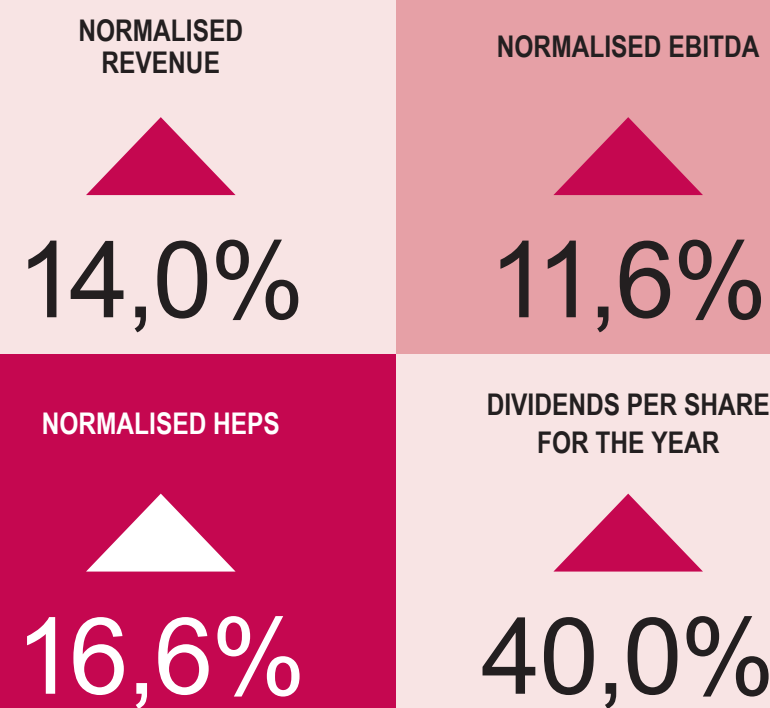




# PRELIMINARY AUDITED GROUP RESULTS

## for the year ended 30 June 2015



### Summarised income statement

	Audited 12 months ended 30 June 2015	Audited 12 months ended 30 June 2014	Normalised unaudited 12 months ended 30 June 2015	Normalised unaudited 12 months ended 30 June 2014
R'000				
Revenue	701 898	675 260	720 873	632 498
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	218 426	252 859	236 603	212 029
Depreciation	(31 636)	(30 459)	(32 320)	(29 015)
Operating profit before finance costs	186 790	222 400	204 283	183 014
Net finance costs	(13 084)	(12 630)	(12 402)	(12 630)
Finance income	7 492	1 380	7 492	1 380
Finance costs	(20 576)	(14 010)	(19 894)	(14 010)
Interest paid on loans	(20 576)	(12 374)	(19 894)	(12 374)
Interest paid relating to financial instruments	–	(1 636)	–	(1 636)
Profit before taxation	173 706	209 770	191 881	170 384
Taxation	(46 244)	(53 674)	(51 333)	(42 646)
Profit for the period	127 462	156 096	140 548	127 738
Attributable to:				
Owners of the parent	124 620	154 808	137 706	126 450
Non-controlling interests	2 842	1 288	2 842	1 288
Profit for the period	127 462	156 096	140 548	127 738
Further information				
Number of ordinary shares in issue (thousands)	427 084	423 240	427 084	423 240
Weighted average number of ordinary shares in issue (thousands)	425 831	422 315	425 831	422 315
Basic earnings per ordinary share	29,3	36,7	32,3	29,9
Diluted earnings per ordinary share	29,2	36,3	32,3	29,7
Headline earnings per ordinary share	29,3	34,4	32,3	27,7
Dividend per ordinary share				
Interim dividend per ordinary share – paid (cents)	9,0	7,0	9,0	7,0
Final dividend per ordinary share – proposed/paid (cents)	12,0	8,0	12,0	8,0

### Summarised statement of comprehensive income

	Audited 12 months ended 30 June 2015	Audited 12 months ended 30 June 2014	Normalised unaudited 12 months ended 30 June 2015	Normalised unaudited 12 months ended 30 June 2014
R'000				
Profit for the period	127 462	156 096	140 548	127 738
Other comprehensive income for the period net of tax	(773)	3 087	(773)	3 087
Hedge accounting for fair value on interest rate swaps	133	960	133	960
Currency movement on translation of foreign subsidiaries	(906)	2 127	(906)	2 127
Total comprehensive income for the period	126 689	159 183	139 775	130 825
Attributable to:				
Owners of the parent	123 812	156 803	136 898	128 445
Non-controlling interests	2 877	2 380	2 877	2 380

### Summarised statement of financial position

	Audited as at 30 June 2015	Audited as at 30 June 2014
R'000		
Notes		
<b>ASSETS</b>		
<b>Non-current assets</b>	660 262	593 583
Property	258 349	234 673
Plant and equipment	202 051	186 024
Goodwill	194 615	171 666
Long-term receivable	1 574	–
Deferred taxation assets	3 673	1 220
<b>Current assets</b>	281 405	216 583
Inventories	14 549	12 947
Trade receivables	121 245	92 798
Other receivables	25 094	75 073
Bank balances	120 517	35 765
<b>Total assets</b>	941 667	810 166
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>	630 407	567 822
Equity attributable to owners of the parent	617 520	561 794
Non-controlling interests	12 887	6 028
<b>Non-current liabilities</b>	175 160	107 886
Interest-bearing liabilities	156 125	92 696
Deferred taxation liabilities	19 035	15 190
<b>Current liabilities</b>	136 100	134 458
Trade and other payables	71 305	56 062
Deferred revenue	12 331	11 237
Bank overdraft	49	485
Provisions	2 436	2 216
Taxation	2 616	16 332
Interest-bearing liabilities	47 363	48 126
<b>Total equity and liabilities</b>	941 667	810 166
<b>Net asset value per ordinary share (cents)</b>	144,6	132,7

- Notes:
- The comparative prior year EBITDA includes the capital profit in respect of the disposal of property, plant and equipment destroyed in the fire in KwaZulu-Natal.
  - The majority of the group's properties have been pledged as security against certain loans to the group.
  - 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 and group company loan agreements payable within one year. The Metrofile (Pty) Ltd borrowings are JIBAR linked, whilst the other borrowings are prime linked.

### Reconciliation of headline earnings

	Audited 12 months ended 30 June 2015	Audited 12 months ended 30 June 2014	Normalised unaudited 12 months ended 30 June 2015	Normalised unaudited 12 months ended 30 June 2014
R'000				
Profit attributable to owners of the parent	124 620	154 808	137 706	126 450
Profit on disposal of property	–	(13 203)	–	(13 203)
Profit on disposal of plant and equipment	(231)	–	(231)	–
Tax effect of above items	205	3 697	205	3 697
Headline earnings	124 594	145 302	137 680	116 944
Headline earning per ordinary share (cents)	29,3	34,4	32,3	27,7

### Summarised segmental information

	Revenue		EBITDA	
	Audited 12 months ended 30 June 2015	Audited 12 months ended 30 June 2014	Audited 12 months ended 30 June 2015	Audited 12 months ended 30 June 2014
R'000				
Records Management	545 217	553 310	145 224	186 804
CSX Customer Services	95 975	67 381	6 512	971
Property Companies	53 366	50 610	53 366	51 496
Other	70 992	65 623	13 324	13 588
Inter-group	(63 652)	(61 664)	–	–
<b>Total</b>	<b>701 898</b>	<b>675 260</b>	<b>218 426</b>	<b>252 859</b>
	<b>Operating profit</b>		<b>Tangible assets</b>	
	Audited 12 months ended 30 June 2015	Audited 12 months ended 30 June 2014	Audited 12 months ended 30 June 2015	Audited 12 months ended 30 June 2014
R'000				
Records Management	121 423	163 135	405 372	315 224
CSX Customer Services	5 788	285	22 346	19 015
Property Companies	53 366	51 496	259 106	250 567
Other	6 213	7 484	56 555	52 474
<b>Total</b>	<b>186 790</b>	<b>222 400</b>	<b>743 379</b>	<b>637 280</b>

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

"Property Companies" represent properties occupied by the local Records Management business units.

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

### Summarised statement of cash flows

	Audited 12 months ended 30 June 2015	Audited 12 months ended 30 June 2014
R'000		
Cash generated from operations before net working capital changes	222 315	252 044
Decrease (increase) in net working capital	38 211	(67 349)
Increase in normal net working capital	(25 823)	(3 315)
Decrease (increase) in net normal working capital due to insurance claim	64 034	(64 034)
Cash generated from operations	260 526	184 695
Net finance costs paid	(13 084)	(12 630)
Dividends declared	(72 297)	(56 943)
Normal taxation paid	(58 568)	(40 277)
<b>Net cash inflow from operating activities</b>	<b>116 577</b>	<b>74 845</b>
<b>Net cash outflow from investing activities:</b>		
Investment in property: expansion	(6 354)	(43 712)
Investment in plant and equipment: expansion	(35 536)	(33 958)
Investment in property: replacement	(17 322)	–
Investment in plant and equipment: replacement	(7 952)	(16 450)
Proceeds on disposal of property, plant and equipment	1 684	34 140
Increase in shareholding of subsidiary and acquisition of businesses	(28 575)	–
<b>Net cash outflow from financing activities:</b>		
Loans repaid	(35 253)	(40 907)
Loans drawn down	97 919	36 000
Net increase in cash and cash equivalents	85 188	9 958
Cash and cash equivalents at the beginning of the period	35 280	25 322
<b>Cash and cash equivalents at the end of the period</b>	<b>120 468</b>	<b>35 280</b>
<b>Represented by:</b>		
Bank balances	120 517	35 765
Bank overdrafts	(49)	(485)

### Summarised statement of changes in equity

	Share capital R'000	Share premium R'000	Retained earnings (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	–	–	–	4 570	4 570	–	4 570
Share scheme settlement	–	–	(12 763)	(2 263)	(15 026)	–	(15 026)
Dividends declared	–	–	(56 943)	–	(56 943)	–	(56 943)
Total comprehensive income for the year ended 30 June 2014	–	–	154 808	1 995	156 803	2 380	159 183
<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	24	18 043	–	–	18 067	–	18 067
IFRS 2 Equity reserve relating to share schemes	–	–	–	4 211	4 211	–	4 211
Share scheme settlement	–	–	(12 474)	(5 593)	(18 067)	–	(18 067)
Minority contribution on acquisition of subsidiary	–	–	–	–	–	3 982	3 982
Dividends declared	–	–	(72 297)	–	(72 297)	–	(72 297)
Total comprehensive income for the year ended 30 June 2015	–	–	124 620	(608)	123 812	2 877	126 689
<b>Balance at 30 June 2015</b>	2 625	588 936	17 960	7 999	617 520	12 887	630 407

### 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 87 100 square metres of warehousing and office space. In accordance with its owner/lessee model, 68% 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 continues 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.

In order to optimise shareholder returns, the Group aims to maintain a Debt:EBITDA ratio above 1.5:1. As the Group is highly cash generative the actual ratio has been below the target for some time notwithstanding cash commitments for acquisitions and building programs. Shareholders were accordingly advised in June that the Board had resolved to reduce dividend cover to 1,5 times. In addition the Board has now approved a share buyback program.

**Financial review**  
Metrofile's earnings in the prior year were favourably impacted by the immediate accounting recognition of the proceeds of a 36-month business interruption insurance claim. As a result, the Group continues to present normalised earnings reflecting the insurance proceeds spread over the indemnity period.

Normalised revenue increased by 14,0% to R720,9 million, normalised EBITDA by 11,6% to R236,6 million and normalised EBIT by 11,6% to R204,2 million.

Normalised headline earnings increased by 17,7% to R137,7 million.

Normalised basic earnings per share ("EPS") increased 8,0% and normalised headline earnings per share ("HEPS") increased by 16,6% to 32,3 cents and 32,3 cents respectively.

Cash generated from operations before net working capital changes decreased by 11,8% 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 41,1%.

Due to continued strong cash generation, the Board announced the reduction of the target dividend cover to 1,75 times in November 2014, and subsequently to 1,5 times on 19 June 2015. The total dividend per share increased by 40,0% to 21,0 cents (2014: 14,9 cents).

Capital investments of R67,2 million were effected mainly for expansion and included the rebuild of the KZN facility, the acquisition of property in Mbombela which is nearing completion of development, and the purchase of racking and equipment of R30,4 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% interest in FlexiFile Limited (Zambia);
- A 60% interest in E-File Masters LLC (United Arab Emirates).

### Basics 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 which are consistent with those applied in the financial statements for the year ended 30 June 2014.

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 Group's financial statements for the 30 June 2015 year-end, in accordance with International Standards on Auditing. These 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 the financial statements and the audit report 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 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, the MIC fees of R1,35 million (2014: R1,27 million) were paid during the year under review.

### Directorate and corporate governance

The Board comprises two executive and six non-executive directors, of whom four are independent directors. Mr IN Matthews remains the lead independent director. During the period under review, Mr RM Buttle resigned as CFO, and Mr MC McGowan was appointed in his stead, effective 1 August 2014. Ms P Langeni was appointed as a member of the Nomination and Remuneration Committees with effect from 1 July 2014.

### Dividends

The continued improvements in the group's financial structure and cash flows have enabled the Board to improve the dividend cover, for the full year, from 2,0 times in the comparative year to 1,5 times for the current year. The cover is based on Normalised EPS.

Notice is hereby given that a final gross cash dividend of 12,0 cents per share in respect of the year ended 30 June 2015 has been declared payable to the holders of ordinary shares recorded in the books of the company on Friday, 2 October 2015. The last day to trade cum-dividend will therefore be Friday, 25 September 2015 and Metrofile shares will trade ex-dividend from Monday, 28 September 2015. Payment of the dividend will be made on Monday, 5 October 2015. Share certificates may not be dematerialised or rematerialised between Monday, 28 September 2015 and Friday, 2 October 2015, 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 10,2 cents per share. The Company's issued share capital remains unchanged at 427 084 010 shares. 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 utilised facilities. Operating lease commitments amount to R79,9 million for the next five years. Capital investment plans for the forthcoming financial year amount to R116,0 million.

### Events after the reporting date

There have been no material events after the reporting.