



Recall Announces Facility Optimisation Program

Sydney, Australia: June 30th, 2014 [Recall Holdings Limited](http://www.recall.com) (ASX: REC), a global leader in information management, today announced the implementation of a Facility Optimisation Program (the Program) designed to increase facility utilisation and reduce real estate costs in existing markets. The Program is the outcome of a lengthy operational review that utilised a comprehensive approach considering parameters such as current building utilisation, lease costs, the ability to consolidate facilities while maintaining or improving customer service levels, operational footprint, and return on investment.

Recall customers will receive an uninterrupted service as this Program is implemented and the highest level of ongoing service and security in each geographic market. Recall is not exiting any markets and is primarily consolidating two or more facilities within a particular market. This will enable more efficient use of real estate and racking assets and improve customer service due to improved operational efficiencies, while allowing for future growth. The Program, impacting North America and France, will commence immediately and is due to be completed by December 2016, with the majority of opportunities located in North America.

Recall has specifically identified approximately 45 facilities, across our three service lines, which will be included in the Program. Within Document Management Services (“DMS”), a number of Information Centres (“IC’s”) will be consolidated into existing IC’s in the same geographic market. Additionally, a number of Data Protection Services (“DPS”) and Secure Destruction Services (“SDS”) facilities will be combined or moved to be better located and reduce costs.

“Operational excellence, including industry-leading customer service and continuous cost improvement, is a key strategic objective of Recall”, said Recall’s President and CEO, Doug Pertz. “We are focused on improving our EBITDA margins and a key driver is improving the utilisation of our facilities. The implementation of this Program is an important step in driving greater returns for our shareholders while continuing to ensure the same world-class level of service, support and security that our customers count on.”

Additionally, Recall’s strategy is to continuously improve financial performance through increasing asset utilisation and improving profitability and return on capital. The Program achieves all of these objectives. It will improve building utilisation by approximately three percentage points, and once fully implemented annual cost savings will be approximately US\$11 million, mainly associated with property costs. While there will be some cost savings in FY2015, the majority of the benefit will be realised in FY2016 and beyond.

A one-off restructuring charge of approximately US\$15 million will be incurred in the period ended 30 June 2014, which will involve a non-cash cost of approximately US\$5 million relating to surplus plant



and equipment and a cash cost of approximately US\$10 million, which principally relates to lease termination and moving costs, and will be incurred over the course of the Program.

In addition, there is a capex requirement of US\$23 million, which is primarily related to additional racking required in existing facilities to accommodate the consolidated holdings. Of this amount, US\$19 million is expected to be incurred in 2015, and the balance in 2016.

This program is targeted on average to achieve a cash payback in approximately three years with a targeted IRR in excess of 20%.

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About Recall

Recall is a global leader in information management solutions, offering customers complete management of its physical and digital information assets with one partner. Recall's innovative solutions empower organizations to make better business decisions throughout the information lifecycle, while keeping regulatory compliance and eliminating unnecessary resources, time and costs. Recall services more than 80,000 customer accounts in more than 300 dedicated operation centres, spanning 5 continents in 23 countries. For more information, please visit recall.com.

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