PROPOSED ACQUISITION OF CREDIT U HOLDINGS LIMITED AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

1.1. Blue is pleased to announce that the company has made a firm offer ("the offer") to the board of Credit U Holdings Limited ("Credit U") on 7 August 2008 to acquire the entire issued ordinary share capital of Credit U, excluding the 2,250,000 treasury shares held by the Employee Share Incentive Scheme ("the Credit U acquisition"). The offer entails that Credit U ordinary shareholders will be offered 44.5 Blue ordinary shares for every 100 Credit U ordinary shares held. The offer amounts to a total purchase consideration of R278,147,250 (based on 115,750,000 Credit U ordinary shares in issue excluding 2,250,000 treasury shares held by the Credit U Employee Share Incentive Scheme), which effectively translates into a price of 240 cents per Credit U ordinary share.

1.2. Blue will issue 51,508,750 ordinary shares at an issue price of 540 cents per share. In terms of the offer, 22.25 (50%) of the Blue ordinary shares receivable by every Credit U ordinary shareholder will be pre-placed with Mr Dave van Niekerk (a shareholder and executive director of Blue) ("the underwriter") for a cash consideration of 540 cents per Blue ordinary share, amounting to R139,07 million as partial settlement in cash.

1.3. Shareholders are referred to paragraphs 3.1 and 3.2 below and the accompanying joint announcement by Credit U and Blue released on SENS on 7 August 2008 setting out salient details of the proposed Credit U acquisition.

2. RATIONALE FOR THE CREDIT U ACQUISITION

2.1. Credit U is a financial services enterprise that targets the financial needs of clients in the Living Standards Measurement ("LSM") 4 to 7 bands with a broad range of financial services products to its customers, which include credit products, cellular products, insurance products and other financial solutions.

2.2. The Credit U acquisition will result in Blue increasing its branches from 80 to above 172 branches in South Africa. Credit U specialises in the provision of term loans which also form part of the Blue product range. The transaction will give Blue access to a more extensive distribution footprint through which it will market its own products in addition to the existing term loan and other product offering of Credit U.

3. TERMS OF THE CREDIT U ACQUISITION

3.1. The Credit U acquisition will be effected by way of a scheme of arrangement ("the scheme") in terms of section 311 of the Companies Act, 1973 (Act 61 of 1973), as amended ("the Companies Act"), to be proposed by Blue between Credit U and all its ordinary shareholders.

3.2. In the event of the scheme not being approved and implemented and subject to obtaining the relevant regulatory approval, Blue will make a conditional offer to Credit U ordinary shareholders in terms of section 440 of the Companies Act to acquire all their ordinary shares in Credit U (excluding the 2,250,000 treasury shares held by the Employee Share
Incentive Scheme) by offering 44.5 Blue ordinary shares for every 100 Credit U ordinary shares held (“the substitute offer”). The substitute offer is conditional on acceptance by ordinary shareholders of Credit U holding no less than 90% of the total issued ordinary shares of Credit U.

3.3. If the substitute offer is accepted by Credit U ordinary shareholders holding no less than 90% of the total issued ordinary shares of Credit U, Blue will invoke the provisions of section 440K of the Companies Act to acquire the remaining shares held by Credit U ordinary shareholders.

3.4. In the event of the scheme being approved and implemented, the substitute offer will not be implemented.

4. FUNDING OF THE CREDIT U ACQUISITION

4.1. The underwriter has agreed to acquire 25,754,375 of the Blue ordinary shares to be issued in terms of the offer at 540 cents per Blue ordinary share. The underwriter has provided confirmation to the Securities Regulation Panel (“SRP”) that he has sufficient cash resources to satisfy the cash consideration amounting to R139.07 million.

4.2. Regarding the remaining 25,754,375 Blue ordinary shares to be issued to Credit U ordinary shareholders in terms of the offer, Blue will use its best endeavours, before 15 September 2008, to obtain irrevocable undertakings from another select party or parties who are prepared to acquire all of the remaining 22,25 Blue ordinary shares out of the 44.5 Blue ordinary shares to be issued in terms of the offer at 540 cents per Blue ordinary share. If and when such parties are secured, and they have provided confirmation to the SRP that they have sufficient cash resources to meet their obligations in respect of the balance of R139.07 million, an announcement will be made that the offer will be amended.

5. FINANCIAL EFFECTS OF THE CREDIT U ACQUISITION

5.1. The table below sets out the unaudited pro forma financial effects (“pro forma financial effects”) of the Credit U acquisition on the earnings, headline earnings, net asset value and tangible net asset value per Blue share.

5.2. The pro forma financial effects have been calculated, assuming:

5.2.1 for purposes of the earnings and headline earnings per share calculations, that the Credit U acquisition was effective throughout the financial year ended 29 February 2008 (using the Credit U audited results for the period ended 31 August 2007); and

5.2.2 for purposes of net asset value and tangible net asset value per share calculations, that the Credit U acquisition was effected on 29 February 2008 (using the Credit U audited results for the period ended 31 August 2007);

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<th>Audited(1)</th>
<th>Pro forma(2)</th>
<th>Percentage change</th>
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<tr>
<td></td>
<td>Before (cents)</td>
<td>After the Credit U acquisition (cents)</td>
<td>(%)</td>
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<tr>
<td>Earnings per share</td>
<td>14.58</td>
<td>19.70</td>
<td>35.1</td>
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<tr>
<td>Headline earnings per share</td>
<td>12.28</td>
<td>17.68</td>
<td>44.0</td>
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<tr>
<td>Diluted earnings per share</td>
<td>13.93</td>
<td>17.93</td>
<td>28.7</td>
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<tr>
<td>Diluted headline earnings per share</td>
<td>11.86</td>
<td>16.09</td>
<td>35.7</td>
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<tr>
<td>Net asset value per share</td>
<td>133.70</td>
<td>174.16</td>
<td>30.3</td>
</tr>
<tr>
<td>Tangible net asset value per share</td>
<td>55.69</td>
<td>69.09</td>
<td>24.1</td>
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Notes
(1) Extracted from the audited financial results of Blue for the financial year ended 29 February 2008 with 465.7 million ordinary shares in issue, 423.5 million weighted average number of ordinary shares in issue and 470.5 million fully diluted number of ordinary shares in issue.
<table>
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<tr>
<th>Audited&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Pro forma&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Percentage change (%)</th>
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<tbody>
<tr>
<td>Before (cents)</td>
<td>After the Credit U acquisition (cents)</td>
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(2) Based on the issue of 51.5 million Blue ordinary shares at a price of 540 cents per Blue share in terms of the Credit U acquisition resulting in 517.2 million ordinary shares in issue, 475.0 million weighted average number of shares in issue and 522.1 million fully diluted ordinary number of shares in issue.

(3) Goodwill is allocated in individual cash-generating units based on business activity. Impairment testing is done on a regular basis by comparing the net carrying value of the cash-generating units to the estimated value in use. As a result of the Credit U acquisition R169.9 million will be classified as goodwill as stated above.

5.3. The pro forma financial effects contained in paragraph 5.2 above are presented for illustrative purposes only to provide information on the Credit U acquisition. The pro forma financial effects are the responsibility of the directors of Blue. Due to the nature of the pro forma financial effects, such effects may not necessarily present a true reflection of Blue’s future earnings and net asset value after the Credit U acquisition.

6. CATEGORISATION
The Credit U acquisition is a “Category 2” transaction for Blue in terms of paragraph 21.10 of the Listings Requirements of the JSE Limited. Credit U is not a related party to Blue.

7. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT
Further to the cautionary announcement released on SENS by Blue on 19 June 2008, shareholders are advised that caution is no longer required to be exercised when dealing in their Blue ordinary shares.

Johannesburg
7 August 2008

Designated Adviser
PSG Capital (Pty) Limited