

Media release:

METROFILE INTERIM DIVIDENDS BOOSTED BY STRONG CASH GENERATION

27 February 2013: JSE listed Metrofile Holdings Limited (JSE:MLF) says a combination of strong cash generation from operations and a reduction in net finance costs has enabled it to declare an interim dividend of 4.5 cents per share for the six months ended 31 December 2012, up 50.0% from the same period last year.

Metrofile's revenue for the six month period increased by 11,5% to R281,7 million and EBITDA by 10,4% to R90,1 million. Diluted earnings per share ("EPS") and headline earnings per share ("HEPS") increased by 18,8% to 12,0 cents from 10,1 cents in 2011.

Graham Wackrill, Chief Executive Officer of Metrofile Holdings Limited, says Metrofile remains focused on cross-selling the group's diverse range of solutions and services to both new and existing customers. "The group is well positioned to partner with its customers with regard to good record keeping, legal compliance and risk mitigation."

Cash generation during the period of R89,2 million represents a 42,9% growth on the comparative period. According to Wackrill, this reflects the strong cash generation of the group's business model.

Net finance costs reduced by 23,1% in line with the further reduction in debt and the taxation rate was lower than previous periods due to the changeover to withholding tax from Secondary Taxation on Companies relating to the dividends paid.

Wackrill adds that the increase in capital expenditure for the period is in line with expectations and is due to the planned accelerated programme whereby, in addition to the routine replacement and expansion items, R10,1 million has been spent on building expansions which are currently taking place in Johannesburg and Cape Town.



“Despite the higher capital expenditure, the overall gearing has continued to improve leading to a net debt/equity ratio of 33,1% from 55,1% in 2011.

He says the group continues to monitor and optimise its balance of owned and leased premises to ensure the continued availability of space to meet expansionary demand relative to the cost of unutilised facilities.

“Capex for 2013 financial year is planned as R33,9 million of which R23,8 million is for new capacity; this excludes the amount of R29,5 million being spent on additional warehousing.”

On the outlook for 2013, Wackrill says that despite both local and global economic challenges impacting the business environment, the group’s widening range of records management and data protection related services gives rise to the optimism for continued future growth in earnings, cash flows and dividends.

He adds that acquisitions and innovation remain components of the group’s growth strategy and the company remains committed to its African expansion.

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About Metrofile

Metrofile is the market leader in information and records storage management in Africa and is represented in the six major provinces of South Africa, Mozambique and through the CSX Customer Services brand has contracts in numerous other African countries. Metrofile operates from 30 facilities covering more than 93,500 square metres of warehousing and office space and manages more than 21 billion records on behalf of its customers. In accordance with its owner/lessee model, 53,5% of its facilities are owned by the group.

Services include Active Records Management, Image Processing, Hosting, Data backup (both vault and online), Archive Storage & Management, 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. With the acquisition, in March 2012, of Global Continuity the group also can now offer its customers business and IT continuity services which compliment its existing Data Protection offerings.

Metrofile has been listed on the JSE Limited (“JSE”) since 1995 and its ordinary shares are quoted in the “Support Services” sector. Its largest shareholder is its empowerment partner, Mineworkers Investment Company (“MIC”) which owns 34,3% of Metrofile’s equity. Visit www.metrofileholdings.com for more information.



