

## Audited group results for the year ended 30 June 2012

- Revenue up **14%**
- EBITDA up **17%**
- EPS and HEPS up **20%**
- DPS up **67%**

### Condensed income statement

R'000	Note	Audited 12 months ended 30 June 2012	Audited 12 months ended 30 June 2011
<b>Revenue</b>		523 731	460 552
<b>Earnings before interest, taxation and depreciation and amortisation (EBITDA)</b>		171 085	146 200
Depreciation		(23 184)	(19 076)
<b>Operating profit before finance costs</b>		147 901	127 124
Net finance costs		(21 026)	(23 642)
Finance income		2 301	1 588
Finance costs		(23 327)	(25 230)
<b>Profit before taxation</b>		126 875	103 482
Taxation	1	(35 729)	(29 541)
<b>Profit for the year</b>		91 146	73 941
Attributable to:			
Owners of the parent		89 471	73 874
Non-controlling interests		1 675	67
<b>Attributable profit</b>		91 146	73 941
<b>Further information</b>			
Number of ordinary shares in issue ('000)		416 170	408 085
Weighted average number of ordinary shares in issue ('000)		411 731	408 085
<b>Basic earnings per ordinary share</b>		21,7	18,1
Basic earnings per ordinary share (cents)		21,7	18,1
<b>Diluted earnings per ordinary share</b>		21,5	18,1
Diluted earnings per ordinary share (cents)		21,5	18,1
<b>Headline earnings per ordinary share</b>		21,7	18,1
Headline earnings per ordinary share (cents)		21,7	18,1
<b>Dividend per ordinary share</b>		3,0	2,0
Interim dividend per ordinary share – paid (cents)		3,0	2,0
Final dividend per ordinary share – proposed/paid (cents)		4,5	2,5

### Condensed statement of comprehensive income

R'000	Note	Audited 12 months ended 30 June 2012	Audited 12 months ended 30 June 2011
<b>Profit for the year</b>		91 146	73 941
<b>Other comprehensive income for the year net of tax</b>		(621)	103
Hedge accounting for fair value on interest rate swaps	2	(751)	(542)
Currency movement on translation of foreign subsidiary		130	645
<b>Total comprehensive income for the year</b>		90 525	74 044
Attributable to:			
Owners of the parent		88 786	73 731
Non-controlling interests		1 739	313

### Condensed statement of financial position

R'000	Note	Audited as at 30 June 2012	Audited as at 30 June 2011
<b>ASSETS</b>			
<b>Non-current assets</b>		508 744	485 572
Property, plant and equipment		335 699	313 094
Goodwill		171 666	169 943
Deferred tax asset		1 379	2 535
<b>Current assets</b>		149 087	120 834
Inventories		15 556	12 343
Trade receivables		79 526	66 144
Other receivables		6 515	4 637
Taxation		1 524	–
Bank balances		45 966	37 710
<b>Total assets</b>		657 831	606 406
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>		385 254	310 443
Equity attributable to owners of the parent		382 803	308 800
Non-controlling interests		2 451	1 643
<b>Non-current liabilities</b>		180 191	208 154
Interest-bearing liabilities	2	168 485	198 734
Deferred taxation liability		11 706	9 420
<b>Current liabilities</b>		92 386	87 809
Trade and other payables		48 562	49 710
Deferred revenue		11 686	10 000
Bank overdraft		42	129
Provisions		1 939	1 779
Taxation		–	515
Interest-bearing liabilities	2	30 157	25 676
<b>Total equity and liabilities</b>		657 831	606 406
<b>Net asset value per ordinary share (cents)</b>		91,8	75,7

#### Notes:

- The taxation charge includes Secondary Taxation on Companies amounting to R2,3 million (30 June 2011: R0,8 million).
- Long-term interest-bearing liabilities include the Metr@file (Pty) Ltd amortising and bullet loans which have a remaining 45-month tenure as well as loan agreements entered into by Cleardata (Pty) Ltd in order to finance mobile shredding units. Short-term interest-bearing liabilities include the portions of the Metr@file (Pty) Ltd amortising loan and Cleardata loan agreements payable within one year. The total group's borrowings are 70% hedged (30 June 2011: 75%). The Metr@file (Pty) Ltd borrowings are JIBAR linked and were 74% hedged by way of the interest rate swaps at the year-end (30 June 2011: 80%), whilst the Cleardata (Pty) Ltd borrowings are prime linked and unhedged.
- The majority of the group's assets have been pledged as security against certain loans to the group.

### Reconciliation of headline earnings

R'000	Audited 12 months ended 30 June 2012	Audited 12 months ended 30 June 2011
Profit attributable to owners of the parent	89 471	73 874
Profit on sale of plant and equipment	(24)	(279)
Tax effect of above items	7	78
Headline earnings	89 454	73 673
Headline earnings per ordinary share (cents)	21,7	18,1

### Condensed segmental information

R'000	Revenue		EBITDA	
	Audited 12 months ended 30 June 2012	Audited 12 months ended 30 June 2011	Audited 12 months ended 30 June 2012	Audited 12 months ended 30 June 2011
Metr@file Records Management	416 212	366 874	115 568	98 847
CSX Customer Services	72 156	70 270	8 420	7 040
Property Companies	–	–	39 145	34 867
Other	45 627	31 237	7 952	5 446
Inter-group	(10 264)	(7 829)	–	–
<b>Total</b>	<b>523 731</b>	<b>460 552</b>	<b>171 085</b>	<b>146 200</b>

  

R'000	Operating profit		Tangible assets	
	Audited 12 months ended 30 June 2012	Audited 12 months ended 30 June 2011	Audited 12 months ended 30 June 2012	Audited 12 months ended 30 June 2011
Metr@file Records Management	97 059	83 407	240 228	199 674
CSX Customer Services	7 870	6 565	26 887	26 564
Property Companies	39 145	34 867	179 442	179 442
Other	3 827	2 285	39 608	30 783
<b>Total</b>	<b>147 901</b>	<b>127 124</b>	<b>486 165</b>	<b>436 463</b>

"Metr@file Records Management" represents the Metr@file record storage, records management, data protection and scanning business units which are managed and operated geographically.

"Other" includes Metr@file Holdings Limited, Africa operations, Rainbow Paper Management, Cleardata and, with effect from 1 March 2012, Global Continuity.

Finance costs have not been reflected on the segmental report as R21,1 million of the total R23,3 million charge relates to Metr@file (Pty) Ltd which encompasses the "Metr@file Records Management" and "CSX Customer Services" divisions; the balance of the finance costs relate to Cleardata (Pty) Ltd.

### Condensed statement of cash flows

R'000	Audited 12 months ended 30 June 2012	Audited 12 months ended 30 June 2011
Cash generated from operations before net working capital changes (Increase)/decrease in net working capital	172 914 (17 775)	149 365 810
Cash generated from operations	155 139	150 175
Net finance costs paid	(21 026)	(23 642)
Dividends declared	(22 608)	(8 162)
Normal taxation paid	(34 325)	(29 229)
<b>Net cash inflow from operating activities</b>	<b>77 180</b>	<b>89 142</b>
<b>Net cash outflow from investing activities:</b>		
Investment in property plant and equipment: expansion	(35 201)	(38 164)
Investment in property plant and equipment: replacement	(8 517)	(8 261)
Proceeds on disposal of property, plant and equipment	945	1 008
Increase in shareholding of subsidiary and acquisition of business	(11 300)	–
<b>Net cash outflow from financing activities:</b>		
Issue of shares in terms of vendor placements	11 300	–
Loans repaid	(26 064)	(32 935)
Loans raised	–	13 000
Net increase in cash and cash equivalents	8 343	23 790
Cash and cash equivalents at the beginning of the year	37 581	13 791
<b>Cash and cash equivalents at the end of the year</b>	<b>45 924</b>	<b>37 581</b>
Bank balances	45 966	37 710
Bank overdrafts	(42)	(129)

### Condensed statement of changes in equity

	Share capital R'000	Share premium R'000	Accumulated losses R'000	Other reserves R'000	Total equity before minority apportionment R'000	Non-controlling interest R'000	Total R'000
<b>Balance at 30 June 2010</b>	2 508	518 817	(280 856)	460	240 929	1 330	242 259
IFRS 2: Equity Reserve relating to share schemes	–	–	–	2 302	2 302	–	2 302
Dividends declared and paid	–	–	(8 162)	–	(8 162)	–	(8 162)
Total comprehensive income for the year ended 30 June 2011	–	–	73 874	(143)	73 731	313	74 044
<b>Balance at 30 June 2011</b>	2 508	518 817	(215 144)	2 619	308 800	1 643	310 443
Shares issued in terms of vendor placements for acquisitions	25	11 275	–	–	11 300	–	11 300
Shares issued in terms of share schemes	25	9 774	–	–	9 799	–	9 799
Increase in shareholding in Cleardata to 70%	–	–	(6 569)	–	(6 569)	(931)	(7 500)
IFRS 2: Equity Reserve relating to share schemes	–	–	–	3 094	3 094	–	3 094
Share scheme settlement	–	(7 593)	(2 006)	(9 799)	(9 799)	–	(9 799)
Dividends declared and paid	–	–	(22 608)	–	(22 608)	–	(22 608)
Total comprehensive income for the year ended 30 June 2012	–	–	89 471	(685)	88 786	1 739	90 525
<b>Balance at 30 June 2012</b>	<b>2 558</b>	<b>539 866</b>	<b>(162 443)</b>	<b>2 822</b>	<b>382 803</b>	<b>2 451</b>	<b>385 254</b>

### Commentary on results

**Profile**  
Metr@file 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. Metr@file operates from 28 facilities covering more than 89 000 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, 56% of its facilities are owned by the group.

Services include: Active Records Management, Image Processing, Hosting, Data Backup (both vault and on-line), Archive Storage and Management, File Plan Development, Confidential Records Destruction, Paper Recycling as well as 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 the business Global Continuity SA, the group can now offer its customers business and IT continuity services which complement its existing Data Protection offerings.

Metr@file has been listed on the JSE Ltd ("JSE") since 1995 and its ordinary shares are quoted in the "Support Services" sector of the JSE. Its largest shareholder is its empowerment partner, Mineworkers Investment Company ("MIC") which owns 34,7% of Metr@file's equity.

#### Strategy

Metr@file will continue to expand its services in the information management sector through both innovation and acquisition; whilst a continued focus on cross-selling the group's diverse range of services to both new and existing customers remains a key part of the group's strategy. The storage and management of documents, records and data as well as the controlled and timely access thereof assists clients not only with their archiving and record-keeping requirements but also their risk mitigation and legal compliance.

Metr@file's expansion into Africa will be driven by the demand of existing customers that have a need for similar services to those received in South Africa. Metr@file is now established in Mozambique, is committed to commencing operations in Nigeria in partnership with G4S and will expand into other African countries once the Nigerian business is operational.

#### Financial review

Revenue increased by 13,7% to R524 million, EBITDA by 17,0% to R171 million and EBIT by 16,3% to R148 million. Cash generation and working capital management remained positive with increases in inventory and accounts receivable being in line with expectations. Net finance costs reduced by 11% in line with the continued reduction in the group's debt level. Net debt: equity reduced to 40,0% (June 2011: 60,5%).

Diluted earnings per share ("EPS") and headline earnings per share ("HEPS") increased by 20% to 21,7 cents (2011: 18,1 cents) whilst the total dividend per share increased by 67% to 4,5 cents (2011: 2,5 cents).

The increase in capital expenditure is mainly for expansion and includes racking of R30,0 million required for growth. Due to the favourable interest rates, commodity prices and the group's increased borrowing capacity, Metr@file intends to accelerate its capital expenditure programme, in respect of new buildings, in the 2013 financial year and will reduce its planned investment in the 2014 financial year accordingly.

During the year Metr@file acquired the business of Global Continuity SA and a further 15% of Cleardata (Pty) Ltd. These acquisitions were made by way of vendor placements which resulted in a further 4 million shares being issued. The table below represents the fair value of net assets, acquired at acquisition, for the investment in Global Continuity SA:

	Rm
Property, plant and equipment	3,1
Current assets	1,0
Bank balances	1,3
Current liabilities	(3,3)
<b>Net asset value acquired</b>	<b>2,1</b>
<b>Paid by way of vendor placements</b>	<b>3,8</b>
Net asset value acquired	(2,1)
<b>Goodwill</b>	<b>1,7</b>

Metr@file accounts for its property portfolio on a cost basis. During the current reporting period there were no additions to the portfolio. The properties will be valued before the calendar year-end and the value reported with the group's interim results.

#### Basis of preparation and accounting policies

The group results have been prepared, under the supervision of Mr RM Butt, CA(SA). The abridged financial information has been prepared in accordance with the framework concepts and measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board, 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 which are consistent with those applied in the financial statements for the year ended 30 June 2011.

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 opinion on the group's financial statements for the 30 June 2012 year-end. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These abridged provisional financial statements have been derived from the group financial statements and are consistent in all material respects with the group financial statements. A copy of their audit report is available for inspection at the Company'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 the consulting agreement with MIC fees of R1,0 million (2011: R0,84 million) were paid during the year under review.

#### Directorate and corporate governance

Messrs Paul Nkuna and Roy Midlane resigned from the Board of Directors ("the Board") in March 2012. Their services to the group were much appreciated.

Ms Phumzile Langeni joined the Board and was appointed to the Audit, Risk and Governance Committee and the Social, Ethics and Transformation Committee at that time.

Mrs Mary Bomela, the new CEO of MIC and an existing non-executive director, replaced Mr Nkuna as the Deputy Chairperson of the Board, joined the Nomination and Remuneration Committee and Chairs the Social, Ethics and Transformation Committee. Mr Nigel Matthews was appointed as lead independent director with effect from 1 July 2012.

The Board now comprises two executive and six non-executive directors, of whom four are independent directors.

#### Dividends

The improvements in the group's financial structure and cash flows have enabled the Board to lower the dividend cover, for the full year, from 4,15 times in the comparative year to 3,10 times for the current year whilst simultaneously reducing net debt.

Notice is hereby given that a final gross cash dividend of 4,5 cents per share in respect of the year ended 30 June 2012 has been declared payable to the holders of ordinary shares recorded in the books of the Company on Friday, 5 October 2012. The last day to trade cum-dividend will therefore be Friday, 28 September 2012 and Metr@file shares will trade ex-dividend from Monday, 1 October 2012. Payment of the dividend will be made on Monday, 8 October 2012. Share certificates may not be dematerialised or rematerialised between Monday, 1 October 2012 and Friday, 5 October 2012, 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 15% which will result in a final net cash dividend of 3,825 cents per share. The Company's issued share capital remains unchanged since between the year-end and the date of the dividend declaration. The Company's tax number is 9375066710.

#### Commitments

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. Owned premises comprised 50 000 square metres and leased premises 38 900 square metres at year-end.

Operating lease commitments amounting to R52 million for the next five years. Capital expansions for the 2013 financial year are budgeted to be R34 million excluding any building development.

#### Events after the reporting date

There have been no material events after the reporting date.

#### Outlook

Being a trusted brand with expanding services and a stable, non-cyclical, business model Metr@file is well-positioned to continue its growth in revenue, EBITDA, earnings and dividends in the year ahead.

This forecast has not been reviewed or audited by Metr@file's auditors.

#### CHRISTOPHER SEABROOKE

Non-Executive Chairman

30 August 2012

Cleveland

Gauteng

#### METROFILE HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 1983/012697/06)

Share code: MFL

ISIN: ZAE000061727

("Metr@file" or "the Company" or "the group")

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