

Media release:

**METROFILE HIKES DIVIDEND ON BACK OF STRONG GROWTH AT CORE BUSINESS**

*03 September 2013:* JSE-listed Metrofile Holdings Limited (JSE:MFL) has announced another set of strong full-year results, enabling it to increase its final dividend to 6.5 cents per share for the 12 months ended 30 June 2013. The full year dividend of 11.0 cents per share represents a 46,7% increase on the comparative period.

This was achieved through a combination of double digit growth across all indicators in the Group's core business, Metrofile Records Management, as well as strong cash generation from operations, which increased 22,3% from the previous year.

Graham Wackrill, Chief Executive Officer of Metrofile Holdings Limited, says Metrofile remains well positioned to see a continuation of its growth in revenue, EBITDA, earnings and dividends in the year ahead. "We continue to look for opportunities to expand the Group's services both geographically and through additional service offerings, which will further strengthen our position as the market leader in Africa for physical and digital information and records management."

Metrofile's revenue for the 12 month period increased by 12,7% to R590,2 million and EBITDA by 9,6% to R187,5 million. Earnings per share ("EPS") and headline earnings per share ("HEPS") increased by 17,5% to 25,5 cents per share.

Wackrill noted that Metrofile's 2013 capital expenditure (CAPEX) of R71,0 million included R 28,3 million on buildings which was accelerated due to favourable interest rates, steel prices and increased borrowing capacity. "We had planned to reduce our CAPEX in the 2014 financial year; however, an opportunity arose to purchase two strategically important buildings that we already occupy; the investment of which amounts to R40,0 million and will result in a reduction of external rentals."



The group continues to monitor and optimise its balance of owned and leased premises to ensure the continued availability of space to meet further expansionary demand. Capital expansion for the 2014 financial year amount to R41,6 million excluding any building developments and purchases.

Wackrill adds that Metrofile has a defined strategy of owning 70% of the properties, from which the Metrofile Records Management division operates, in order to optimise operational efficiency. The group also has, as a guideline, a targeted debt level of 1,5 times EBITDA and dividend cover of 2,25 times.

He said Metrofile will also continue to expand its services in the information management sector, through both innovation and acquisition; with a key focus on cross-selling its diverse range of services to both new and existing customers.

“With Metrofile now being established in Mozambique and Nigeria, the Group remains committed to further expansion into other African countries, with new regions being driven by the demand of existing customers that have a need for such services,” said Wackrill.

“Metrofile has continued to grow each year as a result of its stable and cash generative business model. The necessity for businesses to not only archive but manage all types of records, positions the group well for further growth and mitigates risk to the organisation,” concluded Wackrill.

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#### **About Metrofile**

Metrofile 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, Mozambique, Nigeria and, through the CSX Customer Services brand, has contracts in numerous other African countries. The Metrofile Records Management division operates from 44 facilities, at 21 locations, covering more than 88,000 square metres of warehousing and office space. In accordance with its owner/lessee model, 59,6% of these facilities are owned by the group. The rest of the group's divisions lease their premises.

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.

Metrofile has been listed on the JSE Limited (“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 34,3% of Metrofile's equity.

