Fastacash – a technology enabler to transfer value along with digital content through social networks
- Users can send money to their friends and family using social channels and messaging platforms such as Facebook, WhatsApp, Google and Twitter without needing the receiver's bank account details
- Users can also send photos, videos, and audio and text messages to personalise the transfer

4

Superior, Clearer, Simpler, faster to understand

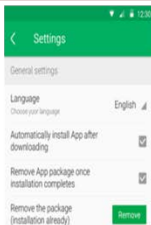
- A clear and easy to use design allows the user to quickly become familiar with all aspects of the store



5

Multi-Lingual System

- Choice between English & Hindi
- Intelligently switch languages to seamlessly meet our users' needs.



6

Customizable templates easy to use

- Users should have a positive first experience;
- Simple and intuitive navigation leads to repeated use and the forming of brand loyalty



Financial Inclusion With Oxygen SuperPoS

These PoS are fully compliant with Micro ATM standards and also have detachable Finger Print scanner which makes field operation easy as well as replacement with USB Iris reader in future



Plus
✓ Merchant
Payment
✓ Airtime-Bill
Payment

Account Opening through
e-KYC

Cash Deposit into a
bank account

Fund transfer through
AEPS and IMPS

Cash Withdrawal from any
bank account

Generate Mini Statement

International
Remittance Cash Out

Converged Communication Services	Value Added Services	Mobile Financial Services
Mobile Messaging Secure and reliable, high-volume multi-channel messaging solutions, including SMS, USSD, Instant Messaging, Email and premium services.	Provides Emergency Assist, geolocation and information solutions that help companies better engage their customers, provide added relevant value, and enable mobile operators to monetise their networks while differentiating their offerings.	Serves financial institutions across the continent with a range of robust and intelligent mobile banking, mobile security and mobile money solutions. Also provides state-of-the-art mobile financial statement delivery solutions to the continent.

Marketing

- Strengthened business unit in 2014
- *'delivering what merchants and consumers want'*
- Research and perception studies help identify opportunities
- Route to market – formal retail, independent, petroleum forecourts, corporate and low- cost device channels
- Tailor service offerings, whilst leveraging unique strengths
- *Blu Approved* brand
- Raising 'Blue Label Telecoms' visibility and awareness – Springbok rugby sponsorship for 2016



VERTICAL PEERS

- Blue Label Telecoms
- JSE listed
- Blackhawk Network
- Nasdaq listed
- Cyberplat
- Russian base
- Eckoh – AIM listed
- Euronet Worldwide
- Nasdaq listed
- NET 1 – Nasdaq listed
- Paypal – Nasdaq listed
- PayPoint – LSE listed
- Qiwi – Nasdaq listed
- InComm – privately
held in USA

HORIZONTAL PEERS ELECTRICITY

- Cigicell / Blue Label
Telecoms
- Conlog
- Contour
- Easypay
- Itron
- Landis & Gyr
- Syntell

HORIZONTAL PEERS TICKETING

- Ticketpro / Blue Label
Telecoms
- Big Concerts /
Computicket
- Computicket /
Shoprite
- Itickets
- Nuticket
- Quicket
- Webticket / PicknPay

MOBILE WALLETS INDIA

- Oxigen Wallet /
Oxigen Services
India
- Citrus Pay
- Itzcash
- Mobikwik
- PayTM
-
- Paypal
- Paypoint
- Suvidhaa

NETWORKS BY POS DEVICE MEXICO *

- Red Qiubo / Blue Label
Mexico
- OXXO
- Sistema Bancario
- Pemex
- Telecomms
- Elektra
- WalMart
- 7-Eleven
- HSBC
- Circulo K
- Famsa

* Descending in size

- Lag times in negotiating supplier and customer contracts can hinder integration
- Long term contracts – ensure there is no cheaper pricing in the market
- Lock-out periods for processing new and developing existing technologies. Roll-out of devices takes time
- Time: as customers prioritise systems' integration for their own needs/objectives and/or products and services (customer, forecourt, municipality, utility, bank, retailer)
- Technology platforms – AEON (proprietary, agnostic, neutral aggregator, plug 'n play, proven, scalable, no fees to others) and Postilion (banking and financial services grade)
- Expanding distribution channel: >150,000 POP's in SA, ~200,000 POP's in India, and >75,000 in Mexico
- Reputable local partners is key to business model
- Trust and relationships of over 15 years in business
- These are some of our greatest assets, achieved through long-term contracts with customers and suppliers, which fortify our foundations
- Same barriers can hinder us entering new markets



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