

NEWS ANNOUNCEMENT

Metrofile announces unaudited group results for the six months ended 31 December 2009

Highlights:

- Revenue up 9.8%
- EBITDA up 7,3%
- Normalised HEPS up 15.9%

Johannesburg, South Africa, 3 March 2010: Metrofile, the African leader in records and information management, is pleased to announce its unaudited group results for the six-month period ended 31 December 2009.

Despite the slowdown in the local economy, results for the period were satisfactory with revenue increasing by 9,8% to R197,3 million, EBITDA was up by 7,3% to R62,3 million, and Headline earnings per share (HEPS) also increased by 42,5% to 6,3 cents. Although the more relevant measure is normalised HEPS, which itself increased by 15,9% to 7,2cents.

“Notwithstanding the economic slowdown I believe we have produced satisfactory results,” says Graham Wackrill, CEO of Metrofile. “While we always said that the global slowdown would not have any material impact on our business, and to this end it hasn’t, we did feel a minor ripple effect from the market.”

The company is also pleased to announce that cash generated by the business remains strong and continues to be applied to investing in capital items required for growth and reduction of the group’s legacy debts.

Says Richard Buttle, CFO at Metrofile: “Within the income statement there is a once off interest cost that relates to a SARS liability which arose out of the degrouping that occurred post the Section 311 restructure in 2004. This relates to timing differences of recoupments as well as deemed capital gains. Consequently the taxation charge for the period includes a charge relating to the aforementioned capital gains, the amount of which is R0,8 million. The tax bases of the Metrofile property companies has increased by R16,2 million as a result.”

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In the period of the results Metrofile also made a number of strategic acquisitions to support its ongoing growth strategy. These included the acquisition of 100% of Innovative Document Management, 100% of Infovault, and 55% of Cleardata. The acquisitions were made by way of vendor placements that resulted in a further 14,1 million shares being issued by the company. The acquisitions have had little impact to the overall revenues of the company, due to the timing thereof.

Africa continues to be a growth market for the company with the Mozambique business achieving beyond expectations, that said while the company continues to work with new clients throughout the regions, the Nigeria business is taking longer than expected to set up. Looking locally, Metrofile Nelspruit is scheduled to open its doors in the next quarter.

"In the last six months we have started seeing our investments into additional capacity yield benefits, our African strategy is paying off, and we are proud to have been awarded our accreditation as a value adding level 4 B-BBEE contributor. In addition to which our commitment to transformation can further be evidenced in the increased stake taken in our business by BEE partner, the Mineworkers Investment Company (MIC), which now holds 32,4%," states Wackrill.

Looking ahead Metrofile is confident that the recent acquisitions made by the company will support its goals to grow and expand its offerings to customers, the company will also continue to focus efforts in cross-selling its diverse range of services to customers, identify opportunities in smaller cities in South Africa, and continue to drive its government business.

"While the economy isn't expected to swing back as quickly as the market would like, we believe that the current economic environment shouldn't create any foreseeable problems and we look forward to steady growth in revenue, EBITDA and normalised HEPS in the future. We continue to concentrate on working capital management, cost savings and cash flow, as key drivers going forward," ends Wackrill.

ENDS

Note to Editors

About Metrofile

Established in 1983, Metrofile is the market leader in Africa for information and records management (on and off-site). The only company to provide full end-to-end solutions, Metrofile services customers across all sectors of the economy.

Metrofile's extensive range of services enables companies and organisations to use, store, and recycle their records and information quickly, intelligently and cost effectively – freeing up valuable physical and human resources. Our services include records management, image processing, paper management and extensive range of information solutions including the supply and maintenance of scanning and document handling equipment, software development, online storage and hosting, consultancy and training.

Metrofile Holdings is quoted in "Support Services – Business Support Services" Sector of the JSE Limited (JSE).

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