

SNV - Santova Logistics - Abridged Results For The Year Ended 29 February 2008
SANTOVA LOGISTICS LIMITED
(www.Santova.com)
(Registration number 1998/018118/06)
(Share code: SNV & ISIN number: ZAE000090650)
ABRIDGED RESULTS
for the year ended 29 February 2008
CONDENSED GROUP INCOME STATEMENTS

		Twelve months to Fourteen months to 29 February 2008 REVIEWED	Restated months to 28 February 2007	As previously reported Fourteen months to 28 February 2007 AUDITED
R`000	R`000	R`000		
Turnover		108 243	77 395	77 395
Gross billings		1 956 021	1 451 862	1 451 862
Cost of billings		1 847 778	1 374 467	1 374 467
Operating income		23 501	16 691	18 788
Depreciation and amortisation		2 369	1 638	1 709
Interest received		4 454	3 077	3 180
Finance costs		17 550	13 876	13 876
Profit before taxation		8 036	4 254	6 383
Income tax expense		1 965	1 649	2 330
Profit for the year/period		6 071	2 605	4 053
Attributable to:				
Equity holders of the parent		6 026	2 625	4 073
Minority interests		45	(20)	(20)
Basic earnings per share (cents)		0.45	0.24	0.44
Diluted earnings per share (cents)		0.45	0.24	0.35
SUPPLEMENTARY INFORMATION				
Reconciliation between earnings and headline earnings				
Profit attributable to equity holders of the parent		6 026	2 625	4 073
Profit on disposals of plant and equipment		(14)	(158)	(158)
Taxation effects		4	46	46
Headline earnings		6 016	2 513	3 961
Shares in issue (000`s)		1 366 788	1 122 682	1 122 682
Subscriptions awaiting allotment (000`s)		8 569	222 855	222 855
Held by share trust - total (000`s)		91 335	63 306	63 306
Sold to trust participants - ceded to trust (000`s)		45 968	52 551	52 551
Held by share trust - unsold (000`s)		45 367	10 755	10 755
Weighted average number of shares (000`s)		1 335 522	1 091 394	931 823 906
Diluted number of shares (000`s)		1 335 522	1 091 394	1 154 677 377
Shares for net asset value calculation (000`s)		1 329 990	1 334 783	931 823 906
Performance per ordinary share				
Basic headline earnings per share (cents)		0.45	0.23	0.43
Diluted headline earnings per share (cents)		0.45	0.23	0.34
Net asset value per share (cents)		5.82	5.34	8.21
Tangible net asset per share (cents)		3.64	3.20	1.11

CONDENSED GROUP BALANCE SHEETS

As previously
reported

29 February Restated 28 February

2008 28 February

2007

	REVIEWED R`000	2007 R`000	AUDITED R`000
ASSETS			
Non-current assets	47 373	45 737	77 363
Plant and equipment	9 498	8 770	8 408
Intangible assets	793	766	405
Goodwill	28 236	27 846	65 731
Loans receivable	3 871	3 901	504
Deferred taxation	4 975	4 454	2 315
Current assets	282 918	286 110	296 028
Trade receivables	263 110	273 771	279 085
Other current assets	13 855	4 366	7 505
Financial assets	43	-	-
Cash and cash equivalents	5 910	7 973	9 438
Total assets	330 291	331 847	373 391
EQUITY AND LIABILITIES			
Capital and reserves	77 438	71 322	76 458
Share capital and premium	156 401	156 395	149 041
Foreign currency translation reserve	41	(3)	(3)
Accumulated loss	(79 043)	(85 070)	(72 580)
Attributable to equity holders of the parent	77 399	71 322	76 458
Minority interest	39	-	-
Non-current liabilities	2 658	3 276	44 462
Amounts owing to related parties	-	-	41 185
Interest-bearing borrowings	446	1 022	1 022
Long-term provision	2 212	2 254	2 255
Current liabilities	250 195	257 249	252 471
Current tax payable	940	278	278
Trade and other payables	112 480	104 939	99 518
Current portion of amounts owing to related parties	120	-	643
Current portion of interest bearing borrowings	772	791	791
Financial liability	-	25	25
Short-term borrowings and overdraft	133 330	148 096	148 096
Short-term provisions	2 553	3 120	3 120
Total equity and liabilities	330 291	331 847	373 391

CONDENSED GROUP CASH FLOW STATEMENTS

As previously

	Twelve months to 28 February 2008 REVIEWED R`000	Restated Fourteen 28 February 2007 R`000	reported Fourteen months to 2007 AUDITED R`000
29 February	months to	28 February	2007
Cash generated by operations before working capital changes	23 606	19 188	21 355
Changes in working capital	8 134	(17 858)	(18 052)
Cash generated by operating activities	31 740	1 330	3 303
Interest received	4 454	3 077	3 180
Finance costs	17 550	13 876	13 876
Taxation paid	1 824	1 207	1 778
Net cash flows from operating activities	16 820	(10 676)	(9 171)
Net cash outflows from investing activities	(2 770)	(1 525)	(2 654)
Cash inflows on acquisition of subsidiaries	289	10 110	10 121
Shares repurchased	-	-	(788)

Borrowings repaid	(16 402)	(10 086)	(8 220)
Net decrease in cash and cash equivalents	(2 063)	(12 177)	(10 712)
Cash and cash equivalents at the beginning of the period	7 973	20 150	20 150
Cash and cash equivalents at the end of the period	5 910	7 973	9 438

CONDENSED GROUP SEGMENTAL ANALYSIS

2008 - GEOGRAPHICAL
R`000 R`000 Southern Africa Far East

Turnover		101 091	2 389
Net profit/(loss) before interest and tax		21 267	1 184
Net finance (cost)/revenue		(12 987)	(44)
Income tax (expense)/credit		(2 206)	(213)
Net profit/(loss)		6 074	927
Total assets		320 352	3 625
Total liabilities		244 406	2 720
Depreciation and amortization		2 294	13
Capital expenditure		3 268	3

2007 - GEOGRAPHICAL

Turnover		77 052	343
Net profit/(loss) before interest and tax		15 118	(65)
Net finance costs		(10 799)	-
Income tax expense		(1 649)	-
Net profit/(loss)		2 670	(65)
Total assets		330 424	1 423
Total liabilities		259 030	1 495
Depreciation and amortization		1 636	2
Capital expenditure		2 762	36

United Kingdom Group

		R`000	R`000
Turnover		4 763	108 243
Net profit/(loss) before interest and tax		(1 319)	21 132
Net finance (cost)/revenue		(65)	(13 096)
Income tax (expense)/credit		454	(1 965)
Net profit/(loss)		(930)	6 071
Total assets		6 314	330 291
Total liabilities		5 727	252 853
Depreciation and amortization		62	2 369
Capital expenditure		410	3 681

2007 - GEOGRAPHICAL

Turnover		-	77 395
Net profit/(loss) before interest and tax		-	15 053
Net finance costs		-	(10 799)
Income tax expense		-	(1 649)
Net profit/(loss)		-	2 605
Total assets		-	331 847
Total liabilities		-	260 525
Depreciation and amortization		-	1 638
Capital expenditure		-	2 798

2008 - BUSINESS SEGMENT

	Freight forwarding and clearing	Insurance	Group
	R`000	R`000	R`000
Net profit	5 530	541	6 071
Total assets	326 098	4 193	330 291
Total liabilities	251 776	1 078	252 854

2007 - BUSINESS SEGMENT

Net profit/(loss)	2 616	(11)	2 605
Total assets	331 271	576	331 847
Total liabilities	260 082	443	260 525

PRIOR PERIOD ADJUSTMENTS RECONCILIATION

As previously

reported

Employee

IAS 36/37

R`000	R`000	28 February 2007 R`000	share scheme changes	Impairments and provisions
Balance Sheet Effects				
Plant and equipment		8 408	-	-
Intangible assets		405	-	-
Goodwill		65 731	-	-
Loans receivable		504	3 397	-
Deferred taxation		2 315	27	2 322
Trade receivables		279 085	-	(5 314)
Other current assets		7 505	-	(3 139)
Cash and cash equivalents		9 438	-	(1 465)
Share capital and premium		149 041	3 326	-
Accumulated loss		(72 580)	(87)	(12 853)
Amounts owing to related parties		41 828	-	-
Trade and other payables		99 518	-	5 421
Income Statement Effects				
Interest received		3 180	(103)	-
Administrative Expenses		61 108	(62)	2 159
Impairment of assets			-	2 159
Other			(62)	-
Related taxation		2 330	(27)	(296)
			IFRS 3 and IAS 16 changes	Restated 28 February 2007

R`000	R`000		
Balance Sheet Effects			
Plant and equipment		362	8 770
Intangible assets		361	766
Goodwill		(37 885)	27 846
Loans receivable		-	3 901
Deferred taxation		(210)	4 454
Trade receivables		-	273 771
Other current assets		-	4 366
Cash and cash equivalents		-	7 973
Share capital and premium		4 028	156 395
Accumulated loss		450	(85 070)
Amounts owing to related parties		(41 828)	-
Trade and other payables		-	104 939
Income Statement Effects			
Interest received		-	3 077
Administrative Expenses		(71)	63 134
Impairment of assets		-	
Other		(71)	
Related taxation		(358)	1 649

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the parent

	Share capital	Share premium
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R`000	R`000		
Audited Balances at 31 December 2005			
As previously reported		900	110 161
Effect of prior years restatements:			
IAS 36/37 impairments and provisions		-	-
Related deferred taxation		-	-
Employee share scheme changes		-	(16)
Restated balances at 31 December 2005		900	110 145
Net profit for the period		-	-
Net profit as previously reported		-	-
Reassessment of plant and equipment under IAS16 and IFRS3		-	-
Providing for subsidiary at acquisition tax liability		-	-

IAS 36/37 impairments and provisions	-	-
Related deferred taxation	-	-
Employee share scheme as previously reported	-	55
Employee share scheme changes	-	(55)
Related deferred taxation	-	-
Share capital movements for period	223	23 015
Issue of shares as previously reported	223	41 915
Subscriptions awaiting allotment	-	-
Reduction of share price on acquisition of subsidiary	-	(18 900)
Treasury shares as previously reported	-	-
Restatement of treasury shares	-	-
Foreign currency translation adjustment	-	-
Minority interest acquired	-	-
Minority interest allocated against the parent	-	-
Restated balances at 28 February 2007	1 123	133 160
Net profit for the year/period	-	-
Minority interest adjustment	-	-
Reversal of minority interest allocated against the parent	-	-
Issue of share capital	244	25 125
Foreign currency translation adjustment	-	-
Shares repurchased	-	-
Reviewed Balances at 29 February 2008	1 367	158 285
Attributable to equity holders of the parent		

	Treasury share capital R`000	Treasury share premium R`000
Audited Balances at 31 December 2005		
As previously reported	(51)	(3 319)
Effect of prior years restatements:		
IAS 36/37 impairments and provisions	-	-
Related deferred taxation	-	-
Employee share scheme changes	39	2 515
Restated balances at 31 December 2005	(12)	(804)
Net profit for the period	-	-
Net profit as previously reported	-	-
Reassessment of plant and equipment under IAS16 and IFRS3	-	-
Providing for subsidiary at acquisition tax liability	-	-
IAS 36/37 impairments and provisions	-	-
Related deferred taxation	-	-
Employee share scheme as previously reported	-	-
Employee share scheme changes	-	-
Related deferred taxation	-	-
Share capital movements for period	1	(1)
Issue of shares as previously reported	-	-
Subscriptions awaiting allotment	-	-
Reduction of share price on acquisition of subsidiary	-	-
Treasury shares as previously reported	(13)	(830)
Restatement of treasury shares	14	829
Foreign currency translation adjustment	-	-
Minority interest acquired	-	-
Minority interest allocated against the parent	-	-
Restated balances at 28 February 2007	(11)	(805)
Net profit for the year/period	-	-
Minority interest adjustment	-	-
Reversal of minority interest allocated against the parent	-	-
Issue of share capital	(24)	(2 975)
Foreign currency translation adjustment	-	-

Shares repurchased	(10)	(711)
Reviewed Balances at 29 February 2008	(45)	(4 491)
	Attributable to equity holders of the parent	
		Foreign

Subscriptions	currency	awaiting allotment R`000	translation reserve R`000
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Audited Balances at 31 December 2005			
As previously reported		-	-
Effect of prior years restatements:			
IAS 36/37 impairments and provisions		-	-
Related deferred taxation		-	-
Employee share scheme changes		-	-
Restated balances at 31 December 2005		-	-
Net profit for the period		-	-
Net profit as previously reported		-	-
Reassessment of plant and equipment under IAS16 and IFRS3		-	-
Providing for subsidiary at acquisition tax liability		-	-
IAS 36/37 impairments and provisions		-	-
Related deferred taxation		-	-
Employee share scheme as previously reported		-	-
Employee share scheme changes		-	-
Related deferred taxation		-	-
Share capital movements for period		22 928	-
Issue of shares as previously reported		-	-
Subscriptions awaiting allotment		41 828	-
Reduction of share price on acquisition of subsidiary		(18 900)	-
Treasury shares as previously reported		-	-
Restatement of treasury shares		-	-
Foreign currency translation adjustment		-	(3)
Minority interest acquired		-	-
Minority interest allocated against the parent		-	-
Restated balances at 28 February 2007		22 928	(3)
Net profit for the year/period		-	-
Minority interest adjustment		-	-
Reversal of minority interest allocated against the parent		-	-
Issue of share capital		(21 643)	-
Foreign currency translation adjustment		-	44
Shares repurchased		-	-
Reviewed Balances at 29 February 2008		1 285	41

Attributable to equity holders of the parent
Accumulated
loss

R`000	R`000		Total
Audited Balances at 31 December 2005			
As previously reported		(76 652)	31 039
Effect of prior years restatements:			
IAS 36/37 impairments and provisions		(13 084)	(13 084)
Related deferred taxation		2 026	2 026
Employee share scheme changes		16	2 554
Restated balances at 31 December 2005		(87 694)	22 535
Net profit for the period		2 625	2 625
Net profit as previously reported		4 073	4 073
Reassessment of plant and equipment under IAS16 and IFRS3		71	71
Providing for subsidiary at acquisition tax liability		427	427
IAS 36/37 impairments and provisions		(2 159)	(2 159)

Related deferred taxation	227	227
Employee share scheme as previously reported	-	55
Employee share scheme changes	(41)	(96)
Related deferred taxation	27	27
Share capital movements for period	-	46 166
Issue of shares as previously reported	-	42 138
Subscriptions awaiting allotment	-	41 828
Reduction of share price on acquisition of subsidiary	-	(37 800)
Treasury shares as previously reported	-	(843)
Restatement of treasury shares	-	843
Foreign currency translation adjustment	-	(3)
Minority interest acquired	-	-
Minority interest allocated against the parent	(1)	(1)
Restated balances at 28 February 2007	(85 070)	71 322
Net profit for the year/period	6 026	6 026
Minority interest adjustment	-	-
Reversal of minority interest allocated against the parent	1	1
Issue of share capital	-	727
Foreign currency translation adjustment	-	44
Shares repurchased	-	(721)
Reviewed Balances at 29 February 2008	(79 043)	77 399
	Minority interest	Total equity

R`000	R`000	
Audited Balances at 31 December 2005		
As previously reported	-	31 039
Effect of prior years restatements:		
IAS 36/37 impairments and provisions	-	(13 084)
Related deferred taxation	-	2 026
Employee share scheme changes	-	2 554
Restated balances at 31 December 2005	-	22 535
Net profit for the period	(20)	2 605
Net profit as previously reported	(20)	4 053
Reassessment of plant and equipment under IAS16 and IFRS3	-	71
Providing for subsidiary at acquisition tax liability	-	427
IAS 36/37 impairments and provisions	-	(2 159)
Related deferred taxation	-	227
Employee share scheme as previously reported	-	55
Employee share scheme changes	-	(96)
Related deferred taxation	-	27
Share capital movements for period	-	46 166
Issue of shares as previously reported	-	42 138
Subscriptions awaiting allotment	-	41 828
Reduction of share price on acquisition of subsidiary	-	(37 800)
Treasury shares as previously reported	-	(843)
Restatement of treasury shares	-	843
Foreign currency translation adjustment	-	(3)
Minority interest acquired	19	19
Minority interest allocated against the parent	1	-
Restated balances at 28 February 2007	-	71 322
Net profit for the year/period	45	6 071
Minority interest adjustment	(5)	(5)
Reversal of minority interest allocated against the parent	(1)	-
Issue of share capital	-	727
Foreign currency translation adjustment	-	44
Shares repurchased	-	(721)
Reviewed Balances at 29 February 2008	39	77 438

COMMENTARY

Group profile

Santova Logistics Limited and its subsidiary companies "Santova / Group", operating out of South Africa, the United Kingdom, Hong Kong and China, provide integrated "end-to-end" logistics solutions for importers, exporters and consumers worldwide.

Changes in the Group

The Group acquired Mogal International Limited "Mogal", which operates out of the United Kingdom, with effect from 13 March 2007. The purchase consideration of R1,984,174 comprises R654,272 worth of goodwill and net assets acquired to the value of R1,329,902 made up of plant and equipment; accounts receivable; other current assets; cash and cash equivalents; and trade and other payables. The contribution of the Mogal operation to the Group's results and net assets is reflected in the segmental report which forms part of these abridged results.

Following the acquisition of Impson Logistics (Pty) Ltd "Impson Logistics" during the previous financial year, significant progress has been made in rationalising the South African branch network and standardising operating procedures and accounting policies.

As part of the rationalisation, the Group has appointed a single audit firm to all group operations, except for the newly acquired Mogal.

Financial reporting and accounting policy changes

These reviewed abridged results reflect certain changes to the previously reported financial information of the Group for the 14 month period to 28 February 2007 and the interim information for the 6 months to 31 August 2007. These changes arise in the main from an assessment undertaken by the directors of the application of existing and revised accounting standards in the following areas (the values are reflected in the "prior period adjustments reconciliation" in the same order as listed below):

1. changing the basis of accounting for the employee share purchase scheme;
2. implementing consistent provisioning and impairment policies across the Group;
3. reassessing the fair values of the businesses of the recently acquired subsidiary companies, as well as the valuation placed on the Santova shares issued and issuable to the vendors of those businesses; and
4. making disclosure changes to achieve compliance with new and revised International Financial Reporting Standards.

The rationalisation of the Santova operations highlighted the need to standardise the processes for providing for possible impairments and also crystallised a significant core of long overdue amounts in the accounts receivable balances of the old "Spectrum" businesses. The standardisation of accounting policies across Santova has resulted in increased provisions to reflect possible impairments in accounts receivable. Where appropriate, the results and balances in prior periods have been restated.

Basis of preparation

Except for the differences highlighted above, the accounting policies are consistent with those applied in the financial statements for the 14 months ended 28 February 2007.

The financial information has been prepared using accounting policies that comply with International Financial Reporting Standards. The Group has adopted IFRS 7 Financial Instruments: Disclosures. This is a disclosure standard which has no impact on the recognition, measurement or presentation of financial instruments and consequently has no impact on profit, loss or equity for the year.

This preliminary, abridged report complies with International Accounting Standard 34 - Interim Financial Reporting as well as with Schedule 4 of the South African Companies Act and the disclosure requirements of the JSE Listings Requirements.

Overview of 2008 performance

The Group's performance as reflected in this preliminary report, which includes the cost of the Durban and Head Office move in early March 2007, shows that good progress is being made in achieving the strategic growth objectives of the Group.

The balance sheet remains strong, with NAV (Net Asset Value) having increased

from 5,34 cents per share to 5,82 cents per share, an 8,9% increase; whilst the TNAV (Tangible Net Asset Value) has moved from 3,20 cents per share to 3,64 cents per share, a 13,7% increase.

The cash flow statement reflects a significant decline in the usage of the invoice discounting facility which has decreased from a net borrowings amount of R140,1m to R127,4m, despite the increased trade undertaken by the group.

During the year, further shares were issued as follows:

- 4,818,750 shares to the vendors of Mogal on 13 March 2007;
- 210,000,000 shares to the vendors of Impson Logistics on 18 June 2007;
- 4,286,490 shares to the vendors of Leading Edge Insurance Brokers (Pty) Ltd

on

18 June 2007; and

- 25,000,000 shares to the share trust on 30 September 2007.

Outlook for 2008/9

We move forward in the year ahead with a strong focus on customer service and cost optimisation.

REVIEW BY INDEPENDENT AUDITORS

The Group's auditors, Deloitte & Touche, have reviewed these year end results. Their unmodified review report is available for inspection at the Group's registered office during office hours.

OTHER MATTERS

The annual report will be issued in due course, both in electronic and printed form.

DIVIDENDS

In line with the Company's policy, no dividend has been declared for the year.

For and on behalf of the board,

GH Gerber

SJ Chisholm

Chief Executive Officer

Group Financial Director

4 June 2008

REGISTERED OFFICE AND POSTAL ADDRESS

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River Group

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INDEPENDENT NON-EXECUTIVE DIRECTORS

M Tembe, S Zulu (Chairman)

COMPANY SECRETARY

J A Lupton, ACIS

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