

METROFILE HOLDINGS LIMITED
 Incorporated in the Republic of South Africa
 (Registration number 1983/012697/06)
 Share code: MFL
 ISIN: ZAE000061727
 ("Metrofile" or "the Company" or "the Group")

AUDITED SUMMARISED GROUP RESULTS
 for the 12 months ended 30 June 2017

EBITDA
 UP
 5,2%
 R247,3 MILLION

Headline Earnings Per Share
 UP
 4,3%
 31,8 CENTS PER SHARE

DIVIDENDS PER SHARE
 FOR THE YEAR
 30 CENTS
 0,0%

CASH GENERATED
 FROM OPERATIONS
 UP
 38,8%
 R276,2 MILLION

REVENUE
 DOWN
 -1.0%
 R769,2 MILLION

Summarised consolidated income statement

R'000	Note	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
Revenue		769 239	777 577
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	1	247 329	235 024
Depreciation		(34 917)	(35 737)
Operating profit before finance costs		212 412	199 287
Net finance costs		(18 056)	(14 687)
Finance income		3 649	4 646
Finance costs		(21 705)	(19 333)
Profit before taxation		194 356	184 600
Taxation		(54 979)	(48 949)
Profit for the year		139 377	135 651

Attributable to:		
Owners of the parent	135 019	130 129
Non-controlling interests	4 358	5 522
Profit for the year	139 377	135 651
Further information		
Number of ordinary shares in issue	(thousands) 421 103	425 084
Weighted average number of ordinary shares in issue	(thousands) 424 554	425 944
Basic earnings per ordinary share		
Basic earnings per ordinary share	(cents) 31,8	30,6
Diluted earnings per ordinary share		
Diluted earnings per ordinary share	(cents) 31,8	30,6
Headline earnings per ordinary share		
Headline earnings per ordinary share	(cents) 31,8	30,5
Dividend per ordinary share		
Interim dividend per ordinary share - paid	(cents) 13,0	11,0
Final dividend per ordinary share - proposed/paid	(cents) 17,0	19,0

Summarised consolidated statement of comprehensive income

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
R'000		
Profit for the year	139 377	135 651
Other comprehensive (loss) income for the year net of tax*		
Currency movement on translation of foreign subsidiary	(5 064)	656
Total comprehensive income for the year	134 313	136 307
Attributable to:		
Owners of the parent	132 206	130 551
Non-controlling interests	2 107	5 756

*All items will subsequently be reclassified to profit and loss.

Reconciliation of headline earnings

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
R'000		
Profit attributable to owners of the parent	135 019	130 129
Profit on disposal of plant and equipment	(132)	(294)
Tax effect of above items	314	179
Headline earnings	135 201	130 014
Headline earning per ordinary share	(cents) 31,8	30,5

Summarised segmental information

Revenue

EBITDA

R'000	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
Records Management Property Companies (Occupied by Records Management businesses)	629 701	612 318	165 304	159 346
CSX Customer Services	66 964	59 901	66 964	59 901
Other	69 337	95 998	(2 362)	(1 060)
Intergroup	85 983	79 903	17 423	16 837
	(82 746)	(70 543)	-	-
Total	769 239	777 577	247 329	235 024
South African operations	682 726	697 939	235 635	219 014
Non-South African operations	86 513	79 638	11 694	16 010

R'000	Operating profit		Tangible Assets	
	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
Records Management Property Companies (Occupied by Records Management businesses)	138 589	131 438	337 861	339 755
CSX Customer Services	66 964	59 901	318 151	294 785
Other	(3 439)	(1 647)	32 428	23 590
	10 298	9 595	62 046	67 088
Total	212 412	199 287	750 486	725 218
South African operations	205 407	189 052	674 039	658 773
Non-South African operations	7 005	10 235	76 447	66 445

"Records Management" represents the global document storage and management and scanning business units which are managed and operated geographically.

"Other" includes Metrofile Holdings, Rainbow Paper Management, Global Continuity and Cleardata.

Summarised consolidated
statement of financial position

R'000	Notes	Audited as at 30 June 2017	Audited as at 30 June 2016
ASSETS			
Non-current assets		769 061	722 858
Property	1	331 556	292 835
Plant and equipment		206 547	204 317
Goodwill		216 938	218 573
Intangible assets		-	1 868
Investment		7 739	449
Long-term receivable		375	559
Deferred tax assets		5 906	4 257
Current assets		212 009	227 506

Inventories		19 068	19 443
Trade receivables		134 582	136 293
Other receivables		30 493	46 053
Bank balances		27 866	25 717
Total assets		981 070	950 364
EQUITY AND LIABILITIES			
Equity and reserves		647 643	660 340
Equity attributable to owners of the parent		624 007	643 397
Non-controlling interests		23 636	16 943
Non-current liabilities		181 978	144 943
Interest-bearing liabilities	2	156 904	123 297
Deferred taxation liability		25 074	21 646
Current liabilities		151 449	145 081
Trade and other payables		73 761	69 658
Deferred revenue		12 968	13 427
Bank overdraft		3 273	345
Provisions		2 351	2 678
Taxation		2 814	9 768
Interest-bearing liabilities	2	56 282	49 205
Total equity and liabilities		981 070	950 364

Notes:

1. The majority of the group's properties have been pledged as security against certain loans to the group.
2. Long-term interest-bearing liabilities represent the Metrofile (Pty) Ltd amortising and revolving facilities. Short-term interest-bearing liabilities include the portions of the Metrofile (Pty) Ltd amortising loan facility. The Metrofile (Pty) Ltd borrowings are JIBAR linked.

Summarised consolidated statement of cash flows

	Audited 12 months ended 30 June 2017	Restated Audited 12 months ended 30 June 2016
R'000		
Cash generated from operations before net working capital changes	251 620	238 743
Decrease/(increase) in net working capital	24 568	(39 769)
Cash generated from operations	276 188	198 974
Net finance costs paid	(18 056)	(14 687)
Normal taxation paid	(60 191)	(39 724)
Net cash inflow from operating activities	197 941	144 563
Net cash outflow from investing activities:		
Investment in property: expansion	(37 669)	(21 786)
Investment in plant and equipment: expansion	(36 398)	(44 577)

Minority contribution on acquisition of subsidiary	-	(1 700)*
Investment in plant and equipment: replacement	(5 832)	(7 192)
Proceeds on disposal of property, plant and equipment	1 326	1 506
Translation of foreign fixed assets	1 827	160*
Additions to intangible assets	-	(1 967)
Investment in associate and joint venture	(7 259)	(449)*
Increase in shareholding of subsidiary and acquisition of business	-	(25 256)
Net cash outflow from financing activities:		
Issue of shares	39 234	-
Purchase of treasury shares	(58 732)	(9 577)*
Dividends paid	(135 900)	(97 835)*
Loans repaid	(34 317)	(30 986)
Loans drawn down	75 000	-
Net decrease in cash and cash equivalents	(779)	(95 096)
Cash and cash equivalents at the beginning of the year	25 372	120 468
Cash and cash equivalents at the end of the year	24 593	25 372

* These amounts have been re-classified as identified in the JSE Pro Active monitoring of annual financial statement review.

Summarised consolidated statement of changes in equity

	Share capital	Share premium	Accumulated profits/(losses)	Other reserves	Total equity before minority apportionment	Non- controlling	Total
Balance at 30 June 2015	2 625	588 936	17 960	7 999	617 520	12 887	630 407
Purchase of Treasury Shares		(9 577)			(9 577)		(9 577)
IFRS 2 Equity reserve relating to share schemes				4 440	4 440		4 440
Share scheme settlement				(1 494)	(1 494)		(1 494)
Minority contribution on acquisition of subsidiary						(1 700)	(1 700)
Dividends declared			(98 043)		(98 043)		(98 043)
Total comprehensive income for the year ended 30 June 2016			130 129	422	130 551	5 756	136 307
Balance at 30 June 2016	2 625	579 359	50 046	11 367	643 397	16 943	660 340
Purchase of Treasury Shares		(58 732)			(58 732)		(58 732)
Issue of Ordinary Shares	50	39 184			39 234		39 234
IFRS 2 Equity reserve relating to share schemes				6 198	6 198		6 198
Share scheme settlement				(2 797)	(2 797)		(2 797)
Minority contribution on acquisition of subsidiary						2 886	2 886
Reversal of prior year non-controlling interest and loss of joint venture			731		731	1 700	2 431
Dividends declared			(136 230)		(136 230)		(136 230)
Total comprehensive income for the year ended 30 June 2017			135 019	(2 813)	132 206	2 107	134 313
Balance at 30 June 2017	2 675	559 811	49 566	11 955	624 007	23 636	647 643

Commentary on the results

Profile

Metrofile is Africa's market leader in records and information management, offering a range of physical storage and digital services, as well as the confidential destruction and recycling of records. Founded and listed in South Africa, the Group is growing steadily in the Middle East and other African countries.

The Records Management division operates from 52 facilities, at 27 locations, covering 101 309 square metres of warehousing and office space.

Metrofile is a 57,4% black-owned company. Its empowerment partner and shareholder of reference, Mineworkers Investment Company ("MIC"), owns 36,77% of Metrofile's equity.

Overview of full year financial results

After three years of reporting normalised results following an insurance payment for a fire at a Metrofile facility, our reporting reverts to actual results in the 2016/17 financial year.

Revenue decreased by 1% to R769,2 million, whilst headline earnings increased by 4,0% to R135,2 million. Basic earnings per share ("EPS") and headline earnings per share ("HEPS") both increased to 31,8 cents representing an increase of 3,9% and 4,3% respectively. EBITDA increased by 5.2% to R247,3 million.

Cash generated from operations before net working capital changes increased by 5,4% to R251.6 million. while cash generated from operations increased by 38,8% to R276.2 million.

R79,9 million in capital expenditure was incurred of which R37,7 million was allocated primarily to expanding facilities.

The Group's net interest-bearing debt amounted to R213,2 million at the period end, which equates to an annualised Debt: EBITDA ratio of approximately 0,9 times.

Business growth during the reporting period has been adversely impacted by weak economic conditions in South Africa and the continued delay in governmental and institutional spending decisions. The Group continued its refocusing process initiated during the first half of the year and expects to feel the positive effects of this process in future financial periods.

Robust growth outside of South Africa

Despite increased socio-economic and political disruption in the GCC States of the Middle East, Metrofile recorded double-digit revenue contributions from our operations outside of South Africa. These markets offer significant growth opportunities and Metrofile continues to seek strategic acquisitions in targeted geographies.

Value creation strategy

Metrofile intends to enhance its growth prospects and expansion by:

- Targeting more direct growth organically aimed at widening its customer base in South Africa;
- Broadening its offering of products and services, particularly in the digital space;
- Expanding in Africa, the Middle East and other emerging markets through acquisition and partnerships; and
- Evolving into a technology company grounded on record storage.

More specifically, Metrofile is:

- Rolling out best practices from each business unit across the group;
- Re-inventing and enhancing our services based on shifting customer needs;
- Bringing in new or outsource partners in complementary niches; and
- Continuing its focus on acquiring relevant, complimentary businesses in the technology and RIM sectors.

Basis of preparation and accounting policies

The directors take full responsibility for the preparation of these Preliminary Audited Group Results. The group results have been prepared, under the supervision of Mr MC McGowan, CA(SA). The summarised financial information has been prepared in accordance with the framework concepts and measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the information as required by IAS 34: Interim Financial Reporting, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The report has been prepared using accounting policies that comply with IFRS and are consistent with those applied in the consolidated financial statements for the year ended 30 June 2016.

Certain accounting pronouncements became effective during the current financial year; however, these do not have an impact on either transactions or disclosures.

Audit opinion

The independent auditors, Deloitte & Touche, have issued their unmodified audit opinion, on the consolidated financial statements for 30 June 2017 year-end, in accordance with International Standards on Auditing. These consolidated summarised financial statements have been derived from the consolidated financial statements and are consistent in all material respects, with the consolidated financial statements. A copy of the audit report on the consolidated summarised financial statements, the audited consolidated financial statements and the audit report thereon are available for inspection at the Company's registered office. The auditor's report does not necessarily report on the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a full copy of the auditor's report, together with the accompanying consolidated financial information from the issuer's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the

Company's auditors.

Related parties

In terms of a consulting agreement, and as approved at the Annual General Meeting, fees of R1,55 million (2016: R1,44 million) were paid to MIC during the year under review.

Directorate and corporate governance

The Board currently comprises of two executive and eight non-executive directors, of whom five are independent directors.

Mr IN Matthews remains the lead independent director.

Ms S Zilwa, a member of the Audit, Governance and Risk Committee, was appointed as the Chairman of the Committee with effect from 1 July 2017, in place of Mr IN Matthews, who remains on the Committee as a Committee member.

Ms L Mthimunye-Bakoro was appointed as an Independent Non-Executive Director and a member of its Audit, Governance and Risk Committee and Social, Ethics and Transformation Committee with effect from 1 July 2017.

Dividends

The Board has targeted maintaining debt levels at least at 1,5 times EBITDA. However, continued strong cash-generation has resulted in leverage remaining below this level. At the end of the previous financial year, the Board resolved to reduce dividend cover from a target of 1,5 times to a target range of 1,25 to 1,5 times and until the minimum debt levels were achieved, the Board resolved to pay dividends with cover below the target range.

The dividend for the full year of 30,0 cents per share represents dividend cover of 1,06 times.

Notice is hereby given that a final gross cash dividend of 17,0 cents per share in respect of the year ended 30 June 2017 has been declared payable, from income reserves, to the holders of ordinary shares recorded in the books of the Company on Friday, 6 October 2017. The last day to trade cum-dividend will therefore be Tuesday, 3 October 2017 and Metrofile shares will trade ex-dividend from Wednesday, 4 October 2017. Payment of the dividend will be on Monday, 9 October 2017. Share certificates may not be dematerialised or rematerialised from Wednesday, 4 October 2017 (which is ex-date) to Friday, 6 October 2017, both days inclusive. Withholding tax on dividends will be deducted for all shareholders who are not exempt in terms of the legislation at a rate of 20% which will result in a final net cash dividend of 13,6 cents per share. The Company's issued share capital at the period end is 435 140 268 shares and the Company's tax number is 9375/066/71/0.

Commitments

Metrofile owns or leases premises based on the prevailing economic realities in each country where we operate. Operating lease

commitments amount to R86,7 million for the next five years. Capital investment plans for the full financial year amount to R108,6 million.

Events after the reporting date

- Acquisition of Tidy Files (SA) Proprietary Limited
In July 2017, the Group obtained Competition Commission approval for the previously announced acquisition of a 100% interest in Tidy Files (SA) Proprietary Limited, a company registered and operating in South Africa for a consideration of R77,9 million from cash resources. Tidy Files is a leading provider of end-to-end document management and storage solutions in Southern Africa, renowned for the design, supply and implementation of Paper-based and Electronic Document and Records Management Solutions.
- Disposal of Rainbow Paper Management Proprietary Limited
Subsequent to the period end, in terms of the Group's strategy to focus its attention on its core businesses and rationalise and consolidate its operations, the Group disposed of its 100% interest in Rainbow Paper Management Proprietary Limited, for a cash consideration of approximately R20 million.

Alleged irregularities at a subsidiary company.

- Some alleged irregularities have been discovered in Cleardata which is currently subject to a forensic audit. No negative future income statement effects are expected.

There have been no other material events after the reporting date.

Share Issues and Buy-backs

During the year, 8 056 258 ordinary shares were issued to MIC at a consideration of R4,87 per share, in terms of the Subscription Agreement approved by Shareholders on 14 December 2016.

Under the share repurchase program sanctioned by the Board, a total of 12 169 930 shares were acquired at a price range of R4,25 to R5,01 (average price R4,84).

There are accordingly 421 103 232 shares in issue, net of treasury shares, at 30 June 2017.

Outlook and opportunities

Data and information management is growing in importance as the world becomes increasingly digitally connected. As the value of transforming raw data into usable information is recognised and becomes widespread, the wealth of data that Metrofile stores or digitises is increasingly a sought-after resource. Metrofile remains well placed in the forefront of an industry that is evolving rather than shrinking.

Christopher Seabrooke
Non-executive Chairman

Pfungwa Serima
Group Chief Executive Officer

Senderwood
Gauteng

8 September 2017

Corporate information

METROFILE HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 1983/012697/06)

Share code: MFL

ISIN: ZAE000061727

("Metrofile" or "the Company" or "the Group")

Registered office

41 Wordsworth Avenue

Senderwood

Bedfordview

2007

www.metrofileholdings.com

Sponsor

The Standard Bank of South Africa Limited

Transfer secretaries

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue

Rosebank, 2196

Directors

CS Seabrooke##* (Chairman)

MS Bomela* (Deputy Chairman)

PG Serima (CEO)

MC McGowan (CFO)

P Langeni#*

CN Pongweni*

IN Matthews+*

GD Wackrill*

SV Zilwa#*

LE Mthimunye - Bakoro##*

+ Lead independent

Independent

* Non-executive

Company Secretary

P Atkins