

SANTOVA LOGISTICS LIMITED  
REGISTRATION NUMBER: 1998/018118/06  
SHARE CODE: SNV  
ISIN: ZAE000090650

AUDITED ABRIDGED GROUP RESULTS  
for the year ended 28 February 2011

STATEMENT OF FINANCIAL POSITION

|  | 2011<br>R' 000 | 2010<br>R' 000 |
|--|----------------|----------------|
| <b>ASSETS</b>                                  |                |                |
| Non-current assets                             | 72 422         | 52 297         |
| Plant and equipment                            | 8 540          | 8 942          |
| Intangible assets                              | 59 990         | 39 527         |
| Financial asset                                | 458            | 579            |
| Deferred taxation                              | 3 434          | 3 249          |
| Current assets                                 | 275 454        | 188 465        |
| Trade receivables                              | 248 820        | 176 576        |
| Other receivables                              | 11 789         | 6 911          |
| Current tax receivable                         | 784            | 622            |
| Amounts owing from related parties             | 573            | 34             |
| Cash and cash equivalents                      | 13 488         | 4 322          |
| Total assets                                   | 347 876        | 240 762        |
| <b>EQUITY AND LIABILITIES</b>                  |                |                |
| Capital and reserves                           | 103 415        | 80 277         |
| Share capital and premium                      | 151 204        | 145 579        |
| Contingency reserve                            | 181            | 132            |
| Foreign currency translation reserve           | 1 068          | 1 148          |
| Accumulated loss                               | (50 718)       | (67 633)       |
| Attributable to equity holders of the parent   | 101 735        | 79 226         |
| Minority interest                              | 1 680          | 1 051          |
| Non-current liabilities                        | 5 761          | 6 772          |
| Interest-bearing borrowings                    | 318            | 416            |
| Long-term provision                            | 2 013          | 2 136          |
| Financial liabilities                          | 3 429          | 4 206          |
| Deferred taxation                              | 1              | 14             |
| Current liabilities                            | 238 700        | 153 713        |
| Trade and other payables                       | 116 811        | 84 458         |
| Current tax payable                            | 593            | 796            |
| Current portion of interest-bearing borrowings | 151            | 321            |
| Amounts owing to related parties               | 157            | 97             |
| Current portion of financial liabilities       | 5 947          | 3 485          |
| Short-term borrowings and overdraft            | 108 991        | 62 591         |
| Short-term provisions                          | 6 050          | 1 965          |
| Total equity and liabilities                   | 347 876        | 240 762        |

STATEMENT OF COMPREHENSIVE INCOME

|  | 2011<br>R' 000 | 2010<br>R' 000 |
|--|----------------|----------------|
|--|----------------|----------------|

|   |             |             |
|---|-------------|-------------|
| Turnover  | 144 230     | 98 038      |
| Gross billings  | 2 044 439   | 1 493 371   |
| Cost of billings  | (1 900 209) | (1 395 333) |
| Other income  | 6 365       | 1 924       |
| Depreciation and amortisation                                       | (3 960)     | (2 669)     |
| Administrative expenses   | (114 934)   | (84 875)    |
| Operating income  | 31 701      | 12 418      |
| Interest received   | 2 265       | 3 648       |
| Finance costs   | (10 750)    | (9 213)     |
| Profit before taxation  | 23 216      | 6 853       |
| Income tax expense  | (5 891)     | (2 666)     |
| Profit for the year   | 17 325      | 4 187       |
| Attributable to:  |             |             |
| Equity holders of the parent  | 16 964      | 3 748       |
| Minority interest   | 361         | 439         |
| Other comprehensive income  |             |             |
| Exchange differences arising from translation of foreign operations | 188         | 619         |
| Total comprehensive income  | 17 513      | 4 806       |
| Attributable to:  |             |             |
| Equity holders of the parent  | 16 884      | 4 367       |
| Minority interest   | 629         | 439         |
| Basic earnings per share (cents)                                    | 1,25        | 0,30        |
| Diluted basic earnings per share (cents)                            | 1,23        | 0,29        |

#### SUPPLEMENTARY INFORMATION

|   | 2011<br>R'000 | 2010<br>R'000 |
|---|---------------|---------------|
| Reconciliation between earnings and headline earnings |               |               |
| Profit attributable to equity holders of the parent   | 16 964        | 3 748         |
| Impairment of goodwill                                | 1 152         | -             |
| Net loss on disposals of plant and equipment          | 215           | 67            |
| Negative goodwill arising from purchase of subsidiary | (3 868)       | -             |
| Taxation effects                                      | (60)          | (19)          |
| Headline earnings                                     | 14 403        | 3 796         |
| Shares in issue (000's)                               | 1 376 127     | 1 256 049     |
| Weighted average number of shares (000's)             | 1 351 944     | 1 231 457     |
| Diluted number of shares (000's)                      | 1 380 493     | 1 291 038     |
| Shares for net asset value calculation (000's)        | 1 403 828     | 1 216 328     |
| Performance per ordinary share                        |               |               |
| Headline earnings per share (cents)                   | 1,07          | 0,31          |
| Diluted headline earnings per share (cents)           | 1,04          | 0,29          |
| Net asset value per share (cents)                     | 7,37          | 6,60          |
| Tangible net asset value per share (cents)            | 3,09          | 3,35          |

#### STATEMENT OF CASH FLOWS

|                      | 2011<br>R'000 | 2010<br>R'000 |
|----------------------|---------------|---------------|
| OPERATING ACTIVITIES |               |               |

|   |          |          |
|---|----------|----------|
| Cash generated from operations before working capital changes | 32 825   | 14 605   |
| Changes in working capital                                    | (28 370) | 31 096   |
| Cash generated from operations                                | 4 455    | 45 701   |
| Interest received   | 2 265    | 3 634    |
| Finance costs   | (9 897)  | (8 430)  |
| Taxation paid   | (7 671)  | (1 423)  |
| Net cash flows from operating activities                      | (10 848) | 39 482   |
| INVESTING ACTIVITIES  |          |          |
| Plant and equipment acquired                                  | (1 588)  | (2 149)  |
| Intangible assets acquired and developed                      | (1 750)  | (1 524)  |
| Proceeds on disposals of plant and equipment                  | 738      | 1 125    |
| Increase in amounts owing from related parties                | (223)    | -        |
| Net cash flows on acquisition of subsidiaries                 | (67)     | (8 428)  |
| Cash inflow from disposal of investment                       | -        | 2 975    |
| Net cash flows from investing activities                      | (2 890)  | (8 001)  |
| FINANCING ACTIVITIES  |          |          |
| Repurchase of share capital                                   | (1 117)  | (1 117)  |
| Borrowings raised/(repaid)                                    | 23 945   | (32 945) |
| Increase/(decrease) in amounts owing to related parties       | 60       | (59)     |
| Net cash flows from financing activities                      | 22 888   | (34 121) |
| Net increase/(decrease) in cash and cash equivalents          | 9 150    | (2 640)  |
| Effects of exchange rate changes on cash and cash equivalents | 16       | 380      |
| Cash and cash equivalents at beginning of year                | 4 322    | 6 582    |
| Cash and cash equivalents at end of year                      | 13 488   | 4 322    |

#### SEGMENTAL ANALYSIS

|                               | South<br>Africa<br>R' 000 | Australia<br>R' 000 | Europe<br>R' 000 |
|-------------------------------|---------------------------|---------------------|------------------|
| GEOGRAPHICAL SEGMENTS         |                           |                     |                  |
| February 2011                 |                           |                     |                  |
| Gross billings                | 1 910 424                 | 92 142              | 34 729           |
| Turnover (external)           | 123 679                   | 10 861              | 6 736            |
| Operating income              | 28 901                    | 2 321               | 189              |
| Interest received             | 2 206                     | 15                  | 1                |
| Finance costs                 | (10 341)                  | (95)                | (314)            |
| Income tax (expense)/credit   | (5 328)                   | (818)               | -                |
| Profit/(loss) for the year    | 15 438                    | 1 423               | (124)            |
| Segment assets                | 261 057                   | 11 902              | 6 112            |
| Intangible assets             | 59 718                    | 268                 | 4                |
| Deferred taxation             | 3 192                     | 242                 | -                |
| Total assets                  | 323 967                   | 12 412              | 6 116            |
| Total liabilities             | 226 881                   | 6 255               | 8 246            |
| Depreciation and amortisation | 3 145                     | 717                 | 81               |
| Capital expenditure           | 3 208                     | 378                 | 80               |
| February 2010                 |                           |                     |                  |
| Gross billings                | 1 356 162                 | 106 416             | 17 007           |
| Turnover (external)           | 89 458                    | 2 903               | 2 925            |
| Operating income/(loss)       | 10 330                    | 2 673               | (1 226)          |
| Interest received             | 3 593                     | 33                  | -                |

|                               |         |        |         |
|-------------------------------|---------|--------|---------|
| Finance costs                 | (8 718) | (338)  | (157)   |
| Income tax (expense)/credit   | (1 964) | (673)  | 72      |
| Profit/(loss) for the year    | 3 241   | 1 695  | (1 311) |
| Segment assets                | 180 174 | 12 761 | 916     |
| Intangible assets             | 38 731  | 790    | 6       |
| Deferred taxation             | 2 981   | 268    | -       |
| Total assets                  | 221 886 | 13 819 | 922     |
| Total liabilities             | 146 062 | 9 238  | 2 992   |
| Depreciation and amortisation | 2 142   | 453    | 56      |
| Capital expenditure           | 2 054   | 2 311  | 130     |

|                               |  | Hong<br>Kong<br>R' 000 | Group<br>R' 000 |
|-------------------------------|--|------------------------|-----------------|
| GEOGRAPHICAL SEGMENTS         |  |                        |                 |
| February 2011                 |  |                        |                 |
| Gross billings                |  | 7 144                  | 2 044 439       |
| Turnover (external)           |  | 2 954                  | 144 230         |
| Operating income              |  | 290                    | 31 701          |
| Interest received             |  | 43                     | 2 265           |
| Finance costs                 |  | -                      | (10 750)        |
| Income tax (expense)/credit   |  | 255                    | (5 891)         |
| Profit/(loss) for the year    |  | 588                    | 17 325          |
| Segment assets                |  | 5 381                  | 284 452         |
| Intangible assets             |  | -                      | 59 990          |
| Deferred taxation             |  | -                      | 3 434           |
| Total assets                  |  | 5 381                  | 347 876         |
| Total liabilities             |  | 3 079                  | 244 461         |
| Depreciation and amortisation |  | 17                     | 3 960           |
| Capital expenditure           |  | 53                     | 3 719           |
| February 2010                 |  |                        |                 |
| Gross billings                |  | 13 786                 | 1 493 371       |
| Turnover (external)           |  | 2 752                  | 98 038          |
| Operating income/(loss)       |  | 641                    | 12 418          |
| Interest received             |  | 22                     | 3 648           |
| Finance costs                 |  | -                      | (9 213)         |
| Income tax (expense)/credit   |  | (101)                  | (2 666)         |
| Profit/(loss) for the year    |  | 562                    | 4 187           |
| Segment assets                |  | 4 135                  | 197 986         |
| Intangible assets             |  | -                      | 39 527          |
| Deferred taxation             |  | -                      | 3 249           |
| Total assets                  |  | 4 135                  | 240 762         |
| Total liabilities             |  | 2 193                  | 160 485         |
| Depreciation and amortisation |  | 18                     | 2 669           |
| Capital expenditure           |  | -                      | 4 495           |

|                  | Freight<br>forwarding<br>and<br>clearing<br>R' 000 | Insurance<br>R' 000 | Group<br>R' 000 |
|------------------|--|---------------------|-----------------|
| BUSINESS SEGMENT |  |                     |                 |
| February 2011    |  |                     |                 |

|                   |         |       |         |
|-------------------|---------|-------|---------|
| Net profit/(loss) | 18 090  | (765) | 17 325  |
| Total assets      | 344 333 | 3 543 | 347 876 |
| Total liabilities | 242 493 | 1 968 | 244 461 |
| February 2010     |         |       |         |
| Net profit        | 3 939   | 248   | 4 187   |
| Total assets      | 237 204 | 3 558 | 240 762 |
| Total liabilities | 158 490 | 1 995 | 160 485 |

#### STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the parent

|   | Share<br>capital<br>R' 000 | Share<br>premium<br>R' 000 | Treasury<br>share<br>capital<br>R' 000 | Treasury<br>share<br>premium<br>R' 000 |
|---|----------------------------|----------------------------|--|--|
| Balances at 28 February 2009  | 1 297                      | 151 840                    | (45)                                   | (4 506)                                |
| Total comprehensive income  | -                          | -                          | -                                      | -                                      |
| Transfer of contingency reserve   | -                          | -                          | -                                      | -                                      |
| Issue of share capital  | 61                         | 4 835                      | -                                      | -                                      |
| Repurchase of shares in terms of<br>share commitments   | (11)                       | (1 106)                    | -                                      | -                                      |
| Repurchase of unallocated shares<br>in Share Purchase and<br>Option Scheme Trust                              | (45)                       | (4 506)                    | 45                                     | 4 506                                  |
| Repurchase of shares previously<br>allocated to beneficiaries<br>in Share Purchase and Option<br>Scheme Trust | (46)                       | (4 383)                    | -                                      | -                                      |
| Minority interest arising from<br>25,0% sale of subsidiary  | -                          | -                          | -                                      | -                                      |
| Reversal of minority interest<br>allocated against parent   | -                          | -                          | -                                      | -                                      |
| Balances at 28 February 2010  | 1 256                      | 146 680                    | -                                      | -                                      |
| Total comprehensive income  | -                          | -                          | -                                      | -                                      |
| Transfer of contingency reserve   | -                          | -                          | -                                      | -                                      |
| Share commitments arising on<br>acquisition of subsidiary   | -                          | -                          | -                                      | -                                      |
| Issue of shares in terms of<br>share commitments  | 131                        | 3 807                      | -                                      | -                                      |
| Repurchase of shares in terms of<br>share commitments   | (11)                       | (1 106)                    | -                                      | -                                      |
| Balances at 28 February 2011  | 1 376                      | 149 381                    | -                                      | -                                      |

Attributable to equity holders of the parent

| Share<br>commit-<br>ments<br>R' 000 | Other<br>reserves<br>R' 000 | FCTR*<br>R' 000 | Accu-<br>mulated<br>loss<br>R' 000 | Total<br>R' 000 |
|-------------------------------------|-----------------------------|-----------------|------------------------------------|-----------------|
|-------------------------------------|-----------------------------|-----------------|------------------------------------|-----------------|

|  |         |     |       |                             |                        |
|--|---------|-----|-------|-----------------------------|------------------------|
| Balances at 28 February 2009   | (3 474) | -   | 529   | (71 275)                    | 74 366                 |
| Total comprehensive income   | -       | -   | 619   | 3 748                       | 4 367                  |
| Transfer of contingency reserve  | -       | 132 | -     | (132)                       | -                      |
| Issue of share capital   | -       | -   | -     | -                           | 4 896                  |
| Repurchase of shares in terms of share commitments   | 1 117   | -   | -     | -                           | -                      |
| Repurchase of unallocated shares in Share Purchase and Option Scheme Trust                           | -       | -   | -     | -                           | -                      |
| Repurchase of shares previously allocated to beneficiaries in Share Purchase and Option Scheme Trust | -       | -   | -     | -                           | (4 429)                |
| Minority interest arising from 25,0% sale of subsidiary  | -       | -   | -     | -                           | -                      |
| Reversal of minority interest allocated against parent   | -       | -   | -     | 26                          | 26                     |
| Balances at 28 February 2010   | (2 357) | 132 | 1 148 | (67 633)                    | 79 226                 |
| Total comprehensive income   | -       | -   | (80)  | 16 964                      | 16 884                 |
| Transfer of contingency reserve  | -       | 49  | -     | (49)                        | -                      |
| Share commitments arising on acquisition of subsidiary   | 5 625   | -   | -     | -                           | 5 625                  |
| Issue of shares in terms of share commitments  | (3 938) | -   | -     | -                           | -                      |
| Repurchase of shares in terms of share commitments   | 1 117   | -   | -     | -                           | -                      |
| Balances at 28 February 2011   | 447     | 181 | 1 068 | (50 718)                    | 101 735                |
|  |         |     |       | Minority interest<br>R' 000 | Total equity<br>R' 000 |
| Balances at 28 February 2009   |         |     |       | -                           | 74 366                 |
| Total comprehensive income   |         |     |       | 439                         | 4 806                  |
| Transfer of contingency reserve  |         |     |       | -                           | -                      |
| Issue of share capital   |         |     |       | -                           | 4 896                  |

|  |       |         |
|--|-------|---------|
| Repurchase of shares in terms of share commitments   | -     | -       |
| Repurchase of unallocated shares in Share Purchase and Option Scheme Trust                           | -     | -       |
| Repurchase of shares previously allocated to beneficiaries in Share Purchase and Option Scheme Trust | -     | (4 429) |
| Minority interest arising from 25,0% sale of subsidiary  | 638   | 638     |
| Reversal of minority interest allocated against parent   | (26)  | -       |
| Balances at 28 February 2010   | 1 051 | 80 277  |
| Total comprehensive income   | 629   | 17 513  |
| Transfer of contingency reserve  | -     | -       |
| Share commitments arising on acquisition of subsidiary   | -     | 5 625   |
| Issue of shares in terms of share commitments  | -     | -       |
| Repurchase of shares in terms of share commitments   | -     | -       |
| Balances at 28 February 2011   | 1 680 | 103 415 |

\* Foreign currency translation reserve

#### COMMENTARY

##### GROUP PROFILE

Santova Logistics Limited ("Santova Logistics" or "the Company") and its subsidiary companies ("Santova" or "the Group"), operating out of South Africa, Australia, Europe (the Netherlands and United Kingdom), and Hong Kong, provide integrated 'end-to-end' logistics solutions for importers/exporters and consumers worldwide.

##### OPERATIONAL REVIEW

Santova achieved impressive results despite the fact that effects of a slower economy were still prevalent during 2010. Lower international trade volumes and the intense price competition among service providers across the spectrum hampered any further improvement in the Group's operating margins and cash flows. Perhaps the most significant challenge was, and still is, the continued strengthening of the Rand against the US Dollar. Not only has this had an adverse effect on the competitiveness of South Africa's exports and an already struggling manufacturing and mining sector, it has significantly limited the operating margin of the industry as a whole. The majority of Santova's revenue is still being generated by fees or commissions raised on the disbursement of the weighted Rand value of goods traded by its clients. This, together with the fact that a significant portion of our revenue in freight forwarding is also raised in US Dollars, has resulted in profitability (operating margins) being proportionately adversely affected with the strengthening of the Rand.

##### South Africa

The South African operations in the form of Impson Logistics (Pty) Limited and Santova Logistics South Africa (Pty) Limited ("Santova Logistics SA"; formerly Aviocean (Pty) Limited) have produced impressive results. Their strategy of keeping abreast with what is considered 'best practice' and their dedication to ensuring that implementation of such is never compromised, has resulted in these two operations continuing to provide the financial foundation and 'hub' of all development and support for the Group worldwide. Due to the fact that these two South African based businesses still constitute the largest assets of the Group, the responsibility of remaining at the forefront of our

innovative ability clearly resides in their hands.

In regard to our short-term insurance activities, the performance of Santova Financial Services (Pty) Limited has not met expectations. Whilst turnover has grown steadily over the years, cost structure has also grown, which has resulted in diminishing margins over the period. A thorough review of the business has taken place and strategic changes made which have resulted in much improved work flow processes and structures. A decision was also taken to impair the goodwill associated with the acquisition of Standard Insurance Consultants, which has resulted in an impairment loss being effected through the statement of comprehensive income. An on-going concern, however, is the skills shortage in the insurance industry which is characterised by a high degree of difficulty in sourcing experienced and competent talent. Nevertheless, the business remains robust and confident about the year ahead. This confidence is supported by the fact that new clients were being signed on at regular intervals in the last quarter of the 2011 financial year.

#### Australia

Considering the global economic slowdown and its effect on this region, our Australian operation proved its reliability and consistency by delivering a pleasing set of results. The challenge for this office will now be to evolve to its next level of capability. In this regard, initiatives are underway to introduce software packages and intelligent management information systems (OSCAR) which will result in this business focusing on integrating activities into key supply chain processes rather than managing individual functions - supply chain management as opposed to customs clearing and forwarding. This capability will result in this business being better placed to secure larger, more profitable, clientele whose complex supply chains require sophisticated supply chain solutions.

#### Europe

Whilst the earnings achieved by Santova Logistics Limited (United Kingdom) are a significant improvement on the previous year, the business has still felt the effects of a prevailing 'flat' economy. In April 2010, the British Retail Consortium's monthly survey revealed that sales around the country fell by almost 2,0% in the month of March 2010, the largest decrease in 16 years. Furthermore, whilst the inflation rate is still double the Bank of England's 2,0% target rate and there is no guarantee that interest rates will remain low, it seems certain that the year ahead will remain a challenge for the economy.

In spite of this, the Group made a bold step in October 2010 by investing further in this region and opening an airfreight office at Heathrow Airport, London. The motive behind such a decision was to try and improve the current business model which focused predominantly on sea freight consolidation services. The Heathrow office now offers the Group an opportunity to complete its comprehensive service offering which eliminates the need to outsource such services to third parties going forward. Since October 2010, this office has delivered impressive earnings which no doubt will play an instrumental role in building this operation in the year ahead.



With regards to the Netherlands, considering the fact that Santova Logistics B.V. was a 'grass roots' operation in March 2010, results for the first year of trading are pleasing; particularly so if one acknowledges the gradual strengthening of the Rand over this period and the resultant negative impact on the statement of comprehensive income. To this end, one should also take cognisance of the once-off expenses incurred in setting up this office from inception. To strengthen our service offering in this region, the Group made the strategic decision to set up an airfreight office at Schiphol Airport, Amsterdam. This office was officially opened on 1 April 2011 to service the needs and expectations of our global clients. Furthermore, the set of skills, experience and additional staffing complement now in this office have put it in a position to take transfer of the South African client base which is currently with a third party (agent) in Amsterdam. The challenge once again, as it is in all business units, is the ability for Santova Logistics B.V. to develop its own client base within this region.

#### Asia

Santova Logistics Limited (Hong Kong) continued to play a pivotal role for our offices around the globe. Our capability of facilitating, controlling and managing 'end-to-end' comprehensive supply chain logistics at source - Mainland China - continues to be a valuable asset to the Group. Clients wanting to venture into new territories or markets in China are offered a service through this office which hedges the risks associated with the capital investment required in most 'grass roots' operations. The profitability or financial benefit of such services more often than not resides with our global offices located at point of final consumption.

#### 2011 FINANCIAL PERFORMANCE REVIEW

Whilst organic growth was impressive, the acquisition of Santova Logistics SA made a meaningful contribution to the Group's increase in earnings per share ("EPS") and headline earnings per share ("HEPS") of 312,3% and 245,6% respectively. Included in the EPS figure is negative goodwill raised on the acquisition of Santova Logistics SA amounting to R3,868 million, which accounted for 0,28 cents per share. Excluding the negative goodwill effect of the acquisition, EPS would still have been 0,97 cents per share, which constitutes an increase of 218,3% on the previous year. Notwithstanding the weakening US Dollar and strengthening Rand, the Group managed to increase its operating margin from 12,7% to 22,0%.

The Group's effective tax rate decreased from 38,9% to 25,5%, largely due to the negative goodwill, referred to above, on the consolidation of Santova Logistics SA into the Group.

Net asset value has increased from 6,60 cents per share to 7,37 cents per share as at 28 February 2011, an 11,6% increase; whilst the tangible net asset value has moved from 3,35 cents per share to 3,09 cents per share as at 28 February 2011, a 7,7% decrease.

The statement of cash flows for the Group reflects borrowings raised of R23,945 million (2010: repaid R32,945 million). This is largely attributable to the increased working capital requirements of the Group, in line with the

increased operational funding requirements from the 36,6% increase in gross billings, which has been funded through our various invoice discounting facilities. Adequate funding is available for this increase in business through the Group's cash resources and various funding facilities; supported by strong relationships that exist with the Group's bankers.

During the year, the following share movements took place in the issued share capital of the Company:

- 131 250 000 Ordinary shares were allotted to AL van Zyl on 9 June 2010 for the purchase of Santova Logistics SA; and

- 11 171 520 Ordinary shares were repurchased on 31 August 2010 from the Camilla Coleman Trust in terms of the specific authority granted by shareholders at the annual general meeting held on 23 September 2008.

#### THE YEAR AHEAD

Whilst our proficiency in a broad range of international services has been tried and tested, the Group has made the strategic decision to focus on developing two further segments of the business. The first includes contract logistics and distribution which amongst others, constitutes receiving, assembly, quality control, labelling, packaging, inspection and distribution. The second is 'end-to-end' supply chain management services which constitutes an independent division within the International Group. This specialist area of expertise is largely characterised by supply chain analysis, process definitions, sophisticated software packages, data interchange, management information, report writing and the integration of the individual functions of the supply chain.

The decision to intensify the focus on these two segments of our business has been fuelled by our growing number of international clients where the complexity of their supply chains demands a level of sophistication in service delivery beyond that of a typical customs and clearing agent.

#### SUBSEQUENT EVENTS

There have been no subsequent events of a material nature that have occurred between the financial year end and the date of this report.

#### BASIS OF PREPARATION

The audited abridged Group results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the AC 500 standards as issued by the Accounting Practices Board, and incorporates the information as required by International Accounting Standard 34: Interim Financial Reporting and the disclosure requirements of the JSE Limited Listings Requirements. The abridged Group results are derived from and should be read in conjunction with the 28 February 2011 annual financial statements, which have been prepared in accordance with the reporting requirements of Schedule 4 of the South African Companies Act, No 61 of 1973, as amended. The accounting policies adopted and methods of computation are consistent with those applied in the annual financial statements for the year ended 28 February 2010 and are applied

consistently across the Group. The Group adopted all of the new and revised Standards and Interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and effective as at 1 March 2010.

#### AUDITED BY INDEPENDENT AUDITORS

The audited abridged Group results have been derived using annual financial statements and are consistent in all material respects with the Group annual financial statements. The Company's independent auditors, Deloitte & Touche, have issued unmodified opinions on the 28 February 2011 Company and Group annual financial statements and on these abridged Group results. These reports are available for inspection at the Company's registered office during office hours.

#### OTHER MATTERS

The Santova Logistics Limited 2011 Annual Integrated Report will be issued on or around 31 May 2011, both in electronic and printed form.

#### DIVIDENDS

During the Company's development years the Board believes that it is appropriate to re-invest earnings, therefore no dividend has been paid by the Company thus far and none has been declared for the current financial year.

#### APPRECIATION

The Board would like to express its appreciation to all management and staff for their efforts during the year.

For and on behalf of the Board,

GH Gerber  
Chief Executive Officer  
16 May 2011

SJ Chisholm  
Group Financial Director

WEBSITE [www.santova.com](http://www.santova.com)

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EXECUTIVE DIRECTORS GH Gerber (CEO), SJ Chisholm (GFD), MF Impson, GM Knight, AL van Zyl (Appointed 22 February 2011)

NON-EXECUTIVE DIRECTORS ESC Garner (Chairman)\*, WA Lombard\*, AD Dixon\* (Appointed 1 December 2010), S Donner

\*Independent

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COMPANY SECRETARY JA Lupton, FCIS

DESIGNATED ADVISORS River Group

AUDITORS Deloitte & Touche (Registered auditor - SD Munro)

DURBAN

24 MAY 2011

Date: 24/05/2011 07:40:27 Produced by the JSE SENS Department.

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