

Recall

Recall achieved revenue growth of 10% for the year, the majority of which was through organic growth. This was a significant achievement, as the 18 acquisitions made during the year created a larger base from which to grow. Importantly, growth in profitability continued to exceed revenue growth.

Recall's global business foundation comprises a standard service menu, standard operating procedures and a standard, global IT platform. From that basis, Recall has been able to clearly define acceptable service delivery through its statistically-based service improvement program, Perfect Order.

A Perfect Order is one which is not only on time and complete but one that has been delivered completely consistent with Recall's standard operating procedures.

This program has been a mobilising force behind business improvement for Recall in the past year. Early evidence shows that it is driving increased customer satisfaction and, in turn, revenue growth. Perfect Order continues to have a positive effect on reducing customer turnover, with the ratio of new to discontinued

customer cartons improving significantly in the second half of the year.

Document Management Services

Document Management Services (DMS), Recall's major business segment, continued to achieve improved revenue growth, particularly in the second half.

Acquisitions were undertaken during the year to broaden the business 'footprint' into new and strategically important markets, and also to add efficient storage capacity to support future growth.

A goal for the year was to expand into two new, significant North American markets. This was achieved through the purchase of Professional Records Storage, providing entry into the Washington, DC market, and the acquisition of All-Data in Minnesota, with centres in the Twin Cities of Minneapolis-St Paul.

A very efficient, modern storage facility in an existing market was added with the purchase of Atlanta Records Management, a very strong player in the legal and financial services segments in the south-east of the United States.

The March acquisition of the UK-based Sentinel brought a 'best practice' facility in Greenwich, London – a market in which Recall's existing capacity had become constrained. The 'mega-centre' provides substantial additional capacity to service growth in this market.

During the year, Recall became the leading document management provider in Scandinavia with entry into two new markets – Sweden and Finland. It also completed the purchase of the leading data management services business in Oslo, Norway –

Auckland, New Zealand





A\$ millions	Year ended 30 June 2003	Year ended 30 June 2002	Change %
Sales	698	634	10
Comparable operating profit ¹	130	111	17

¹ Comparable operating profit is defined on page 81.

Arkivrommet Recall – in which Recall has held an equity stake since 2001, and increased its stake in Arkivrommet in Denmark.

Elsewhere, extra capacity has been developed. Recently, a new mega-centre was opened in Boston, USA and a highly efficient, one million carton mega-centre was opened in Sao Paulo, Brazil.

Through its joint venture in Singapore, Recall operates the tallest information centre in the world. The 45-metre storage tower was matched during the year with the construction of a second tower. Both feature a sophisticated crane system.

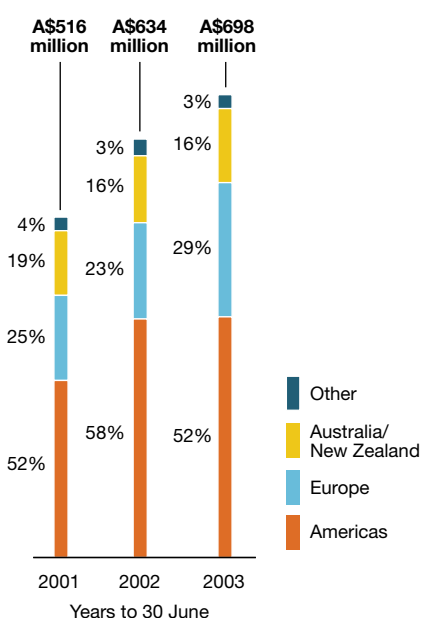
Secure Destruction Services

Secure Destruction Services (SDS) is Recall's fastest growing business, with a leading position in North America.

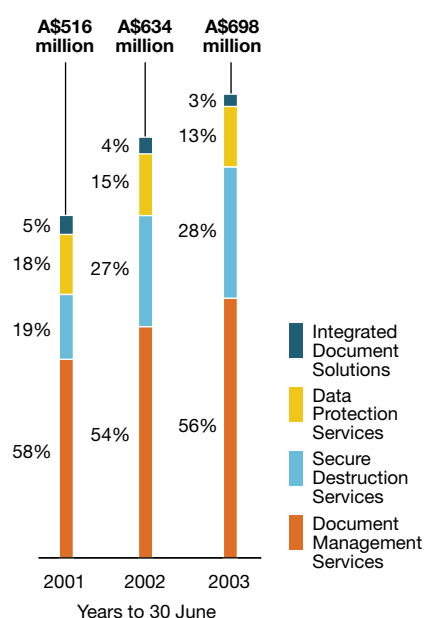
A focus for SDS during the year was the consolidation of acquisitions made in the past three years, which included a number of the leading secure destruction companies in North America. Those acquisitions formed a national network of secure destruction facilities which have been re-branded and brought under a single management team.

Another aim in SDS was to fill the geographic 'holes'. That was achieved to a great extent by acquisitions in key markets

Revenue segmentation by region



Revenue segmentation by product



Atlanta, USA

Sydney, Australia



“Through Recall’s global quality initiative – Perfect Order – we have been able to define in very objective terms how we measure quality service, allowing us to understand whether we are delivering on our promise to customers. Through our efforts in Recall this year, we now have the ability to show our customers exactly how we performed ... by service centre, by order, by day, by shift, by type of item, by any way they want to slice it.”

Al Trujillo
President & Chief Executive Officer, Recall

including in the United States, major centres in Indiana, Kentucky, Mississippi, Ohio, Rhode Island and a number of locations in Texas, and Vancouver in Canada.

A number of important, national contracts were also gained in the United States, including a contract with Wal-Mart to service 3,000 pharmacies across the country.

In Thailand, where Recall had already forged a presence in DMS and Data Protection Services, a Secure Destruction Centre was opened in the industrial province of Samutprakarn, outside Bangkok.

External factors continue to fuel growth in demand for secure destruction, as new regulations and heightened concerns about identity theft and corporate governance have increased attention on these issues. In the US, a raft of new State privacy laws require the secure destruction or shredding of certain documents.

Data Protection Services

During the year, this business achieved consistent, profitable growth in its established markets, benefiting from the heightened awareness of the need for adequate disaster recovery systems in the current global security environment.

A significant accomplishment was the conversion of systems to a common operating platform, allowing Recall to provide consistent, secure data tape storage and business continuity services in its key markets of North America, the United Kingdom and Asia-Pacific. There are plans for expansion of these services in South America.

The provision of software escrow services continued to expand globally with the North American business growing by 26% due to a strong sales program.

Integrated Document Solutions

Recall’s smallest business stream, Integrated Document Solutions (IDS), has been strategically refocused in the past year. The number of digital images stored on-line was increased significantly and the business offering moved to a more integrated solution, including not simply the hosting of images, but also the conversion of documents from paper to digital form.

Atlanta, USA



Singapore



To support this strategic shift, additional scanning capacity was added in each of IDS' major markets.

This year, Recall made its first IDS acquisition, ISI in Atlanta, Georgia, complementing the existing business and bringing specialised imaging and data capture services.

Solutions focus

Recall's four complementary business streams provide customers with a full suite of services.

The sales organisation is being transformed from a product-oriented to a solution-based organisation, structured to serve particular industries. Where, previously, Recall might have had two or three people calling on a customer, it now has one national, major account manager for each customer – with product specialists brought in as needed for a specific solution.

Growth for Recall will continue to come from selected acquisitions and from the large segment of the market for outsourcing of information management that is, as yet, untapped. ○

Sydney, Australia



Customer focus

Recall Secure Destruction Services ensures dependable, confidential destruction of all types of material for clients in industries such as financial services, health care and information technology.

Recall's global network of Secure Destruction Centres is specifically engineered, staffed and monitored to provide the highest standards of efficiency and confidentiality in dealing with items including records of financial transactions, consumer information, medical patient records and uniforms.

Materials are collected by Recall's trained Security Service Representatives, transported in secured trucks, and delivered to a Recall Destruction Centre. The materials are then shredded or pulverized to render them

unrecognisable and / or unusable, then recycled whenever possible.

Through its reliable and secure services, Recall is capable of destroying a wide range of sensitive materials. In addition to confidential paper documents, disks, tapes and films, Recall can handle items with high intrinsic value such as excess, superseded or sub-standard branded products that need to be removed from channels of commerce. A Certificate of Destruction is available for each service.

With integrity and discretion, Recall ensures the proper disposal of all types of confidential information and the medium on which it is held, removing the risks associated with accidental or intentional breaches of privacy.