

NORMALISED REVENUE

▲ 10,8%

NORMALISED HEPS

▲ 8,8%

DIVIDENDS PER SHARE

▲ 28,6%

# UNAUDITED GROUP RESULTS

For the six months ended 31 December 2014

## Summarised income statement

	Unaudited 6 months ended 31 December 2014	Unaudited 6 months ended 31 December 2013	Audited 12 months ended 30 June 2014	Normalised Unaudited 6 months ended 31 December 2014	Normalised Unaudited 12 months ended 30 June 2014
<b>Revenue</b>	<b>338 274</b>	<b>314 010</b>	<b>675 260</b>	<b>347 918</b>	<b>632 498</b>
<b>Earnings before interest, taxation, depreciation and amortisation (EBITDA)</b>	<b>103 179</b>	<b>119 685</b>	<b>252 859</b>	<b>112 457</b>	<b>212 029</b>
Depreciation	(15 073)	(15 176)	(30 459)	(15 422)	(29 015)
<b>Operating profit before finance costs</b>	<b>88 106</b>	<b>104 509</b>	<b>222 400</b>	<b>97 035</b>	<b>183 014</b>
Net finance costs	(5 759)	(7 001)	(12 630)	(5 569)	(12 630)
Finance income	2 558	1 086	1 380	2 558	1 380
Finance costs	(8 317)	(8 087)	(14 010)	(8 127)	(14 010)
Interest paid on loans	(8 317)	(7 077)	(12 374)	(8 127)	(12 374)
Interest paid relating to financial instruments	-	(1 010)	(1 636)	-	(1 636)
<b>Profit before taxation</b>	<b>82 347</b>	<b>97 508</b>	<b>209 770</b>	<b>91 466</b>	<b>170 384</b>
Taxation	(20 825)	(23 674)	(53 674)	(23 272)	(42 646)
<b>Profit for the period</b>	<b>61 522</b>	<b>73 834</b>	<b>156 096</b>	<b>68 194</b>	<b>127 738</b>
Attributable to:					
Owners of the parent	60 111	73 238	154 808	66 783	126 450
Non-controlling interests	1 411	596	1 288	1 411	1 288
<b>Profit for the period</b>	<b>61 522</b>	<b>73 834</b>	<b>156 096</b>	<b>68 194</b>	<b>127 738</b>
<b>Further information</b>					
Number of ordinary shares in issue (thousands)	427 084	423 240	423 240	427 084	423 240
Weighted average number of ordinary shares in issue (thousands)	425 831	421 373	422 315	425 831	422 315
<b>Basic earnings per ordinary share</b>	<b>14,1</b>	<b>17,4</b>	<b>36,7</b>	<b>15,7</b>	<b>29,9</b>
Basic earnings per ordinary share (cents)	14,1	17,4	36,7	15,7	29,9
<b>Diluted earnings per ordinary share</b>	<b>14,1</b>	<b>17,2</b>	<b>36,3</b>	<b>15,6</b>	<b>29,7</b>
Diluted earnings per ordinary share (cents)	14,1	17,2	36,3	15,6	29,7
<b>Headline earnings per ordinary share</b>	<b>14,1</b>	<b>14,4</b>	<b>34,4</b>	<b>15,7</b>	<b>27,7</b>
Headline earnings per ordinary share (cents)	14,1	14,4	34,4	15,7	27,7
<b>Dividend per ordinary share</b>	<b>9,0</b>	<b>7,0</b>	<b>7,0</b>	<b>9,0</b>	<b>7,0</b>
Interim dividend per ordinary share – proposed/paid (cents)	9,0	7,0	7,0	9,0	7,0
Final dividend per ordinary share – paid (cents)	-	-	8,0	-	8,0

## Summarised statement of comprehensive income

	Unaudited 6 months ended 31 December 2014	Unaudited 6 months ended 31 December 2013	Audited 12 months ended 30 June 2014	Normalised Unaudited 6 months ended 31 December 2014	Normalised Unaudited 12 months ended 30 June 2014
<b>Profit for the period</b>	<b>61 522</b>	<b>73 834</b>	<b>156 096</b>	<b>68 194</b>	<b>127 738</b>
<b>Other comprehensive income for the period net of tax</b>	<b>(130)</b>	<b>2 585</b>	<b>3 087</b>	<b>(130)</b>	<b>3 087</b>
Hedge accounting for fair value on interest rate swaps	(133)	770	960	(133)	960
Currency movement on translation of foreign subsidiary	3	1 815	2 127	3	2 127
<b>Total comprehensive income for the period</b>	<b>61 392</b>	<b>76 419</b>	<b>159 183</b>	<b>68 064</b>	<b>130 825</b>
Attributable to:					
Owners of the parent	60 199	74 933	156 803	66 871	128 445
Non-controlling interests	1 193	1 486	2 380	1 193	2 380

## Summarised statement of financial position

	Unaudited as at 31 December 2014	Unaudited as at 31 December 2013	Audited as at 30 June 2014
<b>ASSETS</b>	<b>640 299</b>	<b>554 505</b>	<b>593 583</b>
<b>Non-current assets</b>	<b>244 616</b>	<b>209 619</b>	<b>234 673</b>
Property	196 015	171 832	186 024
Plant and equipment	193 727	171 666	171 666
Goodwill	2 814	-	-
Long-term receivable	3 127	1 388	1 220
Deferred tax asset	-	-	-
<b>Current assets</b>	<b>278 446</b>	<b>204 172</b>	<b>216 583</b>
Inventories	17 258	12 428	12 947
Trade receivables	104 408	101 336	92 798
Other receivables	27 174	55 203	75 073
Taxation	3 509	-	-
Bank balances	126 097	35 205	35 765
<b>Total assets</b>	<b>918 745</b>	<b>758 677</b>	<b>810 166</b>
<b>EQUITY AND LIABILITIES</b>	<b>601 535</b>	<b>512 619</b>	<b>567 822</b>
<b>Equity and reserves</b>	<b>590 332</b>	<b>507 485</b>	<b>561 794</b>
Equity attributable to owners of the parent	11 203	5 134	6 028
Non-controlling interests	187 836	125 311	107 886
<b>Non-current liabilities</b>	<b>169 081</b>	<b>110 018</b>	<b>92 696</b>
Interest-bearing liabilities	18 755	15 293	15 190
Deferred taxation liability	-	-	-
<b>Current liabilities</b>	<b>129 374</b>	<b>120 747</b>	<b>134 458</b>
Trade and other payables	61 935	53 084	56 082
Deferred revenue	11 987	13 093	11 237
Bank overdraft	589	471	485
Provisions	785	246	2 216
Taxation	-	5 276	16 332
Interest-bearing liabilities	54 078	48 577	48 126
<b>Total equity and liabilities</b>	<b>918 745</b>	<b>758 677</b>	<b>810 166</b>
<b>Net asset value per ordinary share (cents)</b>	<b>138,2</b>	<b>119,9</b>	<b>132,7</b>

Note A: Accounting requirements necessitated the recognition of the full 36 months' business interruption insurance proceeds in the year ended 30 June 2014, 27 months of which related to future periods. Normalised results include the recognition of six months' business interruption insurance proceeds in the current period.

To download a copy of the unaudited group results announcement for the six months ended 31 December 2014, please visit [www.metrofileholdings.com](http://www.metrofileholdings.com)

## Reconciliation of headline earnings

	Unaudited 6 months ended 31 December 2014	Unaudited 6 months ended 31 December 2013	Audited 12 months ended 30 June 2014	Normalised Unaudited 6 months ended 31 December 2014	Normalised Unaudited 12 months ended 30 June 2014
<b>Headline earnings</b>	<b>60 042</b>	<b>60 590</b>	<b>145 302</b>	<b>66 714</b>	<b>116 944</b>
Headline earning per ordinary share (cents)	14,1	14,4	34,4	15,7	27,7

## Summarised segmental information

	Revenue			EBITDA		
	Unaudited 6 months ended 31 December 2014	Unaudited 6 months ended 31 December 2013	Audited 12 months ended 30 June 2014	Unaudited 6 months ended 31 December 2014	Unaudited 6 months ended 31 December 2013	Audited 12 months ended 30 June 2014
<b>Total</b>	<b>338 274</b>	<b>314 010</b>	<b>675 260</b>	<b>103 179</b>	<b>119 685</b>	<b>252 859</b>

	Operating profit			Tangible assets		
	Unaudited 6 months ended 31 December 2014	Unaudited 6 months ended 31 December 2013	Audited 12 months ended 30 June 2014	Unaudited 6 months ended 31 December 2014	Unaudited 6 months ended 31 December 2013	Audited 12 months ended 30 June 2014
<b>Total</b>	<b>88 106</b>	<b>104 509</b>	<b>222 400</b>	<b>721 891</b>	<b>585 623</b>	<b>637 280</b>

\*Metrofile Records Management\* represents the Metrofile document storage and management and scanning business units which are managed and operated geographically.

\*Other\* includes Metrofile Holdings Limited, Africa operations, the paper management business and Cleardata (Pty) Limited.

Finance costs have not been reflected on the segmental report as the majority relates to Metrofile (Pty) Limited which encompasses the \*Metrofile Records Management\* division; the balance of the finance costs relate to Cleardata (Pty) Limited.

## Summarised statement of cash flows

	Unaudited 6 months ended 31 December 2014	Unaudited 6 months ended 31 December 2013	Audited 12 months ended 30 June 2014
<b>Cash generated from operations before net working capital changes</b>	<b>98 824</b>	<b>109 668</b>	<b>252 044</b>
Increase in net working capital	(37 171)	(58 588)	(67 349)
Increase in normal net working capital	(26 863)	(58 588)	(3 315)
Decrease/(increase) in net normal working capital due to insurance claim	64 034	-	(64 034)
<b>Cash generated from operations</b>	<b>135 995</b>	<b>51 080</b>	<b>184 695</b>
Cash generated from operations	1 597	1 158	285
CSX Customer Services	26 683	24 600	50 610
Property Companies	5 638	5 117	5 279
Other	(29 821)	(30 041)	(61 664)
<b>Net cash inflow from operating activities</b>	<b>64 386</b>	<b>(5 085)</b>	<b>74 845</b>
<b>Net cash outflow from investing activities:</b>			
Investment in property, expansion	(9 945)	(18 409)	(43 712)
Investment in plant and equipment: expansion	(17 334)	(18 699)	(33 958)
Investment in property, replacement	(8 161)	(4 558)	(16 450)
Investment in plant and equipment: replacement	1 006	38 449	34 140
Proceeds on disposal of property, plant and equipment	(22 061)	-	-
Increase in shareholding of subsidiary and acquisition of business	-	-	-
<b>Net cash outflow from financing activities:</b>			
Issue of shares in terms of vendor placements	(15 582)	(18 286)	(40 907)
Loans repaid	97 919	36 000	36 000
Loans drawn down	-	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>90 228</b>	<b>9 412</b>	<b>9 958</b>
Cash and cash equivalents at the beginning of the period	35 280	25 322	25 322
<b>Cash and cash equivalents at the end of the period</b>	<b>125 508</b>	<b>34 734</b>	<b>35 280</b>

Represented by:  
Bank balances 126 097 (589) 35 205 (471) 35 765 (485)  
Bank overdrafts

## Summarised 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 interest R'000	Non-controlling interest R'000	Total R'000
<b>Balance at 30 June 2013</b>	2 583	555 885	(106 991)	5 887	457 364	3 648	461 012
Shares issued in terms of share schemes	18	15 008	-	-	15 026	-	15 026
IFRS 2 Equity reserve relating to share schemes	-	-	2 332	2 332	4 664	-	4 664
Share scheme settlement	-	-	(12 763)	(2 263)	(15 026)	-	(15 026)
Dividends declared	-	-	(27 144)	(27 144)	(54 288)	-	(54 288)
<b>Total comprehensive income for the period ended 31 December 2013</b>	-	-	73 238	1 695	74 933	1 486	76 419
<b>Balance at 31 December 2013</b>	2 601	570 893	(73 660)	7 651	507 485	5 134	512 619
Shares issued in terms of share schemes	-	-	-	-	-	-	-
IFRS 2 Equity reserve relating to share schemes	-	-	2 238	2 238	4 476	-	4 476
Dividends declared	-	-	(29 799)	(29 799)	(59 598)	-	(59 598)
<b>Total comprehensive income for the period ended 30 June 2014</b>	-	-	81 570	300	81 870	894	82 764
<b>Balance at 30 June 2014</b>	2 601	570 893	(21 889)	10 189	561 794	6 028	567 822
Shares issued in terms of share schemes	23	18 043	-	-	18 066	-	18 066
IFRS 2 Equity reserve relating to share schemes	-	-	2 151	2 151	4 302	-	4 302
Share scheme settlement	-	-	(12 474)	(5 593)	(18 067)	-	(18 067)
Minority contribution on acquisition of subsidiary	-	-	-	-	-	3 982	3 982
Dividends declared	-	-	(33 859)	(33 859)	(67 718)	-	(67 718)
<b>Total comprehensive income for the period ended 31 December 2014</b>	-	-	60 111	136	60 247	1 193	61 440
<b>Balance at 31 December 2014</b>	2 624	588 936	(8 111)	6 883	590 332	11 203	601 535

## Commentary on results

**Profile**  
Metrofile is the market leader in both physical and digital information and records management in Africa. The group is represented in the six major provinces of South Africa, Mozambique, Nigeria, Zambia, the United Arab Emirates and, through subsidiary CSX Customer Services, undertakes contracts in various other African countries. The Metrofile Records Management division operates from 44 facilities, at 21 locations, covering more than 83 800 square metres of warehousing and office space. In accordance with its owner/lessee model, 66.5% of these facilities are owned by the group. The rest of the group's divisions lease their premises. Metrofile has a long-term target of owning approximately 70% of the properties from which the Metrofile Records Management division operates, in order to optimise operational efficiency.

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 as 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. Metrofile is a black-owned company with black ownership amounting to 56,17% whilst its largest shareholder is its empowerment partner, Mineworkers Investment Company ("MIC") which owns 34,41% of Metrofile's equity.

**Strategy**  
Metrofile 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 necessity for businesses to not only archive but manage all types of records, whether they be in physical or digital format, positions the group well to assist companies with their record-keeping requirements, thereby mitigating risk to the organisation.

Metrofile's expansion into Africa and 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, Nigeria, Zambia and the United Arab Emirates, 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.

The group amended its dividend cover to 1,75 times for the 2015 reporting year and continually reviews this position.

### Financial review

IFRS required that 36 months' business interruption insurance proceeds relating to the KwaZulu-Natal fire 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.

Normalised revenue increased by 10,8% to R347,9 million. Normalised headline earnings increased by 10,1% to R66,7 million.

Normalised headline earnings per share ("HEPS") increased by 8,8% to 15,7 cents.

Cash generated from operations before net working capital changes decreased by 9,9% whilst the receipt of some significant prior period trade receivables, together with the settlement proceeds of the previously mentioned insurance claim resulted in an increase in cash generated from operations of 166,2%.

Capital investments of R35,4 million were effected mainly for expansion and included the rebuild of the KZN facility destroyed in the prior period, the acquisition of property in Mbombela which is currently being developed, and the purchase of racking and equipment of R14,9 million required for growth.

### Acquisitions

In line with its bolt-on geographical acquisition strategy, the group acquired interests in the following subsidiaries during the period:

- A 60% shareholding in FlexiFile Limited (Zambia); and
- A 60% shareholding in E-File Masters LLC (United Arab Emirates).

### Basis of preparation and accounting policies

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 and AC500 Standards 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 which are consistent with those applied in the financial statements for the year ended 30 June 2014.

Certain accounting pron