SANTOVA LIMITED
Incorporated in the Republic of South Africa
(Registration number: 1998/018118/06)
Share code: SNV
ISIN: ZAE000159711
("Santova" or "the Company")

PRELIMINARY AUDITED RESULTS
AND DIVIDEND ANNOUNCEMENT
for the year ended 28 February 2017

2017 SANTOVA PRELIMINARY RESULTS COMMENTARY

The impressive performance of the Group for the year certainly does not reflect the realities of the trading environment in which we find ourselves. However, it can be said that such an achievement is the result of a 'sound business model' whose performance has emanated out of a strong culture founded on sound business principles and values.

The year was one of the most challenging in the last seven years and notwithstanding a significantly strengthened Rand, a weak Pound (due to Brexit) and extremely challenging economic conditions in South Africa, the diversified nature of the earnings of the Group limited the impact of these challenges which have adversely affected so many companies in South Africa. Revenue of R315,4 million for the year is 13,2% up on the previous year's figure of R278,7 million and net profit before tax has increased by 31,9% to R88,0 million from R66,7 million. The result of this has been a 15,6% increase in basic earnings per share and a 15,4% increase in headline earnings per share, both diluted by the increased level of shares in issue following the capital raising in the prior year to fund the acquisition of Tradeway (Shipping).

Regionally, good progress was made in Hong Kong, Australia, Germany, the Netherlands and in particular South Africa, where a good recovery was made in the second half of the financial year, amidst local socio-eco-political challenges and declining trade volumes. Yet again, offshore earnings strengthened even further and now constitute 62,1% of total earnings, up 4,8% from 57,3% in 2016.

In short focused,'hands-on' leadership and the Group's strategic direction and business model have once again served the Group well.

TRANSCENDING CHALLENGES

Whilst a solid set of results were achieved, the following were challenges that the Group successfully transcended:

- Brexit, which was followed by a weakening of the Pound resulting in reduced local operating profit margins;

- The strengthening Rand, which impacted on the gross profit margins of our domestic operations, where currency based freight profit margins and fees raised on disbursements (value of goods) have been reduced. This has also had an impact on Group earnings where the consolidation of offshore earnings (reporting in Rands) has resulted in reduced contributions;

- Whilst the Group has shown impressive organic growth, the extent of that growth has been limited by the relatively small contribution that emanated out of Germany and the loss recorded in Mauritius. However, we need to acknowledge that these two businesses constitute ‘grass roots’ operations that have been identified as strategic investments for the Group going forward. Their progress during the year has been positive and looks well set to continue the upward trend;

- The disappointing performance of WM Shipping has also had an impact on the Group results. This can be attributed to limited vessel capacity and low freight rates, which characterised the shipping industry during 2016, and in particular, the trade lanes between the United Kingdom, the Caribbean and the Middle East. Whilst higher rates will benefit this business (greater margins) in the medium to long term, the impact in the short term is adverse; and

- The socio-eco-political quagmire that continues to pose a significant threat to the sustainability of the South African economy. The result of which has been significantly diminished trade volumes throughout virtually all sectors of the South African economy with 2016 being the worst of the last five-year downward trend.

STRATEGIC PRIORITIES

The performance of the Group against our four key objectives: growth, diversification, innovation and efficiency and effectiveness, has been strong.

The Group has achieved sound organic growth in most of the offices worldwide. This growth has been generated mainly through new business development, particularly in South Africa, Hong Kong, Australia, the Netherlands and Germany.

Most impressive is South Africa, where amidst unrelenting eco-political challenges and diminishing trade volumes, the high rate at which new business has been signed on has hedged Santova against the industry norm of negative or very limited growth. In what can currently be described as a ‘disrupted’ South African logistics environment, our global footprint, end-to-end supply chain solutions and next generation technological capability have enabled us to differentiate ourselves from our competitors through meeting the ever-growing complexity in client supply chain processes. In Europe, our offices in both the Netherlands and Germany continue to make meaningful progress in both new business development and trade route development. This has been largely achieved off the back of greater consolidated volumes, which has offered this region highly competitive buy rates. The fact that the Netherlands serves as a strategic gateway for most of Europe has ensured sustainable year-on-year growth in this region.

Closely aligned to our growth model, is our unrelenting focus on diversifying the business. This diversification relates not only to services but also markets, geographies, currencies and niche trade routes, internationally. The test of such decisions is always based on the attractiveness of the opportunity (economic/cultural fit), cost-to-entry (money/time) and value add (competitive advantage/ earnings enhancing) that may prevail in such opportunities. The purpose being to lessen our risk whilst at the same time promoting or accelerating quality earnings growth. Our acquisition of Tradeway and the introduction of the Group's client sourcing and procurement services division are good examples of such diversification, both of which have contributed to quality earnings growth.

Our third key priority concerns the continuous process of innovation and its effective application (relevance) in the market. It is widely acknowledged that the logistics industry is in a state of change and faces the prevailing threat of being commoditised. However, despite this ever-present threat, relatively few service providers have embraced or leveraged off technological advancements. It is in this context that Santova has continued to institutionalise the drive for efficiency-effectiveness through innovation and most importantly, next generation technological advancements. In so doing, we are now close to taking the offshore operations to their next level of capability, which will enable virtual end-to-end solutions and a common global system, including predictive analytics. Our offices in the United Kingdom and in particular the Netherlands, will no doubt benefit from such capability as their expansive client bases have not been exposed to such technological integration, data extraction and automated report writing.

No less important is our fourth priority of continuous improvement in business efficiency and effectiveness. Particularly, as it relates to our internal operating environment where changes (challenges) imposed upon us have been effectively managed through the continuous re-engineering of workflow processes, systems and standard operating procedures. This has also been well supported by our South African operation whose ISO 9001 2008 certification (quality management systems standard) has enhanced customer satisfaction through the effective application and continual improvement of the system, including the assurance of conformity to customer and applicable statutory and regulatory requirements. This, together with the single cloud based IT platform currently being rolled-out worldwide, will facilitate even greater effectiveness and efficiencies by being able to house all information relating to the operational activities in the supply chain in a single central database. The result of this will be the elimination of a significant amount of duplication in data capturing and operational procedures that is typical of today's 3PL service providers.

LOOKING FORWARD

Looking forward, there are four priorities on which the group is focused:

- Acquisitions: further entrenching our business offshore through one or two acquisitions that are located on strategic trade routes, enabling the continued diversification of the Group in terms of geographic regions, currencies, industries and services;

- Technology: the migration of the Group onto next generation information and communication technologies (Tradenav®) which will facilitate the faster processing of data, easier retrieval of information, elimination of errors and efficiency in the time it takes to complete a shipment;

- Advanced supply chain services: the continued deployment of advanced client - centric supply chain services and solutions throughout the United Kingdom and Europe, particularly the Netherlands and Germany; and

- Talent pool: investing in, developing and cultivating dedicated, skilled, and knowledgeable employees (internationally) who are attuned to the Group's entrepreneurial culture and knowledge intensive business model.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 28 February 2017

		Consolidated	
		2017	2016
	Notes	R'000	R'000
ASSETS			
Non-current assets		213 265	262 221
Property, plant and equipment		18 540	25 086
Intangible assets	4	178 494	222 881
Financial assets	5	6 332	4 536
Deferred taxation		9 899	9 718
Current assets		682 807	760 944
Trade receivables		539 111	590 133
Other receivables		51 463	46 743
Current tax receivable		453	385
Financial assets	5	-	26
Cash and cash equivalents		91 780	123 657
Total		896 072	1 023 165
EQUITY AND LIABILITIES			
Capital and reserves		365 567	386 415
Stated capital		214 625	214 076
Treasury shares		(1 631)	(998)
Equity compensation reserve		5 185	3 028
Foreign currency translation reserve		(15 901)	62 044
Accumulated profit		156 117	102 027
Attributable to equity holders of the parent		358 395	380 177
Non-controlling interest		7 172	6 238
Non-current liabilities		38 930	76 329
Interest-bearing borrowings		36 552	57 043
Long-term provision		1 425	1 500
Financial liabilities	5	-	17 786
Deferred taxation		953	-
Current liabilities		491 575	560 421

Trade and other payables		205 464	216 154
Current tax payable		4 001	8 000
Current portion of interest-bearing borrowings		20 541	18 620
Amounts owing to related parties		246	302
Financial liabilities	5	15 135	31 348
Short-term borrowings and overdrafts		228 380	262 918
Short-term provisions		17 808	23 079
Total equity and liabilities		896 072	1 023 165

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 28 February 2017

		Consolidated	
		2017	2016*
	Notes	R'000	R'000
GROSS BILLINGS		4 073 868	3 797 890
Revenue	2	299 034	266 167
Net interest income		16 381	12 488
Interest and financing fee income recovered from clients		38 923	33 347
Interest and financing fee expenses incurred		(22 542)	(20 859)
Revenue after net interest income	2	315 415	278 655
Other income		22 765	11 196
Depreciation and amortization		(5 921)	(4 043)
Administrative expenses		(235 476)	(215 022)
Operating profit		96 783	70 786
Interest received		427	205
Finance costs		(9 187)	(4 255)
Profit before taxation		88 023	66 736
Income tax		(23 403)	(16 841)
Profit for the year		64 620	49 895
Attributable to:			
Equity holders of the parent		62 791	48 713
Non-controlling interests		1 829	1 182
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences arising from translation of foreign operations		(78 840)	42 796
- Net actuarial (loss)/gain on remeasurement of post-retirement medical aid benefit liability		(62)	18
Total comprehensive (Loss) /Income		(14 282)	92 709
Attributable to:			
Equity holders of the parent		(15 216)	90 330

	Note		
Non-controlling interests		934	2 379
Basic earnings per share (cents)	3	39,87	34,50
Diluted basic earnings per share (cents)		38,53	33,68
Dividends per share (cents)		6,25	5,50

* Restated due to material prior period error (refer to note 2)

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2017

	Stated capital R'000	Treasury Share reserve R'000	Equity compen-sation reserve R'000	Foreign currency trans-lation reserve R'000	Accu-mulated profit R'000
Balances at 28 February 2015	145 192	-	1 703	20 445	59 090
Total comprehensive income	-	-	-	41 599	48 731
Share-based equity reserve charged to profit or loss	-	-	1 335	-	-
Foreign currency differences on translation of share option expense	-	-	(10)	-	-
Treasury shares acquired	-	(998)	-	-	-
General issue of shares	51 282	-	-	-	-
Vendor issue of shares to sellers of Tradeway Shipping Limited	17 714	-	-	-	-
Costs to issue securities	(112)	-	-	-	-
Dividends paid to shareholders	-	-	-	-	(5 794)
Balances at 29 February 2016	214 076	(998)	3 028	62 044	102 027
Total comprehensive income	-	-	-	(77 945)	62 729
Share-based equity reserve charged to profit or loss	-	-	2 448	-	-
Treasury shares acquired	-	(633)	-	-	-
Shares issued under share option scheme	549	-	(276)	-	-

Transfer of equity compensation reserve	-	-	(15)	-	15
Dividends paid to shareholders	-	-	-	-	(8 654)
Balances at 28 February 2017	214 625	(1 631)	5 185	(15 901)	156 117

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2017 - continued

	Total R'000	Minority interest R'000	Total equity R'000
Balances at 28 February 2015	226 430	3 859	230 289
Total comprehensive income	90 330	2 379	92 709
Share-based equity Reserve charged to profit or loss	1 335	-	1 335
Foreign currency differences on translation of share option expense	(10)	-	(10)
Treasury shares acquired	(998)	-	(998)
General issue of shares	51 282	-	51 282
Vendor issue of shares to sellers of Tradeway Shipping Limited	17 714	-	17 714
Costs to issue securities	(112)	-	(112)
Dividends paid to shareholders	(5 794)	-	(5 794)
Balances at 29 February 2016	380 177	6 238	386 415
Total comprehensive income	(15 216)	934	(14 282)
Share-based equity reserve charged to profit or loss	2 448	-	2 448
Treasury shares acquired	(633)	-	(633)
Shares issued under share option scheme	273	-	273
Transfer of equity compensation reserve	-	-	-
Dividends paid to shareholders	(8 654)	-	(8 654)

Balances at 28 February 2017	358 395	7 172	365 567

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 28 February 2017

	Consolidated 2017 R'000	2016 R'000
OPERATING ACTIVITIES		
Cash generated from operations	90 080	48 226
Interest received	427	205
Finance costs	(7 337)	(3 628)
Taxation paid	(26 696)	(14 389)
Net cash flows from operating activities	56 474	30 414
INVESTING ACTIVITIES		
Plant and equipment acquired	(1 606)	(3 041)
Intangible assets acquired and developed	(2 658)	(3 220)
Proceeds on disposals of plant and equipment and intangible assets	265	310
Settlement of acquired contingent purchase consideration	(24 077)	-
Net cash flows on acquisition of subsidiaries	-	(59 275)
Net cash flows from investing activities	(28 076)	(65 226)
FINANCING ACTIVITIES		
Borrowings (repaid)/raised	(18 829)	48 775
Issue of shares for cash	273	51 170
Purchase of treasury shares	(633)	(998)
(Decrease)/Increase in amounts owing to related parties	(56)	86
Dividends paid	(8 654)	(5 794)
Net cash flows from financing activities	(27 899)	93 239
Net increase in cash and cash equivalents	499	58 427
Difference arising on translation of foreign operations	(31 619)	19 576
Cash and cash equivalents at beginning of year	122 892	44 889
Cash and cash equivalents at end of year	91 772	122 892
Cash and cash equivalents is made up as follows:		
Cash and cash equivalents	91 780	123 657
Less: Bank overdrafts	(8)	(765)
Cash and cash equivalents at end of year	91 772	122 892

CONSOLIDATED SEGMENTAL ANALYSIS
for the year ended 28 February 2017

Logistics Financial Head

	Services R'000	Services R'000	Office R'000	GROUP R'000
BUSINESS SEGMENTS				
28 February 2017				
Gross billings	4 191 572	9 500	38 265	4 239 337
External	4 064 978	8 624	266	4 073 868
Internal	126 594	876	37 999	165 469
Revenue after net interest income	306 677	9 500	(762)	315 415
Depreciation and amortisation	(4 900)	(76)	(945)	(5 921)
Operating profit	86 772	3 843	6 168	96 783
Interest received	424	909	(906)	427
Finance costs	(2 875)	(1)	(6 311)	(9 187)
Income tax expense	(20 987)	(1 009)	(1 407)	(23 403)
Profit for the year	63 334	3 742	(2 456)	64 620
Total assets	792 295	12 767	91 010	896 072
Total liabilities	505 841	763	23 901	530 505
29 February 2016 *				
Gross billings	3 902 726	9 978	38 472	3 951 176
External	3 788 217	8 973	700	3 797 890
Internal	114 509	1 005	37 772	153 286
Revenue after net interest income	269 177	9 978	(500)	278 655
Depreciation and amortisation	(2 580)	(48)	(1 415)	(4 043)
Operating profit	64 916	4 493	1 377	70 786
Interest received	1 361	683	(1 839)	205
Finance costs	(2 850)	-	(1 405)	(4 255)
Income tax expense	(15 351)	(1 085)	(405)	(16 841)
Profit for the year	48 076	4 091	(2 272)	49 895
Total assets	859 903	10 077	153 185	1 023 165
Total liabilities	563 073	840	72 837	636 750

LOGISTICS SERVICES

	Africa R'000	Asia Pacific R'000	United Kingdom R'000	Europe R'000	TOTAL R'000
GEOGRAPHICAL SEGMENTS					
28 February 2017					
Gross billing	2 524 680	230 834	681 210	628 254	4 064 978
Revenue after net interest income	134 022	31 728	72 897	68 032	306 677
Operating Profit	31 121	13 606	15 833	26 211	86 772
Net profit	20 455	10 292	12 809	19 777	63 333
Total assets	492 369	61 514	159 035	79 377	792 295
Total liabilities	360 153	20 206	66 702	58 780	505 841

29 February 2016*

Gross billings	2 709 556	193 080	402 910	482 671	3 788 217
Revenue after net interest income	131 234	24 977	54 446	58 520	269 177
Operating Profit	26 816	7 047	14 136	16 917	64 916
Net profit	18 271	5 092	11 426	13 287	48 076
Total assets	519 764	59 744	194 263	86 132	859 903
Total liabilities	413 121	21 001	75 720	53 231	563 073

* Restated due to material prior period error (refer to note 2)

SUPPLEMENTARY INFORMATION
for the year ended 28 February 2017

1. BASIS OF PREPARATION
   The audited preliminary summarised consolidated financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contains the information required by IAS 34: Interim Financial Reporting and comply with the Listings Requirements of the JSE Limited and the Companies Act of South Africa, 2008.

   The full consolidated annual financial statements from which these summarised consolidated financial statements were derived are available on request from the Group’s registered office.

   The accounting policies applied in the preparation of the full consolidated annual financial statements from which the summarised consolidated financial statements were derived are in accordance with IFRS and are consistent with those of the audited consolidated annual financial statements for the year ended 29 February 2016.

   These summarised consolidated financial statements and the full consolidated annual financial statements have been prepared under the supervision of D C Edley, CA (SA) and were approved by the board of directors on 17 May 2017.

	2017 R'000	2016 Restated* R'000
2. REVENUE		
Gross Billings	4 073 868	3 797 890
Less: Recoverable disbursements	(3 758 453)	(3 519 235)
Revenue after net interest income	315 415	278 655
Revenue from the provision of services comprises:	299 034	266 167
Logistics services	290 295	256 690
Insurance commission and management fees	8 624	8 973
Other revenue	115	504

Net interest income from the

provision of credit facilities comprises:	16 382	12 488
Interest and financing fee income recovered from clients	38 923	33 347
Interest and financing fee expenses incurred	(22 542)	(20 859)
Revenue after net interest income	315 415	278 655

Correction of prior period material error
During the 2015 and 2016 financial years the Group undertook two voluntary restatements within its Statement of Cash Flows and Statement of Profit or Loss and Other Comprehensive Income. These two restatements were initiated as part of a structured process to better reflect the Group’s business model within its primary reporting statements, thereby giving users a better understanding of the Group’s principal source of revenue and cash flows. The difficulty experienced during this process is the complexity of the Group’s business model as it primarily provides logistics services in an Agency capacity on behalf of clients and at the same time provides clients with significant financing facilities and value added financial services.

During the course of 2017 it was identified that certain aspects of the 2016 restatement did not fully comply with IFRS and due to this error, the 2016 financial results are required to be restated. The aspect of the 2016 restatement that did not fully comply with IFRS was the disclosure of interest and finance fee income from client financing activities in revenue net of the interest and finance fee expenses. International Accounting Standard 18 on Revenue specifically allows for the disclosure of interest and finance fee income in revenue, but does not allow for the set off of interest and finance fee expenses therefrom. Interest and finance fee income was disclosed on this basis in 2016 in order to better demonstrate the Group’s business model and to strike a balance between the disclosure of revenue earned in an Agency capacity, net of recoverable disbursements, and that of the disclosure of financial services related revenue.

In order to correct this error, whilst still adequately demonstrating to users the Group’s business model, the Revenue line item in the Statement of Profit or Loss and other Comprehensive Income has been restated to exclude interest and finance fee income and expenses and these two line items have been disclosed separately below revenue on the face of the Statement of Profit or Loss and other Comprehensive Income. This restated disclosure is consistent with accepted industry practice within the financial services sector for the reporting and disclosure of interest and finance fee income and expenses. In essence it gives the user a greater level of detail on the face of the Statement of Profit or Loss and other Comprehensive Income and due to the transparency thereof, allows users to clearly assess the source of the interest and finance fee income and expenses and to easily compute the total revenue and finance charges earned and incurred by the Group.

The effect of the restatement on the 2016 financial results can be seen below and has no impact on basic and/or diluted earnings per share:

	2016 Restated R'000	2016* R'000	2015 Restated R'000	2015* R'000
Revenue	266 167	278 655	212 797	224 235
Net interest income	12 488		11 438	-
Interest and financing fee income recovered from clients	33 347	-	33 495	-
Interest and financing fee expenses incurred	(20 859)	-	(22 057)	-
Revenue after net interest income	278 655	278 655	224 235	224 235

* As reported

3. EARNINGS PER SHARE

		2017	2016
Basic earnings per share	(cents)	39,87	34,50
Headline earnings per share	(cents)	39,89	34,58
Diluted basic earnings per share	(cents)	38,53	33,68
Diluted headline earnings per share	(cents)	38,55	33,76

Reconciliation between basic and headline earnings:	Profit on Ordinary activities R’000	Taxation effect R’000	Minority interest R’000	Net effect R’000
February 2017				
Profit for the year	88 023	(23 403)	(1 829)	62 791
Adjusted for:				
– Loss on disposals of plant and equipment	46	(14)	(3)	229
Headline earnings	88 069	(23 417)	(1 833)	62 820
February 2016				
Profit for the year	66 736	(16 841)	(1 182)	48 713
Adjusted for:				
– Loss on disposals of plant and equipment	256	(84)	(52)	120
Headline earnings	66 992	(16 925)	(1 234)	48 833

Numbers of shares on which calculations are based:	2017 Shares 000’s	2016 Shares 000’s
Shares in issue at end of year	158 247	157 287
Weighted Average Number of		

Ordinary Shares ("WANOS") at end of year	157 495	141 211
Diluted WANOS at end of year	162 975	144 648

The difference between earnings per share and diluted earnings per share is due to the impact of share options that are yet to vest from the Group's share option scheme.

4. INTANGIBLE ASSETS

	Consolidated	
	2017	2016
	R'000	R'000
Goodwill Movement		
Carrying value at beginning of year	217 472	118 944
Amounts recognised from acquisitions of subsidiaries:		
- Tradeway (Shipping)	-	75 854
- AEMC Trading	-	1 498
Translation (loss)/ gain	(43 816)	21 176
Carrying value at end of year	173 656	217 472
Carrying value of computer software and indefinite useful life intangible assets	4 838	5 409
Total intangible assets	178 494	222 881

5. FAIR VALUE DISCLOSURE FOR FINANCIAL INSTRUMENTS

		2017	2016
	Notes	R'000	R'000
Financial assets in the statement of financial position measured at fair value:			
Future profit share on rental agreement	1	1 991	1 228
Guardrisk cell captive	2	4 341	3 308
Forward exchange contracts		-	26
		6 332	4 562
Financial liabilities in the statement of financial position measured at fair value:			
Contingent purchase considerations on acquisitions	3	(15 093)	(49 134)
Forward exchange contracts		(42)	-
		(15 135)	(49 134)

1. Santova Logistics (South Africa) entered into a profit sharing agreement with the landlord of their Durban premises on inception of the lease in the 2007 financial year. This agreement gives Santova Logistics a specified portion of the actual or deemed profit made should the building be sold or vacated. This asset has been assessed in being level 2 in the fair value hierarchy. The inputs used to determine the fair value of the profit share are as follows:

Current net market rental (including parking bays)	R110 per m2
Capitalisation rate (on a vacant basis)	15,00 %

2. This represents the fair value of the investment by Santova Logistics (South Africa) in the Guardrisk cell captive, recognised as a financial asset with changes in fair value being recognised in profit or loss for the year. This asset has been assessed in being level 2 in the fair value hierarchy. The fair value of the cell captive is determined by the net asset value that represents fair value.

3. This represents the present value of the remaining contingent purchase obligations arising from acquisitions during the previous financial period. The fair value of the liabilities has been calculated as the net present value of the warranty payments, which management reasonably expects to be achieved, as set out in the agreements of sale, discounted at the weighted average cost of capital for the acquired entities. This asset has been assessed in being level 3 in the fair value hierarchy. The financial liability can be reconciled as follows:

	2017 R'000's
Financial liability at beginning of year	49 134
Interest on present value calculation	1 848
Foreign exchange gain on translation	(9 930)
Payments made during the year	(24 073)
Fair Value gain on remeasurement	(1 886)
Financial liability at end of year	15 093

The contingent purchase obligations relate to the following acquisitions that were successfully completed during the previous financial year:

Acquiring company	Target company	Discount rate used
Santova International Holdings (Pty) Ltd	Tradeway (Shipping) Limited	6,60%

Prior to the acquisition of Tradeway (Shipping) Limited, the target company acquired Tradeway North West. This acquisition gave rise to a financial liability as a result of contingent purchase obligations. The weighted average cost of capital used in the calculation of the fair value of this financial liability is equal to that being used to calculate the fair value of the financial liability to the sellers of Tradeway (Shipping) Limited.

The final warranty payment is payable within 60 days of 30 November 2017.

Management have assessed the sensitivity of the level 3 fair value measurement to changes in unobservable inputs and do not believe that such reasonably expected changes would materially affect the fair value.

Management have assessed the degree of classification of the liabilities within level 3 and are satisfied that the classification above is appropriate due to the fact that these liabilities are measured using the same methods and thus do not have varying degrees of uncertainty or subjectivity.

6. INTEREST RECEIVED

	Consolidated 2017 R'000	Consolidated 2016* R'000
Interest received from financial institutions as per statement of comprehensive income	427	205
Interest and financing fee income recovered from clients included in Note 2 (Revenue)	38 923	33 347
Total interest income	39 350	33 552

7. FINANCE COSTS

Financial liabilities (refer note 5)	1 786	630
Interest-bearing borrowings	7 241	3 607
Other interest paid	160	18
As per Statement of Comprehensive Income	9 187	4 255
Interest and financing fee expenses incurred included in Note 2 (Revenue)	22 542	20 859
Total finance costs	31 729	25 114

* Restated due to material prior period error (refer to note 2)

8. EVENTS AFTER THE REPORTING PERIOD

There are no events that have taken place after the reporting period for which non-disclosure would affect the ability of the users to make proper evaluations and decisions.

9. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the Board of directors on 17 May 2017.

10. AUDIT OPINION

These summarised consolidated financial statements for the Year ended 28 February 2017 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the full consolidated financial statements for the year ended 28 February 2017 from which these summarised consolidated financial statements were derived. A copy of the auditor's report on the summarised consolidated financial statements and the auditor's report on the full consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports. Deloitte & Touche has not audited future financial performance and expectations expressed by management included in the commentary in the summarised consolidated financial statements and accordingly do not express an opinion thereon. The auditor's report does not necessarily report on all of the information contained in the summarised consolidated financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s engagement, they should obtain a copy of the auditor’s report together with the accompanying financial information from the issuer’s registered office.

DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a final gross dividend of 6,25 cents (2016: 5,50 cents) per ordinary share, payable in cash out of income reserves for the year ended 28 February 2017 to ordinary shareholders.

In addition to the declaration of the above Cash Dividend, the directors have approved an alternative for shareholders to elect to receive a Scrip Distribution Alternative. Full details of the Cash Dividend and Scrip Distribution Alternative, including the timetable, confirmation of the issue price and ratio of entitlement, will be disclosed via a separate detailed SENS to be released immediately following this SENS.

By order of the Board
J Lupton
Company Secretary
17 May 2017

CORPORATE INFORMATION

SANTOVA LIMITED
Country of incorporation
Republic of South Africa

Registration number
1998/018118/06

Share code
SNV

ISIN
ZAE000159711

NATURE OF BUSINESS
International logistics solutions provider

DIRECTORS
Independent Non-Executive Directors
ESC Garner (Chairman)
AD Dixon
WA Lombard
EM Ngubo

Executive Directors

GH Gerber (Chief Executive Officer)
DC Edley (Group Financial Director)
AL van Zyl

COMPANY SECRETARY
JA Lupton, FCIS
Highway Corporate Services (Pty) Ltd
PO Box 1319, Hillcrest, 3650

JSE SPONSOR
River Group
Unit 2, 211 Kloof Street, Waterkloof,
Pretoria 0145

GROUP AUDITOR
Deloitte & Touche
PO Box 243, Durban, 4000

SHARE REGISTRAR
Computershare Investor Services (Pty) Ltd
PO Box 61051, Marshalltown, 2107

LEGAL Attorney
Livingston Leandy Inc
PO Box 4107, Umhlanga Rocks, 4320

INVESTOR RELATIONS
Contact Persons
GH Gerber (Chief Executive Officer)
DC Edley (Group Financial Director)

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Contact number
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SANTOVA HEAD OFFICE AND REGISTERED OFFICE
Physical address
Santova House, 88 Mahatma Gandhi Road Durban, 4001

Postal address
PO Box 6148, Durban, 4000

Contact number
+27 31 374 7000

CORPORATE BANKERS
Nedbank Limited

A Specialist Provider of Innovative Global Trade Solutions.

Santova’s diversification in terms of geographies, currencies,
industries, products and services enables it to manage a global
network of inter-connected activities for multinational organisations

from origin to point-of-consumption.

This diversification also enables it to hedge against unexpected 'regional risks' whilst at the same time allowing it to capitalise on opportunities that may present themselves globally.

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17 May 2017
Johannesburg
Sponsor and Corporate Advisor
River Group