

METROFILE ANNOUNCES 22.2% INCREASE IN INTERIM DIVIDENDS

29 February 2016: JSE-listed Metrofile Holdings Limited (JSE:MLF) announced a 22.2% increase in its interim gross cash dividend to 11,0 cents per share in respect of the six months ended 31 December 2015, up from 9,0 cents in the corresponding period the previous year.

According to Mark McGowan, Chief Financial Officer of Metrofile Holdings Limited, continued strong cash generation has allowed the group to maintain its current target dividend cover of 1,5 times.

IFRS required that 36 months' business interruption insurance proceeds relating to a fire at a facility in 2013 be recognised in full in the 2014 financial year. Normalised results are accordingly presented again, recognising this receipt over 36 months in order to present more representative results for each affected reporting period.

As such, normalised revenue increased by 10,5% to R384,3 million, while normalised headline earnings increased by 13,2% to R75,5 million. Both normalised basic earnings per share ("EPS") and normalised headline earnings per share ("HEPS") increased by 12,7% to 17,7 cents.

Cash generated from operations before net working capital changes increased by 28,5% whilst the cash generated from operations decreased by 23,1%.

Capital investments of R61,9 million were effected mainly for expansion and included the development of a new facility in Mbombela, and the purchase of racking and equipment of R30 million required for growth.

In continuance with its bolt-on geographical acquisition strategy, the group acquired interests in the following entities subsequent to the reporting period: 100% shareholding in Document Bank Botswana (Botswana); 49% shareholding in Al Bidda Metrofile LLC (Qatar); 40% shareholding in Lexie Legal Services (Pty) Ltd (South Africa); and 51% shareholding in E-File Teejan LLC via E-File Masters LLC (Oman).

McGowan says Metrofile's expansion into Africa and the Gulf Co-operation Council States of the Middle East remains driven by the demand for the similar services to those provided by the group in South Africa. "With Metrofile now established in Mozambique, Botswana, Nigeria, Zambia, the United Arab Emirates, Qatar and Oman, the group's expansion strategy continues to take cognisance of potential target countries' business and political environment, governance, market attractiveness, language, infrastructure, logistics, education and labour force, potential client industries and overall risk."

Whilst acknowledging the local economic challenges impacting the South African business environment, Metrofile expects to increase its headline earnings per share for the full year.

“As a Group, Metrofile will continue to seek growth opportunities across Africa and the Middle East, to entrench its position as a market leader in cradle to grave document management solutions,” concludes McGowan.

About Metrofile

Metrofile Holdings Limited 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 53.36%. Its largest shareholder is its empowerment partner, Mineworkers Investment Company (“MIC”) which owns 34,41% of Metrofile’s equity.

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.

The Metrofile Records Management division 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, Botswana, Mozambique, Nigeria, Zambia and United Arab Emirates. It operates from 44 facilities, at 21 locations, covering more than 87 136 square metres of warehousing and office space. In accordance with its owner/lessee model, 68% of these facilities are owned by the Group. The rest of the Group’s divisions lease their premises.

The CSX Customer Services brand has contracts in numerous other African countries.