

Media release:

METROFILE EXPANDS TO ZAMBIA THROUGH MAJORITY ACQUISITION

8 October 2014: JSE-listed Metrofile Holdings Limited has increased its African footprint through the acquisition of 60% of Zambian records management company FlexiFile Limited.

According to Richard Buttle, Executive Director of Metrofile Holdings Limited, the acquisition supports the company's African growth strategy. "As part of the Group strategy, Metrofile has been looking for opportunities to acquire existing business in African countries, rather than going with the green fields approach for a number of reasons.

"Firstly, it is quicker to acquire an existing business than to build a new business from scratch, meaning the time to market is faster. Secondly, by working with local partner we are able to leverage their experience and networks."

Metrofile discovered FlexiFile through the recommendation of a mutual financial services client that wanted the same services it receives from Metrofile Records Management in South Africa to be mirrored for its Zambia operation, explains Buttle. "It is a natural progression for Metrofile to follow clients into Africa to offer the same services."

He highlights that finding a good partner to work with in Africa is not always an easy task. "On this occasion, when we met with Kevin Cumings, the Managing Director, we immediately appreciated the way he operated with great integrity and knew he would be a good fit for the business."

The FlexiFile business previously offered only the archiving and storage of documents, in addition to a small amount of scanning. Following the acquisition, the service range will expand to include the full range provided by Metrofile Records Management including: active records management; image processing that involves converting physical records into digital images; data protection and storage; data backup.

The acquisition will also bring many benefits for the Zambian entity, says Buttle. "Having the support of the Metrofile brand means access to Metrofile's Intellectual Property, systems and other offerings. It is Metrofile's intention to co-brand as this way we can leverage of both the groups strengths and the local partners reputation and relationships."



Kevin Cumings, Managing Director of FlexiFile says that the company is extremely pleased to be joining forces with Metrofile in Zambia. “As Zambia's most well established records centre and with the race on for regional solutions, it was a natural extension for us to merge with Metrofile and become part of their regional expansion strategy. After meeting with Metrofile management, we quickly found that the two companies share mutual principles in terms of strong customer service and business relationships and that the partnership with Metrofile would offer additional scope for both parties along with greater expertise and security for us and our valued clients. The growth potential both here and regionally is exceptional and Metrofile is the right partner at the right time for us.”

“We are confident that the acquisition of FlexiFile will contribute positively towards our active African expansion strategy. Metrofile will continue to seek promising acquisition opportunities in other African countries to further grow its presence across the continent,” concludes Buttle.

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About Metrofile

Metrofile is the market leader in both physical and digital information and records management in Africa and is represented in the six major provinces of South Africa, Mozambique, Nigeria and, through the CSX Customer Services brand, has contracts in numerous other African countries.

The Metrofile records Management division operates from 44 facilities, at 21 locations, covering more than 83 800 square metres of warehousing and office space. In accordance with its owner/lessee model, 66.5% of these facilities are owned by the group. The rest of the group's divisions lease their premises. Services include records storage and management, image processing, backup storage and management, records management software and records management consultancy, business continuity and IT continuity, file plan development, confidential records destruction, paper recycling as well the sale and maintenance of a wide range of business equipment, including scanners, library security systems, mailing and packaging machines.

Metrofile has been listed on the JSE Limited (“JSE”) since 1995 and its ordinary shares are quoted in the “Support Services” sector of the JSE. Metrofile is a black owned company with black ownership amounting to 52,8% whilst its largest shareholder is its empowerment partner, Mineworkers investment Company (“MIC”) which owns 34,7% of Metrofile's equity.

