

UNAUDITED GROUP RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

Condensed consolidated income statement

	Unaudited Six months ended 31 Dec 07	Reviewed Six months ended 31 Dec 06	Audited 12 months ended 30 Jun 07
R'000	Note		
Revenue	163 531	149 912	299 740
Operating income before depreciation and exceptional items	53 282	47 707	101 817
Depreciation	(5 286)	(5 709)	(10 894)
Exceptional items		38	1 486
Operating profit before finance costs (EBIT)	47 996	42 036	92 409
Net finance costs	(18 419)	(29 767)	(44 838)
Finance income	2 481	571	2 709
Fair value adjustments on financial instruments	2 047	(1 935)	3 892
Finance costs	(22 947)	(28 403)	(51 439)
Profit before taxation	29 577	12 269	47 571
Taxation	(8 019)	242	(8 362)
Profit for the year	21 558	12 511	39 209
Attributable to:			
Equity holders of the parent	21 558	8 562	35 260
Minority interest		3 949	3 949
Attributable profit	21 558	12 511	39 209
Earnings per ordinary share			
Earnings per ordinary share (cents)	5,5	9,5	14,0
Further information			
Number of ordinary shares in issue (thousands)	393 997	393 997	393 997
Weighted average number of ordinary shares in issue (thousands)	393 997	90 282	252 337

Condensed consolidated balance sheet

	Unaudited as at 31 Dec 07	Reviewed as at 31 Dec 06	Audited as at 30 Jun 07
R'000	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	183 348	167 671	174 708
Goodwill	160 499	157 972	160 499
Current assets	117 016	93 167	110 478
Inventories	9 848	10 272	12 034
Trade receivables	46 425	46 044	46 640
Other receivables	14 260	5 422	11 673
Bank balances	46 483	31 429	40 131
Total assets	460 863	418 810	445 685
EQUITY AND LIABILITIES			
Equity capital and reserves			
Equity attributable to equity holders of the parent	91 641	43 384	70 083
Non-current liabilities	291 814	327 955	312 996
Interest-bearing provisions		11 179	11 669
Interest-bearing liabilities	280 439	308 958	292 666
Deferred taxation liability	11 375	7 818	8 661
Current liabilities	77 408	47 471	62 606
Trade payables	8 988	5 290	10 580
Other payables	13 510	19 770	14 883
Deferred revenue	3 798	3 772	4 028
Provisions	3 812	4 224	4 829
Taxation	5 920	5 974	5 583
Interest-bearing liabilities	28 835	8 441	22 703
Interest-bearing provisions	12 545		
Total equity and liabilities	460 863	418 810	445 685
Net asset per ordinary share (cents)	23,3	11,0	17,8

Notes:

- The finance costs for the six months included R0,9 million of interest provisions relating to potential claims that still needed to be finalised.
The low taxation charge for the 2007 year was the result of reversing a provision of R6 million which was no longer required.
- Other receivables include the interest rate swap assets of R8,9 million (2006: R1,6 million and 30 June 2007 R6,8 million).
- Long-term interest-bearing provisions include anticipated claims related to certain dormant subsidiaries from the old "MGX" Group.
The anticipated claim should be resolved before the end of the current financial year.
- Long-term interest-bearing liabilities include the Senior and Mezzanine loans. Short-term interest-bearing liabilities include the portions of the Senior and Mezzanine loans payable in one year. All borrowings are JIBAR linked and are approximately 75% hedged by way of the interest rate swaps.
- No segmental analysis has been reported as the group trades in only one segment and only in South Africa.
- All the assets have been pledged as security against the borrowings of the group.

Condensed consolidated cash flow statement

	Unaudited Six months ended 31 Dec 07	Reviewed Six months ended 31 Dec 06	Audited 12 months ended 30 Jun 07
R'000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations before net working capital changes	57 350	50 738	102 734
Increase in net working capital	(6 444)	(18 490)	(25 836)
Cash generated from operations	50 906	32 248	76 898
Net finance costs paid	(19 592)	(29 767)	(44 838)
Normal taxation paid – current year	(4 966)	(7 744)	(15 890)
Normal taxation paid – prior year		(17 344)	(17 344)
Net cash inflow/(outflow) from operating activities	26 348	(22 607)	(1 174)
Net cash outflow from investing activities	(13 353)	(5 458)	(19 980)
Net cash inflow/(outflow) from financing activities			
Net cash inflow from rights issue		138 168	138 500
Loans repaid	(6 761)	(321 311)	(321 670)
Loans raised	118	603	5 656
Proceeds from new financing facilities		320 000	320 000
Convertible loan notes repaid		(91 861)	(95 096)
Net increase in cash and cash equivalents	6 352	17 534	26 236
Cash and cash equivalents at the beginning of the period	40 131	13 895	13 895
Cash and cash equivalents at the end of the period	46 483	31 429	40 131
Represented by:			
Bank balances	46 483	31 429	40 131

Commentary on results

Metrofile Holdings profile

Metrofile Holdings is quoted in the "Support Services – Business Support Services" sector of the JSE Limited (JSE).

Building on almost 25 years of experience, Metrofile is today the market leader in on-site and off-site multimedia document management and information storage for all sectors of the economy. With 26% of its equity held by the Mineworkers Investment Company, Metrofile has the empowerment credentials to operate successfully across the private and public sectors.

Our purpose is to enable people and organisations to access secure information and assets rapidly, intelligently and cost-effectively. In doing so, we provide the peace of mind that enables customers to make informed decisions, to act with confidence and integrity and to focus on their core business.

Metrofile's aim is to capitalise on the value and growth potential for shareholders and stakeholders of our group by entrenching our position as the most trusted provider of content management services in South Africa through innovation, proven systems and expanding our network of storage centres and locations to ensure that our clients comply with legal and corporate governance requirements.

MGX legacy

The group still has provisions of R12,5 million for contingencies arising from the former MGX group (of which Metrofile was a part) and which it expects to resolve or quantify before the current financial year-end and as a consequence have now been disclosed under current liabilities.

Financial review

The results for the first six months were in line with expectations. Revenue increased by 9,1% to R163,5 million and EBITDA increased by 11,7% to R53,3 million. Headline earnings per share ("HEPS") were 5,5 cents (2006: 9,4 cents) and earnings per share ("EPS") were 5,5 cents (2006: 9,5 cents).

Shareholders should note that the 2006 results were stated after accounting for a number of once off items. To assist shareholders, it has been calculated that if the refinancing and issue of new shares had taken place on 1 July 2006, and if there had been no exceptional items, capital gains, reversal of tax provisions or interest on provisions for claims still unresolved, then HEPS and EPS on the full number of shares now in issue would have been 3,5 cents for the six-month period ended 31 December 2006 and 9,5 cents for the full financial year ended 30 June 2007.

Accounting policies

In terms of the Listing Requirements of the JSE, the group results have been prepared in accordance with the International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting, the Listing Requirements of the JSE and the South African Companies Act. The same accounting policies and methods of computation were applied as in the prior financial year and comparative period.

Related parties

There have been no changes to the arm's length consulting agreement with Mineworkers Investment Company since the previous reporting periods.

Consolidated statement of changes in equity

	Share capital R'000	Share premium R'000	Attributable losses R'000	Attributable to equity holders of the parent R'000	Minority share-holder interest R'000	Total R'000
Balance at 1 July 2006	408	195 656	(473 497)	(277 433)	12 162	(265 271)
Profit for the six months ended 31 December 2006			8 562	8 562	3 949	12 511
Rights offer	1 163	134 343		135 506		135 506
Minority acquisition	850	172 905		173 755	(16 111)	157 644
Profit on sale of nil paid letters			2 994	2 994		2 994
Balance at 31 December 2006	2 421	502 904	(461 941)	43 384		43 384
Profit for the six months ended 30 June 2007			26 699	26 699		26 699
Balance at 30 June 2007	2 421	502 904	(435 242)	70 083		70 083
Profit for the six months ended 31 December 2007			21 558	21 558		21 558
Balance at 31 December 2007	2 421	502 904	(413 684)	91 641		91 641

Reconciliation of headline earnings

R'000	Unaudited Six months ended 31 Dec 07	Reviewed Six months ended 31 Dec 06	Audited 12 months ended 30 Jun 07
Profit to ordinary shareholders	21 558	8 562	35 261
Capital profit on disposal of investments		(38)	(38)
Negative goodwill on acquisition of investments			(480)
(Profit)/loss on sale of plant and equipment	(26)	5	225
Headline earnings	21 532	8 529	34 968
Headline earnings per ordinary share (cents)	5,5	9,4	13,9

Directorate and corporate governance

Ms Ndumi Medupe was appointed to the board of directors, as independent non-executive director, and as a member of the audit committee with effect from 1 February 2008.

Dividends

No dividends have been declared for the current period and it is not the intention that any dividends will be declared or paid in the foreseeable future.

Contingent liabilities

Illegal strike

During the previous year a number of the group's employees embarked on an illegal strike. The company followed the required procedures and dismissed the employees. The employees took the matter to the CCMA who ruled in favour of the company. The employees appealed and the matter has been scheduled to be heard by the labour court during March 2008.

Commitments

- Operating lease commitments for the next five years amount to R12,1 million.
- Metrofile (Pty) Limited has committed to certain capital expansion and replacement projects of R10,6 million. This will be funded from free cash flows generated by operating activities and surplus funds available from its parent company.

Post-balance sheet events

No events material to the understanding of the report have occurred in the period between the period end date and the date of the report.

Possible government contract

During the fourth quarter of the previous financial year, shareholders were advised that the company expected to participate in a substantial new government contract which had been awarded to a consortium to which the company was a contractor. No final terms have been communicated to the company and management is of the view that the project may have been deferred by the relevant department for an undetermined period. Metrofile will accordingly not be budgeting for this contract for the time being.

Prospects

The group is in the process of enhancing its systems and expanding its storage capacity in South Africa. In addition, it has expanded its operations into Mozambique and is examining opportunities in other African countries.

The power shortages in RSA are not expected to have any material impact on the group's results at the present time.

The group expects growth in revenue and operating profits for the current financial year.

Christopher Seabrooke

Non-executive Chairman

Graham Wackrill

Chief Executive Officer

29 February 2008

Cleveland

Gauteng

METROFILE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1983/012697/06)

Share code: MFL ISIN: ZAE000061727

(Metrofile Holdings or "the company" or "the group")