

## THIS CREATION CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions on pages 4 to 6 of this circular apply to the cover of this circular.

### Action required

1. If you are in any doubt as to the action that you should take, you should consult your broker, attorney, accountant, banker, CSDP or other professional adviser immediately.
2. If you have disposed of all of your shares in Metrofile Holdings, this circular should be handed to the purchaser of such shares or the broker, banker or other agent through whom the disposal was effected.
3. The general meeting convened in terms of this circular will be held at WWB's offices situated at 10 Fricker Road, Illovo Boulevard, Johannesburg, 2196, Gauteng at 09:00 on Monday, 9 October 2006. A form of proxy (*pink*) is attached for use by certificated shareholders and dematerialised shareholders with own name registration who cannot attend the general meeting and who wish to vote at the general meeting. It should be properly completed and lodged with the transfer secretaries, to reach it by no later than 09:00 on Thursday, 5 October 2006. Dematerialised shareholders, other than those with own name registration, must inform their CSDP or broker of their intention to attend the general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the general meeting in person. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

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# metrofile

## Metrofile Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1983/012697/06)

Share code: MFL ISIN: ZAE000061727

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## Circular to Metrofile Holdings shareholders

relating to:

- an increase in the Company's authorised share capital, by the creation of 400 million ordinary shares with a par value of 0.6416 cents each; and
- the placing of the authorised but unissued ordinary shares created in respect of the rights offer under the control of the directors;

and incorporating:

- a notice of a general meeting; and
  - a form of proxy to be completed by holders of certificated shares and holders of dematerialised shares with own name registration only.
- 

Investment bank and sponsor



Attorneys



Webber Wentzel Bowens

Joint attorneys

Charl du Plessis Attorneys  
Attorneys, Notary Publics  
& Conveyancers

Reporting accountants  
and auditors

**Deloitte.**  
Deloitte & Touche  
Registered Auditors

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Date of Issue: 15 September 2006

Copies of this circular are available in English only and may be obtained from the registered office of the Company, the offices of the sponsor and the transfer secretaries, the addresses of which are set out in the "Corporate Information" section of this circular.

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## CORPORATE INFORMATION

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### Registered office

Metrofile Holdings Limited  
(Registration number 1983/012697/06)  
3 Gowie Road  
The Gables  
Cleveland  
2049  
(PO Box 40264, Cleveland, 2022)

### Company secretary

Leon Thompson  
B Compt (Hons), CTA, SAIPA  
3 Gowie Road  
The Gables  
Cleveland  
2049  
(PO Box 40264, Cleveland, 2022)

### Attorneys

Webber Wentzel Bowens  
10 Fricker Road  
Illovo Boulevard  
Johannesburg  
2196  
(PO Box 61771, Marshalltown, 2107)

### Joint attorneys

Charl du Plessis Attorneys  
Colliers Office Park  
36 Fricker Road  
Illovo Boulevard  
Johannesburg  
2196  
(PO Box 411546, Craighall, 2024)

### Date of incorporation of Metrofile Holdings

18 November 1983

### Transfer secretaries

Computershare Investor Services 2004  
(Proprietary) Limited  
(Registration number 2004/003647/07)  
70 Marshall Street  
Johannesburg  
2001  
(PO Box 61051, Marshalltown, 2107)

### Investment bank and sponsor

The Standard Bank of South Africa Limited  
(Registration number 1962/000738/06)  
3 Simmonds Street  
Johannesburg  
2001  
(PO Box 61344, Marshalltown, 2107)

### Reporting accountants and auditors

Deloitte & Touche  
Registered Auditors  
The Woodlands  
20 Woodlands Drive  
Woodmead  
2146  
(Private Bag X 6, Gallo Manor, 2052)

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## **ACTION REQUIRED BY SHAREHOLDERS**

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The definitions on pages 4 to 6 of this circular apply to this information on action required by shareholders.

1. If you are a **registered holder of certificated Metrofile Holdings ordinary shares** or **hold dematerialised Metrofile Holdings ordinary shares in your own name** and are unable to attend the general meeting, and you wish to be represented thereat, you must complete and return the attached form of proxy (pink) in accordance with the instructions therein so as to be received by the transfer secretaries, whose details are contained opposite, by no later than 09:00 on Thursday, 5 October 2006.
2. If you **do not hold your dematerialised Metrofile Holdings ordinary shares in your own name**, you should provide your CSDP or broker with your voting instructions in terms of the custody agreement entered into with your CSDP or broker. If you wish to attend the general meeting in person, then you will need to request your CSDP or broker to provide you with the necessary authority to attend and vote your shares.
3. If you **hold certificated Metrofile Holdings ordinary shares through a nominee** you should provide your nominee with your voting instructions in terms of the agreement entered into with such nominee. If you wish to attend the general meeting in person, then you will need to request your nominee to provide you with the necessary authority to attend and vote your shares.

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## SALIENT DATES AND TIMES

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2006

Last date to lodge forms of proxy by 09:00, on	▲ <u>Thursday, 5</u> October
General meeting of shareholders to be held at 09:00, on	▲ <u>Monday, 9</u> October
Results of the general meeting published on SENS, on	▲ <u>Monday, 9</u> October
Results of the general meeting published in the press, on	▲ <u>Tuesday, 10</u> October

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### Notes:

1. The above salient dates and times are subject to change. Any changes will be released on SENS and published in the press.
2. If the general meeting is adjourned or postponed, forms of proxy must be received by no later than 48 hours prior to the time of the adjourned or postponed general meeting (excluding Saturdays, Sundays and official South African public holidays).
3. All times quoted in this circular are South African times.

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## DEFINITIONS

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Throughout this circular, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words signifying one gender include the other and words denoting natural persons include juristic persons and associations of persons:

“the acquisition of minority interests”	the acquisition of the interests held by the minority shareholders in the issued share capital of Metrofile, the purchase price of which is to be settled by the issue of shares in Metrofile Holdings. Approval for the acquisition will be sought in a shareholders meeting still to be convened;
“Articles”	Articles of Association of the Company;
“BEE”	Black Economic Empowerment as defined in the Broad-based Black Economic Empowerment Act, 2003 (Act 53 of 2003);
“this circular”	this circular to shareholders, dated 15 September 2006, incorporating a notice of general meeting and a form of proxy (pink);
“the Companies Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“the Company’s address” or “registered address”	3 Gowie Road, The Gables, Cleveland, 2049;
“Computershare” or “the transfer secretaries”	Computershare Investor Services 2004 (Proprietary) Limited (Registration number 2004/003647/07), whose address is Ground Floor, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107);
“CSDP”	Central Securities Depository Participant, registered in terms of section 32 of the Securities Services Act, 2004 (Act 36 of 2004);
“the directors”	the board of directors of Metrofile Holdings;
“the general meeting”	the general meeting of shareholders to be held at WWB’s offices, 10 Fricker Road, Illovo Boulevard, Johannesburg, 2196, Gauteng at 09:00 on <u>Monday, 9 October 2006</u> ;
“the group”	Metrofile Holdings and its subsidiary companies;
“holders of certificated shares”	shareholders that hold ordinary shares that have not been dematerialised in terms of the STRATE system, title to which is represented by physical share certificates or other physical documents of title;
“holders of dematerialised shares”	shareholders who hold ordinary shares that have been dematerialised in terms of the STRATE system;

“the increase in share capital”	the proposed increase in the Company’s authorised share capital from R0.6 million to R3.1 million through the creation of 400 million ordinary shares that will rank <i>pari passu</i> in all aspects with the ordinary shares already in issue;
“the JSE”	the JSE Limited (Registration number 2005/022939/06), a public company in South Africa, licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004);
“the last practicable date”	the last practicable date prior to the finalisation of this circular, being Wednesday, 6 September 2006;
“management”	certain directors and members of management of Metrofile, including Graham Wackrill, Richard Buttle, Roy Midlane, Leon Thompson, Mike Morris, Anthony Eedes, Jill Leite, Guy Kimble, Adrian Wilkins and Keith Blackwell;
“Memorandum”	Memorandum of Association of the Company;
“Metrofile”	Metrofile (Proprietary) Limited (Registration number 2003/016054/07), a private company registered in South Africa and a subsidiary company of Metrofile Holdings;
“Metrofile Holdings” or “the Company”	Metrofile Holdings Limited (Registration number 1983/012697/06), a public company registered in South Africa, the ordinary shares of which are listed on the JSE;
“MIC”	Mineworkers Investment Company (Proprietary) Limited (Registration number 1994/009420/07), a private company registered in South Africa;
“the minority shareholders”	the minority shareholders in Metrofile, being MIC, Sabvest and management;
“the ordinary resolution”	the ordinary resolution placing the authorised but unissued ordinary shares in respect of the rights offer under the control of the directors;
“ordinary shares” or “shares”	ordinary shares having a par value of 0.6416 cents each in the share capital of Metrofile Holdings, ranking <i>pari passu</i> with all other such ordinary shares in the issued share capital of the Company;
“own name registration”	shareholders who have dematerialised their shares with a CSDP or broker in terms of section 34 of the Securities Services Act, 2004 (Act 36 of 2004) and which are held on the sub-register of the Company in the name of the shareholder;
“Rand” or “R” or “ZAR”	the lawful currency of South Africa, being the South African Rand or any successor currency;
“the record date”	the last day for shareholders to be recorded in the shareholders register in order to participate in the rights offer, being <u>on or about</u> Friday, 17 November 2006;

“the rights offer”	the fully underwritten rights offer of 188 897 403 rights offer shares at an issue price of 75 cents per rights offer share in the ratio of 255 rights offer shares for every 100 Metrofile Holdings shares held on the record date for the rights offer, subject to adjustments for the foreign shareholders to whom the offer will not be made;
“the rights offer shares”	the ordinary shares to be issued in respect of the rights offer;
“Sabvest”	Sabvest Limited (Registration number 1987/003753/06), a public company registered in South Africa, the ordinary shares of which are listed on the JSE;
“SENS”	the Securities Exchange News Service operated by the JSE;
“SFS”	Sabvest Financial Services (Proprietary) Limited (Registration number 1989/003795/07), a public company registered in South Africa and which is wholly-owned by Sabvest;
“shareholders”	the registered holders of ordinary shares;
“South Africa”	the Republic of South Africa;
“SRP Code”	Securities Regulation Panel Code on Take-overs and Mergers;
“Standard Bank”	The Standard Bank of South Africa Limited (Registration number 1962/000738/06), a public company registered in South Africa and the investment bank and sponsor to Metrofile Holdings;
“STRATE”	STRATE Limited (Registration number 1998/022242/06), a registered central securities depository in terms of the Securities Services Act, 2004 (Act 36 of 2004);
“the swop up agreements”	the agreements in terms of which the minority shareholders of Metrofile will sell their shares in Metrofile to Metrofile Holdings, the purchase price of which will be settled by the issue of shares in Metrofile Holdings;
“the Underwriter”	SFS or its nominees, guaranteed by Sabvest. SFS has signed an agreement with Metrofile Holdings in terms of which Sabvest has agreed to subscribe for such number of shares that are not taken up by shareholders in terms of the rights offer, in order to ensure that Metrofile Holdings raises the full R142 million intended to be raised pursuant to the rights offer; and
“WWB”	Webber Wentzel Bowens, attorneys to Metrofile Holdings in respect of the transaction set out in this circular, the rights offer and the acquisition of minority interests.





## Metrofile Holdings Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1983/012697/06)  
Share code: MFL ISIN: ZAE000061727

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### Directors

C S Seabrooke<sup>2</sup> (*Chairman*)

G D Wackrill<sup>3</sup> (*CEO*)

D E Baloyi<sup>1</sup>

I N Matthews<sup>1</sup>

S R Midlane<sup>2</sup>

K Pillay<sup>2</sup>

<sup>1</sup> Independent non-executive

<sup>2</sup> Non-executive director

<sup>3</sup> Executive director

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## CIRCULAR TO METROFILE HOLDINGS SHAREHOLDERS

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### 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

The directors propose, subject to the requisite approval of shareholders being obtained in general meeting, that:

- Metrofile Holdings increases its authorised share capital from R0.6 million to R3.1 million through the creation of 400 million ordinary shares that will rank *pari passu* in all respects with the ordinary shares already in issue; and
- such number of authorised but unissued ordinary shares sufficient to meet the requirements of the rights offer be placed under the control of the directors who will allot and issue such shares for cash, without restriction on all or any of such shares, at a subscription price of 75 cents per share pursuant to the terms of the rights offer.

The purpose of this circular is to furnish shareholders with information relating to the proposed resolutions, in accordance with the Companies Act and the Listings Requirements of the JSE, and to convene a general meeting at which shareholders will be requested to approve the proposed special and ordinary resolutions contained in the notice of general meeting attached to and forming part of this circular.

### 2. RATIONALE, REASON AND EFFECT

Metrofile Holdings is a holding company with a 65% shareholding in the issued share capital of Metrofile. Metrofile's BEE partner, MIC, holds 25% and each of Sabvest and management holds a 5% interest in Metrofile. Metrofile is Metrofile Holdings' only material asset.

Metrofile had R10 million of mortgage debt and R310 million of loan debt repayable by 4 March 2009, as set out in previous circulars to shareholders, failing which a portion of the loan debt was convertible to shares in Metrofile, which would reduce the 65% shareholding of Metrofile Holdings in Metrofile. In order to remove the convertibility of the said loan debt and to extend the repayment period to match Metrofile Holdings' cash flows, Metrofile recently raised R320 million in new finance from Standard Bank. The salient terms of the new financing are that interest is serviced monthly, R145 million is repayable at the end of the six years and R175 million is repayable over years two to six.

In Metrofile Holdings itself and in its subsidiaries (other than Metrofile and its subsidiaries) there is additional debt of R131 million comprising amounts due to Metrofile Holdings' convertible loan note holders, other creditors and includes the estimated costs of the rights offer, which are expected to be R6,5 million. Further, the group also has contingent liabilities for a possible settlement of a shortfall in

one of the group's pension funds, obligations arising from agreements for the sale of group assets in prior years and some claims that may potentially be due to creditors. Metrofile Holdings accordingly intends to raise R142 million to settle these existing liabilities and retain some cash to cover the contingent liabilities. It will also request permission to issue up to 10 million new ordinary shares for cash in 2007 should this become necessary for the settlement of additional contingent liabilities that become actual obligations.

Immediately after the rights offer is implemented, the directors propose that Metrofile Holdings acquires the minority interests in Metrofile. The acquisition consideration will be settled by Metrofile Holdings through the issue of shares on a *pro rata* basis and Metrofile will become a wholly-owned subsidiary of Metrofile Holdings. MIC will enter into agreements with Metrofile Holdings that will effectively restrict its right to exit its shareholding in Metrofile Holdings. MIC, Sabvest and management will not participate in the rights offer at the Metrofile Holdings level in respect of the shares they will receive under the swap up agreement as the acquisition of minority interests will take place after the rights offer.

The acquisition of the minority interests in Metrofile will align the interest of all shareholders, including Metrofile's BEE partner who is currently a minority shareholder at the Metrofile level, and provide future liquidity for MIC, Sabvest and management. In addition, from a Metrofile Holdings point of view, it will have total control of Metrofile and be able to plan and fund future growth with more flexibility and without requiring minorities' approval at that level for special resolutions and any corporate activity. The market capitalisation of Metrofile Holdings will also increase as a result of this transaction and this should be attractive to new investors.

To complete the financial restructuring of the group, the directors therefore propose that:

- an additional R142 million be raised by Metrofile Holdings through a rights offer to its shareholders. The money raised from the rights offer will be used to pay the liabilities and costs of the rights offer and retain cash to cover the amount expected to be necessary to settle the contingent liabilities;
- each of the minority shareholders sell their cumulative 35% shareholding in Metrofile for an aggregate 35% shareholding in Metrofile Holdings. Metrofile is the operating entity of Metrofile Holdings, which will become a wholly owned subsidiary of Metrofile Holdings as a result of the acquisition of the minority interest in Metrofile.

The 400 million new ordinary shares to be created are to be used for the following reasons:

- 188 897 403 ordinary shares required to be issued in terms of the rights offer;
- 137 898 811 ordinary shares required to be issued to the minority shareholders in terms of the acquisition of the minority interests in Metrofile;
- 10 000 000 ordinary shares to be issued to meet additional contingent liabilities that become actual obligations in 2007; and
- the remaining 63 203 786 shares created will be available for future corporate activities if so authorised by shareholders in the future.

The special resolution number 1 will effect an increase in the Company's authorised share capital through the creation of 400 million ordinary shares. This special resolution will become effective on the date on which it is registered by the Registrar of Companies.

It is also proposed that an ordinary resolution be passed at the general meeting, placing the ordinary shares created for the purposes of the rights offer under the control of the directors and authorising the directors of the Company to issue and allot such newly created shares pursuant to the rights offer.

The special resolution will create sufficient ordinary shares to meet Metrofile Holdings' obligations in terms of the swap up agreements. These ordinary shares are to be issued to the minority shareholders in consideration for a transfer of their shares in Metrofile. However, the ordinary shares created for purposes of the acquisition of the minority interests in Metrofile will only be placed under the control of the directors, and authority for the directors of the Company to issue and allot the newly created shares will only be granted, at a shareholders meeting to be convened at a future date to approve the acquisition of the minority interest in Metrofile.

The Company's authorised and issued share capital at the last practicable date before the creation of the new ordinary shares is as set out below:

	<b>ZAR'000</b>
<b>Authorised</b>	
100 000 000 ordinary shares of 0.6146 cents each	615
<b>Issued</b>	
74 077 413 ordinary shares of 0.6146 cents each	456
Less: Treasury shares offset	(46)
Share premium	195 654
Total issued share capital	196 064

After the creation of the new ordinary shares, the Company's authorised and issued share capital is expected to be as set out below:

	<b>ZAR'000</b>
<b>Authorised</b>	
500 000 000 ordinary shares of 0.6146 cents each	3 073
<b>Issued</b>	
74 077 413 ordinary shares of 0.6146 cents each	456
Less: Treasury shares offset	(46)
Share premium	195 654
Total issued share capital	196 064

After the creation of the new ordinary shares and the issue of the shares in terms of the rights offer, the Company's authorised and issued share capital is expected to be as set out below:

	<b>ZAR'000</b>
<b>Authorised</b>	
500 000 000 ordinary shares of 0.6146 cents each	3 073
<b>Issued</b>	
262 974 816 ordinary shares of 0.6146 cents each	1 616
Share premium	336 166
Total issued share capital	336 167

### 3. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company, whose names are set out on page 7 of this circular, collectively and individually, accept full responsibility for the accuracy of the information given in this circular and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this circular false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this circular contains all information required by law and the Listings Requirements of the JSE.

### 4. GENERAL MEETING

A notice convening the general meeting and a form of proxy (*pink*) for use by holders of certificated shares and holders of dematerialised shares with own name registration who are unable to attend the general meeting and who wish to vote at the general meeting, form part of this circular. Duly completed forms of proxy must be received by the transfer secretaries by no later than 09:00 on Thursday, 5 October 2006. Holders of dematerialised shares, other than own name registered shareholders, must inform their CSDP or broker of their intention to attend the general meeting and obtain the necessary

authorisation to attend, or provide their CSDP or broker with their voting instructions should they wish to vote and are not able to attend the general meeting in person. This must be done in terms of the agreement entered into between the shareholders and the CSDP or broker concerned.

#### 5. **DOCUMENTS AVAILABLE FOR INSPECTION**

The Company's Memorandum and Articles of Association and audited annual financial statements for the three financial years ended 30 June 2004, 2005 and 2006 are available for inspection at the Company's address, during normal business hours, up to and including Monday, 9 October 2006.

#### 6. **CONSENTS**

Each of the advisers whose names appear on the front cover of this circular have consented in writing to act in the capacities stated and to their names being stated in this circular and have not withdrawn such consent prior to the publication of this circular.

By order of the Board

**Leon Thompson**  
*Company Secretary*

Johannesburg  
15 September 2006

#### **Registered address**

3 Gowie Road  
The Gables  
Cleveland  
2049  
(PO Box 40264, Cleveland, 2022)



## 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")

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### NOTICE OF GENERAL MEETING

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Notice is hereby given that a general meeting of shareholders will be held at 10 Fricker Road, Illovo Boulevard, Johannesburg, 2196, Gauteng at 09:00 on Monday, 9 October 2006, for the purpose of considering and, if deemed fit, passing, with or without modification, the following special and ordinary resolutions:

#### SPECIAL RESOLUTION NUMBER 1

**"Resolved** that the authorised share capital of the Company be increased from R0.6 million, comprising 100 million ordinary shares with a par value of 0.6146 cents each, to R3.1 million, comprising 500 million ordinary shares with a par value of 0.6146 cents each."

#### Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to increase the authorised share capital of the Company.

The effect of special resolution number 1 is to create 400 million ordinary shares with a par value of 0.6146 cents each.

#### ORDINARY RESOLUTION NUMBER 1

**"Resolved** that, subject to the passing and registration of special resolution number 1 to be proposed at the same meeting at which this ordinary resolution number 1 is proposed, that 188 897 403 unissued ordinary shares in the authorised capital of the Company which have been created for purposes of meeting the commitments of the rights offer be and are hereby placed under the control of the directors of the Company who are authorised under a specific authority to allot and issue without restriction all or any of the ordinary shares at their discretion until conclusion of the rights offer, subject to the provisions of section 221 of the Companies Act, 1973 (Act 61 of 1973), and the Listings Requirements of the JSE Limited, if any."

#### VOTING AND PROXIES

On a show of hands every shareholder present in person or by proxy and, if a member is a body corporate, its representative shall have one vote irrespective of the number of shares he holds or represents, and on a poll every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the par value of the shares held by him bears to the aggregate amount of the par value of all the shares issued by the Company.

Each shareholder is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and on a poll, to vote in his stead.

A form of proxy (*pink*) is attached for completion by holders of certificated shares and holders of dematerialised shares with own name registration who are unable to attend the general meeting in person and who wish to vote at the general meeting. Forms of proxy must be completed and received by the transfer secretaries so as to be received by no later than 09:00 on Thursday, 5 October 2006. Holders of certificated shares and/or holders of dematerialised shares with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the general meeting to the exclusion of

their appointed proxy should such member wish to do so. Holders of dematerialised shares, other than own name registration, must inform their CSDP or broker of their intention to attend the general meeting and obtain the necessary authorisation from their CSDP or broker to attend the general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the general meeting in person. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

By order of the Board

**Leon Thompson**  
*Company Secretary*

Johannesburg  
15 September 2006

**Registered address**

3 Gowie Road  
The Gables  
Cleveland  
2049  
(PO Box 40264, Cleveland, 2022)



## 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")

### FORM OF PROXY

For use at the general meeting to be held at 10 Fricker Road, Illovo Boulevard, Johannesburg 2196, Gauteng at 09:00 on Monday, 9 October 2006.

**Only for use by Metrofile Holdings shareholders who have not dematerialised their shares or who have dematerialised their shares with own name registration or who are nominees of Central Securities Depository Participants ("CSDP") or brokers on the sub-registers of the Company.**

Shareholders who have dematerialised their shares with a CSDP or broker, other than own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (BLOCK LETTERS)

of (address in BLOCK LETTERS)

Telephone (work) ( )

Telephone (home) ( )

being the holder(s) of  ordinary shares in the Company, appoint (see note 1):

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairman of the general meeting,

as my/our proxy to act on my/our behalf at the general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the special and ordinary resolutions or to abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of ordinary shares		
	For	Against	Abstain
<b>*Special resolution number 1</b> Increase of the Company's authorised share capital			
<b>*Ordinary resolution number 1</b> Placing the ordinary shares created in respect of the rights offer under the control of the Company's directors, who are authorised to issue and allot such ordinary shares pursuant to the rights offer			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of ordinary shares in the Company).

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the general meeting. Proxies must be lodged at the registered office of the Company not less than 48 hours before the time for holding the general meeting.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2006

Signature(s)

Capacity and authorisation (see note 9)

**Please read the notes on the reverse side hereof.**

**Notes:**

1. A shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the general meeting.
2. A shareholder may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the general meeting". The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A shareholder should insert the relevant number of shares/votes in the appropriate space according to how he wishes his votes to be cast. If a shareholder wishes to cast a vote in respect of a lesser number of ordinary shares than he owns in the Company, he should insert the number of ordinary shares held in respect of which he wishes to vote. Failure to comply with the above will be deemed to authorise and direct the chairman of the general meeting, if the chairman of the general meeting is the authorised proxy, to vote in favour of the special and ordinary resolutions, or any other proxy to vote or abstain from voting at the general meeting as he deems fit, in respect of all the shareholder's votes exercisable at the general meeting.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to so do.
5. The chairman of the general meeting may in the chairman's discretion reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
6. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholders and the CSDP or broker concerned.
7. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/(ies).
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or waived by the chairman of the general meeting.
9. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
10. Where there are joint holders of shares:
  - any one holder may sign this form of proxy; and
  - the vote of the senior joint holder, as determined by the order in which the names stand in the Company's register of shareholders, will be accepted.
11. Forms of proxy must be lodged with or posted to the transfer secretaries at 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107) to be received by no later than 09:00 on Thursday, 5 October 2006.





