AUDITED ABRIDGED GROUP RESULTS
for the year ended 29 February 2012

Santova Limited
(formerly Santova Logistics Limited)

▲ 50,1% headline earnings per share
▲ 49,5% tangible net asset value per share
▲ 27,5% gross billings
▲ 29,4% profit before tax
19,8% return on average ordinary shareholder's funds

Statement of financial position

	2012 R'000	2011 R'000
ASSETS		
Non-current assets	**73 171**	72 422
Plant and equipment	**8 365**	8 540
Intangible assets	**60 356**	59 990
Financial asset	**522**	458
Deferred taxation	**3 928**	3 434
Current assets	**345 208**	275 454
Trade receivables	**320 311**	248 820
Other receivables	**11 046**	11 789
Current tax receivable	**304**	784
Amounts owing from related parties	**761**	573
Cash and cash equivalents	**12 786**	13 488
Total assets	**418 379**	347 876
EQUITY AND LIABILITIES		
Capital and reserves	**123 699**	103 415
Stated capital	**145 195**	151 204
Contingency reserve	**210**	181
Foreign currency translation reserve	**3 000**	1 068
Accumulated loss	**(27 053)**	(50 718)
Attributable to equity holders of the parent	**121 352**	101 735
Minority interest	**2 347**	1 680
Non-current liabilities	**5 023**	5 761
Interest-bearing borrowings	**164**	318
Long-term provision	**1 976**	2 013
Financial liabilities	**2 882**	3 429
Deferred taxation	**1**	1
Current liabilities	**289 657**	238 700
Trade and other payables	**139 002**	116 811
Current tax payable	**253**	593
Current portion of interest-bearing borrowings	**157**	151
Amounts owing to related parties	**246**	157
Financial liabilities	**2 596**	5 947
Short-term borrowings and overdrafts	**138 252**	108 991
Short-term provisions	**9 151**	6 050
Total equity and liabilities	**418 379**	347 876

Segmental analysis

GEOGRAPHICAL SEGMENTS	South Africa R'000	Australia R'000	Europe R'000	Hong Kong R'000	Group R'000
29 February 2012					
Gross billings	**2 440 843**	**113 729**	**44 725**	**6 561**	**2 605 858**
Turnover	**138 300**	**13 429**	**11 907**	**3 471**	**167 107**
Operating income	**34 934**	**2 352**	**1 636**	**503**	**39 425**
Interest received	**1 253**	**2**	**25**	**48**	**1 328**
Finance costs	**(10 093)**	**(85)**	**(512)**	**–**	**(10 690)**
Income tax (expense)/credit	**(7 313)**	**(594)**	**417**	**(74)**	**(7 564)**
Profit for the year	**18 781**	**1 675**	**1 566**	**477**	**22 499**
Segment assets	**322 135**	**14 314**	**11 886**	**5 760**	**354 095**
Intangible assets	**60 353**	**–**	**3**	**–**	**60 356**
Deferred taxation	**3 150**	**355**	**423**	**–**	**3 928**
Total assets	**385 638**	**14 669**	**12 312**	**5 760**	**418 379**
Total liabilities	**273 082**	**5 852**	**12 974**	**2 772**	**294 680**
Depreciation and amortisation	**3 072**	**565**	**77**	**62**	**3 776**
Capital expenditure	**4 812**	**335**	**185**	**128**	**5 460**
28 February 2011					
Gross billings	1 910 424	92 142	34 729	7 144	2 044 439
Turnover	123 679	10 861	6 736	2 954	144 230
Operating income	28 901	2 321	189	290	31 701
Interest received	2 206	15	1	43	2 265
Finance costs	(10 341)	(95)	(314)	–	(10 750)
Income tax (expense)/credit	(5 328)	(818)	–	255	(5 891)
Profit/(loss) for the year	15 438	1 423	(124)	588	17 325
Segment assets	261 057	11 902	6 112	5 381	284 452
Intangible assets	59 718	268	4	–	59 990
Deferred taxation	3 192	242	–	–	3 434
Total assets	323 967	12 412	6 116	5 381	347 876
Total liabilities	226 881	6 255	8 246	3 079	244 461
Depreciation and amortisation	3 145	717	81	17	3 960
Capital expenditure	3 208	378	80	53	3 719

BUSINESS SEGMENT	Freight forwarding and clearing R'000	Insurance R'000	Group R'000
29 February 2012			
Profit for the year	**21 523**	**976**	**22 499**
Total assets	**413 547**	**4 832**	**418 379**
Total liabilities	**292 399**	**2 281**	**294 680**
28 February 2011			
Profit/(loss) for the year	18 090	(765)	17 325
Total assets	344 333	3 543	347 876
Total liabilities	242 493	1 968	244 461

Statement of comprehensive income

		2012 R'000	2011 R'000
Turnover		**167 107**	144 230
Gross billings		**2 605 858**	2 044 439
Cost of billings		**(2 438 751)**	(1 900 209)
Other income		**3 910**	6 365
Depreciation and amortisation		**(3 776)**	(3 960)
Administrative expenses		**(127 816)**	(114 934)
Operating profit		**39 425**	31 701
Interest received		**1 328**	2 265
Finance costs		**(10 690)**	(10 750)
Profit before taxation		**30 063**	23 216
Income tax expense		**(7 564)**	(5 891)
Profit for the year		**22 499**	17 325
Attributable to:			
Equity holders of the parent		**22 079**	16 964
Minority interest		**420**	361
Other comprehensive income			
Exchange differences arising from translation of foreign operations		**2 179**	188
Total comprehensive income		**24 678**	17 513
Attributable to:			
Equity holders of the parent		**24 011**	16 884
Minority interest		**667**	629
Basic earnings per share	(cents)	**15,82**	12,55*
Diluted basic earnings per share	(cents)	**15,82**	12,29*

Supplementary information

		2012 R'000	2011 R'000
Reconciliation between earnings and headline earnings			
Profit attributable to equity holders of the parent		**22 079**	16 964
Impairment of goodwill		**–**	1 152
Net loss on disposals of plant and equipment		**289**	215
Negative goodwill arising from purchase of subsidiary		**–**	(3 868)
Impairment of loan		**41**	–
Taxation effects		**(91)**	(60)
Headline earnings		**22 318**	14 403
Shares in issue	(000's)	**134 277**	137 613*
Weighted average number of shares	(000's)	**139 547**	135 194*
Diluted number of shares	(000's)	**139 547**	138 049*
Shares for net asset value calculation	(000's)	**134 277**	137 613*
Performance per ordinary share			
Headline earnings per share	(cents)	**15,99**	10,65*
Diluted headline earnings per share	(cents)	**15,99**	10,43*
Net asset value per share	(cents)	**92,12**	75,15*
Tangible net asset value per share	(cents)	**47,17**	31,56*

* *During the current year, the Group consolidated its shares on a 10 to 1 basis. In order to maintain comparability, these amounts have been adjusted as if the share consolidation occurred at the beginning of the prior financial year.*

Statement of cash flows

	2012 R'000	2011 R'000
OPERATING ACTIVITIES		
Cash (utilised in)/generated from operations	**(1 973)**	4 455
Interest received	**1 328**	2 265
Finance costs	**(10 319)**	(9 897)
Taxation paid	**(7 918)**	(7 671)
Net cash flows from operating activities	**(18 882)**	(10 848)
INVESTING ACTIVITIES		
Plant and equipment acquired	**(2 238)**	(1 588)
Intangible assets acquired and developed	**(3 222)**	(1 750)
Proceeds on disposals of plant and equipment	**2 424**	738
Increase in amounts owing from related parties	**(188)**	(223)
Net cash flows on acquisition of subsidiaries	**(2 426)**	(67)
Net cash flows from investing activities	**(5 650)**	(2 890)
FINANCING ACTIVITIES		
Repurchase of share capital	**(6 307)**	(1 117)
Borrowings raised	**25 953**	23 945
Increase in amounts owing to related parties	**89**	60
Net cash flows from financing activities	**19 735**	22 888
Net (decrease)/increase in cash and cash equivalents	**(4 797)**	9 150
Effects of exchange rate changes on cash and cash equivalents	**935**	16
Cash and cash equivalents at beginning of year	**13 488**	4 322
Cash and cash equivalents at end of year	**9 626**	13 488

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Statement of changes in equity

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
	Stated capital R'000	Share commitments R'000	Contingency reserve R'000	Foreign currency translation reserve R'000	Accumulated loss R'000	Total R'000	Minority interest R'000	Total equity R'000
Balances at 28 February 2010	147 936	(2 357)	132	1 148	(67 633)	79 226	1 051	80 277
Total comprehensive income	–	–	–	(80)	16 964	16 884	629	17 513
Transfer of contingency reserve	–	–	49	–	(49)	–	–	–
Share commitments arising on acquisition of subsidiary	–	5 625	–	–	–	5 625	–	5 625
Issue of shares in terms of share commitments	3 938	(3 938)	–	–	–	–	–	–
Repurchase of shares in terms of share commitments	(1 117)	1 117	–	–	–	–	–	–
Balances at 28 February 2011	150 757	447	181	1 068	(50 718)	101 735	1 680	103 415
Total comprehensive income	**–**	**–**	**–**	**1 932**	**22 079**	**24 011**	**667**	**24 678**
Transfer of contingency reserve	**–**	**–**	**29**	**–**	**(29)**	**–**	**–**	**–**
Issue of shares in terms of share commitments	**750**	**(750)**	**–**	**–**	**–**	**–**	**–**	**–**
Repurchase of shares in terms of share commitments	**(2 855)**	**2 855**	**–**	**–**	**–**	**–**	**–**	**–**
Repurchase of shares in terms of odd-lot and specific offers	**(281)**	**–**	**–**	**–**	**–**	**(281)**	**–**	**(281)**
Share commitments arising on grant of put options	**–**	**(3 642)**	**–**	**–**	**–**	**(3 642)**	**–**	**(3 642)**
Repurchase of shares in terms of put options exercised	**(2 700)**	**2 700**	**–**	**–**	**–**	**–**	**–**	**–**
Transfer of residual amounts arising from completed share commitments	**–**	**(1 615)**	**–**	**–**	**1 615**	**–**	**–**	**–**
Recognition of costs directly related to share repurchases in equity	**(471)**	**–**	**–**	**–**	**–**	**(471)**	**–**	**(471)**
Balances at 29 February 2012	**145 200**	**(5)**	**210**	**3 000**	**(27 053)**	**121 352**	**2 347**	**123 699**

Commentary

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

BUSINESS REVIEW
The Board is pleased to report that once again the year under review has been characterised by an impressive set of results. The average annual growth of 67,6% in profit over the last four years has been achieved despite the prevailing difficult global economic trading conditions during that period. It is important to highlight the fact that this growth has been largely organic in nature, particularly in the 2012 financial year. Our unrelenting focus on an effective business model, internal operational efficiencies and the successful acquisition of quality new clients has ensured sustainable earnings growth over this period.

South Africa
In the face of the Eurozone crisis and weakening trade, our major operating entities in South Africa (Impson Logistics and Santova Logistics SA) have continued to deliver solid results. Year-on-year the operating profit from these entities is up 36,9%, an increase from R23,3 million to R31,9 million. Once again it is the combined result of an effective campaign of quality new client acquisition, allied with streamlined business processes and systems, which have resulted in improved operating margins. As long as our operations are at the forefront of assisting clients to deal with demand volatility, increased supply chain complexity, and the costs and risks that accompany global supply chains, they will continue to entrench further the past successes going forward.

Our short-term insurance business, Santova Financial Services, has effectively navigated its way through a highly regulated and competitive market. With regulatory reform a work in progress, compliance now demands cost and has come at a time when many insurers face significant market pressures in the form of a soft market cycle, dampening pricing and reducing premium volume growth. This, together with the arrival of virtual (online) consumers, has resulted in the industry as a whole experiencing a period of unparalleled change which should result in a transformation of current operating models. For Santova Financial Services, this era presents an opportunity as we could witness disintermediation of some of the smaller short-term insurance brokers.

During the course of the year, our insurance business has undergone improvements to core operations (specifically claims management, underwriting and policy administration). This has resulted in greater operational efficiency, reduced costs and increased revenue, the benefits of which have clearly had a positive impact on earnings during the second six-month period of the financial year. We are anticipating that this trend will continue going forward.

Europe and United Kingdom
In spite of the impact of the ongoing European debt crisis, our operations in both the United Kingdom and the Netherlands have made significant progress in entrenching themselves further in the domestic market. Our decision to invest further in these regions by establishing additional offices at both Heathrow and Schiphol Airports has resulted in improved capability, and in particular, enhanced client service levels.

By having a presence at these strategic locations we are able to actively engage in the management, co-ordination of and collaboration with all participants in the supply chain. This includes 'hands-on' facilitation of supply and demand management within and across companies and countries that we are either associated with or within which we have a physical presence. Furthermore, the increased impetus on the need for more sophisticated 'hands-on' services, such as international trade rules compliance and multi-modal transport in Europe, entrenches further the added value that these operations have to offer our clients.

Netherlands
What is encouraging is the fact that year-on-year turnover in Santova B.V. (Netherlands) has increased by 100%, from R2,77 million to R5,54 million, constituting significant growth in operational performance. What has curtailed earnings in this region is the additional investment in infrastructure necessitated by our decision to 'bulk up' in anticipation of additional new business in the year ahead.

United Kingdom
No less impressive are our operations in the United Kingdom. These operations have emerged from a prolonged four year recessionary environment in an admirable fashion. Turnover for the year is up to R6,37 million (2011: R3,97 million), an increase of 60,5%; this being achieved in the main through the successful integration of an extensive quality new client base which we are confident will be maintained going forward.

Australia and Asia
Australia
Despite one of the worst periods for the Australian retail sector in a number of decades, our Sydney based operation has managed to retain its status as a meaningful contributor to Group earnings. As a result of a focused campaign of business reorganisation over the past 12 months, this operation is now well placed to pursue a growth strategy without making wholesale changes to its existing facilities or operational structures. This will take the form of new markets, new geographies (Melbourne) or a combination of both whereby greater market share, increased number of clients, greater transactional value and new sales would be our objective.

Hong Kong and China
In so far as Hong Kong and China are concerned, our office in this region played an increasingly important role in planning, implementing and controlling the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption.

Considering that the market in this region slowed down after the third quarter and the traditional peak season was not as prevalent, our operation still managed to exceed budget. Whilst cautious of weaker global economic growth, we are confident that this office will continue to excel in the year ahead. In particular, it will be able to capitalise on the fast-developing import demand of the South African domestic market. Just as important, however, is the reliance of Santova's global operational offices and their clients on our Hong Kong office for regional cost-optimised supply chain configurations – the financial benefit of which resides with our international offices located at point of final consumption.

FINANCIAL REVIEW
The increase in profitability has been a key financial highlight of the 2012 financial year, and significant achievements include:
- Headline earnings per share of 15,99 cents, up 50,1% on the prior year;
- Achievement of profitability by all geographical and business segments of the Group during the current year;
- Group net profit before tax of R30,1 million, which is up 29,5% on the prior year;
- An 18,2% return on net assets, up from 16,8% in the prior year; and
- Continued growth in operating margin, achieving 23,6% in the current year, up from 22% last year.

The significant improvement in profitability had the effect of increasing the net asset value per share from 75,2 cents to 92,1 cents in the current financial year. This was a 22,5% increase and a positive sign for shareholders, particularly considering the year-end closing share price of 81 cents and the resultant earnings yield of 19,53% per share.

Cash and cash equivalents of the Group decreased by R4,8 million during the current year, versus an increase of R9,2 million in the prior year. This movement is primarily a result of the further investment of R71,5 million in trade receivables, which in percentage terms is an increase of 28,7% and is caused directly by the 27,5% increase in gross billings achieved during the year.

In addition, management monitors Group cash flow on a daily basis and as at year-end the Group had R147,7 million in total unutilised facilities available.

The nature of the Group's logistics business makes traditional measurement of debt ratios within the business difficult due to the fact that the Group incurs shipping disbursements, duties and value added taxes on behalf of clients. The result of this on the statement of financial position is a level of debt that appears to exceed traditional debt to equity ratios.

Management thus monitors the level of debt by comparing it to the level of current assets and gross billings so as to ensure growth is consistent and there are no negative movements in the current ratio. In the current financial year short-term borrowings and overdrafts increased by 26,8%, whilst gross billings and trade receivables both increased by 27,5% and 28,7% respectively. In addition, there was a positive improvement in the current ratio from 2,0 to 2,2 in the current financial year.

From this it can be seen that the increase in debt is consistent with the increased business activity and as profitability grows a larger proportion of current assets are being financed from capital and reserves, thus lowering the relative level of debt within the Group and increasing interest cover.

There were no significant movements in taxation, and the current year charge increased proportionately with the increase in profitability during the year, with a slight decrease in the effective tax rate from 25,5% to 25,2%.

OUTLOOK
The Group will be looking to take advantage of the crisis in the Eurozone by seeking strategic acquisitions in niche markets that will enhance both our supply chain management capability and earnings growth going forward.

A second area of focus is the renewed commitment to promoting industrial development in South Africa and Africa in general. This combined with the emerging new 'growth poles' – particularly sub-Saharan Africa – justifies further investment in our ability to leverage off the opportunities in mining, agriculture and manufacturing. After all, these opportunities are on our own continent and Africa is the second fastest growing region in the world at present.

Whilst we anticipate an interesting year ahead, we believe that the strategies that have allowed us to achieve average annual growth of 67,6% in profit over the last four years will hold us in good stead going forward.

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 for the year ended 29 February 2012 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board ("IASB"), AC 500 Standards as issued by the Accounting Practices Board and the information required by International Accounting Standard 34: Interim Financial Reporting. The Group's accounting policies comply fully with IFRS; the Companies Act, No 71 of 2008, as amended; and the Listings Requirements of the JSE Limited, and are consistent with those applied in the annual financial statements for the year ended 28 February 2011. The Group has adopted all of the new and revised Standards and Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB that are relevant to its operations and effective as at 1 March 2011.

The annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, No 71 of 2008, as amended.

PREPARER OF FINANCIAL STATEMENTS
The audited abridged Group results have been prepared under the supervision of DC Edley CA (SA), the Group Financial Director.

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 29 February 2012 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. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditors.

OTHER MATTERS
The Santova Limited (formerly Santova Logistics Limited) 2012 Annual Integrated Report will be issued on or around 29 May 2012, both in electronic and printed form.

DIVIDENDS
The Board has decided to review its dividend policy and will make a final decision at the July board meeting, which decision will be conveyed to shareholders at the annual general meeting.

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

DC Edley
Group Financial Director

16 May 2012

REGISTRATION NUMBER 1998/018118/06 **SHARE CODE** SNV **ISIN** ZAE000159711 **WEBSITE** www.santova.com
REGISTERED OFFICE AND POSTAL ADDRESS Santova House, 88 Mahatma Gandhi Road, Durban, 4001; PO Box 6148, Durban, 4000
EXECUTIVE DIRECTORS GH Gerber *(CEO)*, DC Edley *(GFD)* (appointed 1 March 2012), GM Knight, AL van Zyl
NON-EXECUTIVE DIRECTORS ESC Garner *(Chairman)**, WA Lombard*, AD Dixon*, S Donner **Independent*
TRANSFER SECRETARIES Computershare Investor Services (Pty) Limited, 70 Marshall Street, Marshalltown, 2107
COMPANY SECRETARY JA Lupton, FCIS
JSE SPONSOR River Group
AUDITORS Deloitte & Touche (Registered auditor SD Munro)