In accordance with paragraph 3.4 of the Listings Requirements of the JSE Limited, a listed company is required to publish a trading statement, as soon as it is satisfied that a reasonable degree of certainty exists, that the financial results for the next period to be reported on are likely to vary by more than 20% from the previous corresponding period.

Blue wishes to advise shareholders that the company expects a decrease in the loss per share ("LPS") and the headline loss per share ("HLPS") for the year ended 28 February 2011, of more than 90% compared to the LPS and HLPS reported in the prior comparative period.

The main reasons for the reductions in the loss per share are:-

- cost savings generated as a result of right-sizing the organization;
- increase in lending activities;
- credit impairments reduced through improvements in collection processes;
- improvements in operational efficiencies and business sophistication; and
- increase in the number of shares in issue due to the recapitalisation of the Group and subsequent debt: equity conversion. The current issued shares are 5.8 billion (August 2010: 624 million).

The restructuring embarked upon by the Company during the past financial year and the impact of the Mayibuye turnaround strategy, have contributed to the expected improvement in financial results.

These actions provide a sound platform for growth and returning the group to profitability in the future.
Once the Company has obtained a reasonable degree of certainty on the performance and the actual range of change in LPS and HLPS, a further trading statement will be released.

The information in this trading update has not been reviewed or reported on by Blue’s independent auditors.

Pretoria
28 June 2011

Designated Adviser
Grindrod Bank Limited