

SANTOVA

withdrawal of cautionary announcement

SANTOVA LOGISTICS LIMITED

Registration number: 1998/018118/06

Share code: SNV & ISIN: ZAE000090650

("Santova" or "the Company")

ACQUISITION OF AVIOCEAN (PTY) LIMITED AND WITHDRAWAL OF CAUTIONARY

ANNOUNCEMENT

Introduction

River Group is authorised to announce that Santova has acquired 100% of the ordinary share capital of Aviocean (Pty) Limited ("Aviocean") effective 1 March 2010 ("the effective date") from Mr AL van Zyl ("the seller"), an independent third party, for the purchase consideration as set out below.

Rationale

Aviocean is a freight forwarder, exporter and customs clearing agent based in Johannesburg, South Africa, whose business is complementary to that of the Company.

Purchase Consideration

Subject to the conditions set out below, the purchase consideration will be settled as follows:

- On completion date, the Company will pay to the Seller R10 500 000 in cash and allot and issue to the Seller 131 250 000 ordinary shares of 0,1 cent each in the share capital of the Company at the closing price on the effective date;
- On the fulfilment of the first profit warranty, that the profit before tax for the year ending 28 February 2011 of Aviocean will not be less than R10 000 000, the Company will pay to the Seller R2 000 000 in cash and allot and issue to the Seller 25 000 000 ordinary shares of 0,1 cent each in the share capital of the Company at the closing price on the effective date; and
- On the fulfilment of the second profit warranty, that the profit before tax for the year ending 29 February 2012 of Aviocean will not be less than R10 000 000, the Company will pay to the Seller R2 500 000 in cash and allot and issue to the Seller 31 250 000 ordinary shares of 0,1 cent each in the share capital of the Company at the closing price on the effective date.

Financial Effects

The table below sets out the pro forma financial effects of the above transaction, based on Santova's audited results for the year ended 28 February 2010. The financial effects are presented for illustrative purposes only and because of their nature may not give a fair reflection of the Company's results, financial position and changes in equity after the transaction. It has been assumed for the purposes of the pro forma financial effects that the above transaction took place as at 28 February 2010 for the statement of financial position and for the period 1 March 2009 to 28 February 2010 for the statement of comprehensive income. The directors of Santova are responsible for the preparation of the financial effects:

	1	2	3	4
	Before acquisition audited twelve months to 28 February 2010	Acquisition of Aviocean unaudited months to 28 February 2010	Proforma after acquisition unaudited twelve months to 28 February 2010	Percentage change
Weighted average number of shares (000's shares)	1 231 457	187 500	1 418 957	15,23
Diluted weighted average number of shares (000's shares)	1 291 038	187 500	1 478 538	14,52
Shares for net asset value calculation (000's shares)	1 216 328	187 500	1 403 828	15,42
Performance per ordinary share				
Basic earnings per share (cents)	0,30	0,32	0,62	105,94
Basic headline earnings per share (cents)	0,31	0,32	0,63	103,11
Diluted earnings per share (cents)	0,29	0,31	0,60	107,21
Diluted headline earnings per share (cents)	0,29	0,31	0,60	104,36
Net asset value per share (cents)	6,60	(0,55)	6,05	(8,30)
Tangible net asset value per share (cents)	3,35	(1,70)	1,65	(50,69)

Column notes:

1. This column represents the "before" financial information, which has been extracted, without adjustment, from the published audited abridged group results of Santova for the twelve months ended 28 February 2010.
2. This column reflects the effects of the acquisition of Aviocean. The information has been extracted, with due diligence agreed adjustments, from the year end draft annual financial statements of Aviocean for the twelve months ended 28 February 2010, as the audit is not complete as yet.
3. This column reflects the "after" financial information, including the effects of the acquisition of Aviocean by Santova.
4. This column reflects the percentage change the above transaction has on the performance per ordinary shares of Santova.

The assumptions used above are:

- earnings remain constant;
- all profit warranties are met;
- no adjustments have been taken into account for the time value of money, interest or taxation effects; and
- the settlements in terms of the purchase agreement have been included as if all payments/issue of shares were completed on 1 March 2009.

Conditions Precedent

1. Where applicable this transaction is subject to the approval of JSE Limited, the Securities Regulation Panel and the Competition Commission;
2. The written confirmation given by the Company to the Seller that it is satisfied with all aspects of the due diligence investigation;
3. The Company and the Seller entering into an executive service agreement, the terms and conditions of which are still to be agreed;
4. The board of directors of the Company approving the purchase; and
5. Written confirmation given by Nedbank Limited to provide finance in respect of the purchase.

All of the above conditions precedent have been met.

Categorisation, JSE Listings Requirements and Withdrawal of Cautionary This transaction is categorized as a Category 2 transaction in terms of the JSE Listings Requirements for AltX listed companies.

The Company has undertaken to have the Articles of Association of Aviocean amended as soon as is practicable to conform with the requirements of Schedule 10 of the JSE Listings Requirements.

Shareholders are referred to the cautionary announcements dated 30 March 2010 and 11 May 2010, and are advised that as negotiations referred to therein have been completed and are the result of this announcement, caution is no longer required to be exercised by shareholders when dealing in their Santova securities.

Durban

19 May 2010

Corporate and Designated Advisor

River Group

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