GROUP INTERIM RESULTS

for the six months ended 31 August 2011

Santova

Logist	ics i	ıЩ	
CONDENSED STATEMENT OF C	OMPREHI	ENSIVE IN	ICOME
	Unaudited	Unaudited	Audited
	6 months to	6 months to	12 months to
	31 August	31 August	28 February
	2011	2010	2011
	R'000	R'000	R'000
Turnover	81 330	70 759	144 230
Gross billings	1 144 366	995 487	2 044 439
Cost of billings	(1 063 036)	(924 728)	(1 900 209)
Other income Depreciation and amortisation Administrative expenses	1 399	4 921	6 365
	(1 953)	(1 906)	(3 960)
	(62 987)	(57 382)	(114 934)
Operating income	17 789	16 392	31 701
Interest received	595	1 120	2 265
Finance costs	(4 918)	(5 166)	(10 750)
Profit before taxation Income tax expense	13 466	12 346	23 216
	(3 746)	(2 758)	(5 891)
Profit for the period/year Attributable to:	9 720	9 588	17 325
Equity holders of the parent	9 639	9 313	16 964
Minority interest	81	275	361
Other comprehensive income Exchange differences from translation of			

887

10 607

10 427

180

0,69

0.69

(954)

8 634

8 359

275

0,72

188

17 513

16 884

629

1,25

1,23

foreign operations

for the period/year

Basic earnings per share

Diluted earnings per share

Equity holders of the parent

Attributable to:

Minority interest

Total comprehensive income

SUPPLEMENTARY INFOR	MATIO			
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	Unaudited 6 months to 31 August 2011 R'000	Unaudited 6 months to 31 August 2010 R'000	Audited 12 months to 28 February 2011 R'000	
Reconciliation between earnings and	d			
headline earnings Profit attributable to equity holders of the	he parent	9 639	9 313	16 964
Impairment of goodwill	_	_	1 152	
Net loss on disposals of plant and equip	85	48	215	
Negative goodwill arising from purchase	e			
of subsidiary		-	(3 868)	(/
Taxation effects		(24)	(14)	(60)
Headline earnings		9 700	5 479	14 403
Shares in issue	(000's)	1 372 578	1 376 127	1 376 127
Weighted average number of shares	(000's)	1 403 828	1 301 369	1 351 944
Diluted number of shares	(000's)	1 403 828	1 344 193	1 380 493
Shares for net asset value calculation	1 403 828	1 403 828	1 403 828	
Performance per ordinary share				
Basic headline earnings per share	(cents)	0,69	0,42	1,07
Diluted headline earnings per share	(cents)	0,69	0,41	1,04
Net asset value per share	(cents)	8,12	6,73	7,37
Tangible net asset value per share	(cents)	3,86	2,41	3,09

CONDENSED STATEMENT OF CASH FLOWS									
	Unaudited 6 months to 31 August 2011 R'000	Unaudited 6 months to 31 August 2010 R'000	Audited 12 months to 28 February 2011 R'000						
Cash generated from operations before working capital changes Changes in working capital	19 644 (4 419)	14 479 (34 317)	32 825 (28 370)						
Cash generated from/(utilised in) operations Interest received Finance costs Taxation paid	15 225 595 (4 093) (3 041)	(19 838) 1 120 (4 393) (3 047)	4 455 2 265 (9 897) (7 671)						
Net cash flows from operating activities	8 686	(26 158)	(10 848)						
Cash utilised in other investing activities Cash (outflow)/inflow from the acquisition of subsidiaries	(1 725) (2 620)	(514) 1 230	(2 823) (67)						
Net cash flows from investing activities	(4 345)	716	(2 890)						
Net cash flows from financing activities	(11 697)	39 346	22 888						
Net (decrease)/increase in cash and cash equivalents Effects of exchange rate changes on cash	(7 356)	13 904	9 150						
and cash equivalents	403	(806)	16						
Cash and cash equivalents at beginning of period/year	13 488	4 322	4 322						
Cash and cash equivalents at end of period/year	6 535	17 420	13 488						

64,1%	headline earnings
1/1 00/	turnover

turnover

60,4% tangible net asset value per share **176,7%**

cash generated from operations

CONDENSED STATEMENT OF FINANCIAL POSITION							
	Unaudited	Unaudited	Audited				
	31 August	31 August	28 February				
	2011	2010	2011				
	R'000	R'000	R'000				
ASSETS Non-current assets	71 676	75 481	72 422				
Plant and equipment	8 641	9 172	8 540				
Intangible assets	59 817	60 749	59 990				
Financial asset	552	578	458				
Deferred taxation	2 666	4 982	3 434				
Current assets	334 835	320 042	275 454				
Trade receivables Other receivables Current tax receivable Amounts owing from related parties Cash and cash equivalents	311 004	284 593	248 820				
	16 043	17 632	11 789				
	676	207	784				
	577	190	573				
	6 535	17 420	13 488				
Total assets	406 511	395 523	347 876				
EQUITY AND LIABILITIES Capital and reserves	114 022	94 536	103 415				
Share capital and premium Contingency reserve Foreign currency translation reserve Accumulated loss Attributable to equity holders of the parent	151 204	151 204	151 204				
	189	154	181				
	1 856	194	1 068				
	(41 087)	(58 342)	(50 718)				
	112 162	93 210	101 735				
Minority interest Non-current liabilities	1 860	1 326	1 680				
	3 081	6 693	5 761				
Interest-bearing borrowings	217	508	318				
Long-term provision	2 013	2 136	2 013				
Financial liabilities	850	4 034	3 429				
Deferred taxation	1	15	1				
Current liabilities	289 408	294 294	238 700				
Trade and other payables Current tax payable Current portion of interest-bearing borrowings Amounts owing to related parties Current portion of financial liabilities Short-term borrowings Short-term provisions	177 666	152 684	116 811				
	421	3 054	593				
	175	94	151				
	142	77	157				
	3 548	6 009	5 947				
	100 241	126 529	108 991				
	7 215	5 847	6 050				
Total equity and liabilities	406 511	395 523	347 876				

CONDENSED SEGMENTAL ANALYSIS								
GEOGRAPHICAL SEGMENTS	South Africa R'000	Australia R'000	Europe R'000	Hong Kong R'000	Group R'000			
31 August 2011 Turnover (external) Operating income Interest received Finance costs Income tax expense	68 864 16 195 568 (4 727) (3 304)	6 078 759 1 (36) (404)	4 726 580 3 (155)	1 662 255 23 - (38)	81 330 17 789 595 (4 918) (3 746)			
Net profit	8 732	320	428	240	9 720			
Segment assets Intangible assets Deferred taxation	312 309 59 813 2 459	15 279 - 207	9 667 4 –	6 773 - -	344 028 59 817 2 666			
Total assets	374 581	15 486	9 671	6 773	406 511			
Total liabilities	268 281	8 615	11 395	4 198	292 489			
Depreciation and amortisation Capital expenditure	1 496 1 292	397 241	31 26	29 119	1 953 1 678			
31 August 2010 Turnover (external) Operating income Interest received Finance costs Income tax expense	60 876 14 503 1 088 (4 997) (2 248)	5 449 1 438 11 (35) (449)	3 149 179 – (134)	1 285 272 21 – (61)	70 759 16 392 1 120 (5 166) (2 758)			
Net profit	8 346	965	45	232	9 588			
Segment assets Intangible assets Deferred taxation	308 797 60 247 4 577	11 836 497 405	4 182 5 -	4 977 - -	329 792 60 749 4 982			
Total assets	373 621	12 738	4 187	4 977	395 523			
Total liabilities	284 515	7 464	6 083	2 925	300 987			
Depreciation and amortisation Capital expenditure	1 523 560	338 228	37 78	8 42	1 906 908			
			reight					

Depreciation and amortisation Capital expenditure	1 523 560	338 228	37 78	8 42	1 906 908
BUSINESS SEGMENTS		cleari	ing ind	nsurance R'000	Group R′000
31 August 2011 Net profit Total assets Total liabilities		9 6 403 2 290 9		112 3 241 1 554	9 720 406 511 292 489
31 August 2010 Net profit Total assets Total liabilities		9 3 390 6 298 6		213 4 883 2 329	9 588 395 523 300 987

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CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent								
	Share capital R'000	Share premium R'000	Share commit- ments R'000	Other reserves R'000	Foreign currency translation reserve R'000	Accu- mulated loss R'000	Total R'000	Minority interest R'000	Total equity R'000
Balances at 28 February 2010	1 256	146 680	(2 357)	132	1 148	(67 633)	79 226	1 051	80 277
Total comprehensive income	_	_	_	_	(954)	9 313	8 359	275	8 634
Transfer of contingency reserve	_	_	_	22	_	(22)	_	_	_
Share commitments arising on acquisition of subsidiary	_	_	5 625	_	_	_	5 625	_	5 625
Issue of shares in terms of share commitments	131	3 807	(3 938)	_	-	_	-	_	_
Repurchase of shares in terms of share commitments	(11)	(1 106)	1 117	_	_	_	_	_	_
Balances at 31 August 2010	1 376	149 381	447	154	194	(58 342)	93 210	1 326	94 536
Total comprehensive income	_	_	_	_	874	7 651	8 525	354	8 879
Transfer of contingency reserve	_	_	_	27	_	(27)	_	_	_
Balances at 28 February 2011 Total comprehensive income	1 376 –	149 381 –	447 -	181 -	1 068 788	(50 718) 9 639	101 735 10 427	1 680 180	103 415 10 607
Transfer of contingency reserve	_	_	_	8	_	(8)	_	_	_
Issue of shares in terms of share commitments	25	725	(750)	_	_	_	_	_	_
Repurchase of shares in terms of share commitments	(29)	(2 826)	2 855	-	-	-	-	-	_
Balances at 31 August 2011	1 372	147 280	2 552	189	1 856	(41 087)	112 162	1 860	114 022

COMMENTARY

Santova Logistics Limited ("the Company" or "Santova Logistics") 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

The Santova Group is on an exciting growth path. This is reinforced by an impressive performance for the period under review, where headline earnings of R9 700 026 are 77,0% up on the previous period's figure of R5 478 892. Despite the Rand being firmer against the Dollar during this period, compared to the same period last year, the turnover of the Group improved by 14,9% from R70 759 490 to R81 329 988.

As far as the operational cost structure of the Group is concerned, the period-on-period increase in administrative expenses was 9,8%, which supports our strategy of investing further in intellectual capital and infrastructure. This has allowed us to explore untapped opportunities that should result in both financial and strategic gains – an essential 'antidote' in any turbulent economic climate.

Adjusting for the negative goodwill arising out of the acquisition of Santova Logistics South Africa (Pty) Limited ("Santova Logistics SA") in 2010, it is pleasing to report an increase in the operating margin of the Group from 17,7% to 21,9%. This 23,6% improvement has been achieved despite the industry experiencing continued margin squeeze. This has been made possible through focused new business development of niched clientele, as well as the benefits of greater efficiencies through streamlined workflow processes and systems.

South Africa

Despite the financial turmoil in Europe and the USA, our South African based operations have performed remarkably well, particularly as such growth is purely organic. Adjusting for the negative goodwill, the period-on-period net profit after tax growth for the segment was up 95,0%, an increase from R4 476 977 to R8 732 433. This growth can be attributed to successful new client acquisition and a greater number of projects undertaken for a number of our larger corporate clientele, who are participating in the infrastructural development of South Africa.

Whilst business and consumer confidence has declined, we must recognise that at the same time the National Ports Authority has reported that the volume of cargo handled in August 2011 is one of the highest ever recorded for the South African port system. Total cargo handled at all ports amounted to 23,028 million tonnes in August 2011 versus 21,061 million tonnes in August 2010. Containerised cargo, on the other hand, was slightly lower at 404 723 TEUs (Twenty-foot Equivalent Units) for August 2011 as opposed to 415 978 TEUs for the same

Taking cognisance of the general consensus that GDP is expected to be in the region of 3,6% for 2011, we believe we can continue to leverage off the changing economic climate and entrench ourselves further in niched sectors of the South African economy. These sectors relate specifically to those businesses that have commodities or products that are resilient to 'slowdowns' in the international economy.

International

The European debt crisis has had an impact on our offshore operations, particularly in the United Kingdom, the Netherlands and Australia where margins and reduced trade volumes have had an adverse impact on the profitability of these businesses. However, these businesses have taken the initiative and made strategic decisions, which should result in a much improved performance for the second six-month period. As opposed to cost reduction measures, the Group has taken the bold decision to invest further in these operations, particularly the Netherlands and the United Kingdom where untapped opportunities await the Group.

Santova achieved an earnings per share ("EPS") of 0,69 cent, a 4,1% decrease from 31 August 2010's EPS of 0,72 cent. Adjusting for negative goodwill this represents a 64,1% increase on the adjusted 31 August 2010 EPS of 0,42 cent. This is evidenced by the impressive increase in headline earnings of 77,0%, mentioned above, resulting in an increase of 64,1% in headline EPS from 0,42 cent to 0,69 cent, despite the difficult trading environment.

Operationally, after adjusting for the negative goodwill, there has been a 42,0% improvement in operating income, increasing from R12 524 195 to R17 789 244. This is the result of organic growth arising from quality clients, enhanced efficiencies and improved buying power. The movement of net margin from 12,0% to 16,6%, represents a 38,2% improvement on the previous period and further supports the progress made in Group operational efficiency. Profit for the period was R9 720 200 compared to last period's R5 719 392, a 70,0% increase

We have strengthened our balance sheet through these difficult times by ensuring strict compliance with our policies and procedures. Net asset value per share increased by 20,6% to 8,12 cents and tangible net asset value per share increased by 60,4% to 3,86 cents, predominately due to the reinvestment of profits earned over the last 12 months

A strong focus on working capital management throughout the Group has allowed us to generate cash from operations. The cash generated from operating activities during this period was utilised to reduce various short term borrowings and to invest further in the Group. The Group is trading well within its long and short-term facilities afforded to us by our respective

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

- On 5 July 2011, 25 000 000 ordinary shares were allotted to AL van Zyl for the purchase of Santova Logistics SA; and
- On 31 August 2011, the Company repurchased the final tranche of 28 549 440 ordinary shares from the Camilla Coleman Trust, in terms of the repurchase agreement approved by shareholders on 23 September 2008.

MF Impson resigned as an executive director of Santova Logistics and Impson Logistics (Pty) Limited effective 31 August 2011.

SUBSEQUENT EVENTS

The following corporate actions, as detailed in the circular to shareholders dated 7 September 2011, were approved at the general meeting held on 6 October 2011 and the respective resolutions are in the process of being registered with the Companies and Intellectual

- The proposed specific buy-back of shares from a related party, MF Impson;
- An odd lot and specific offer to minority shareholders;
- The restructuring of Santova Logistics' authorised and issued share capital by consolidating its authorised and issued share capital on the basis of 10 to 1 by the consolidation of every 10 shares with a par value of 0,1 cent each into 1 share with a par value of 1,0 cent each;
- A conversion of par value shares to shares of no par value;
- An increase in authorised share capital; and
- The change of name of the company to Santova Limited.

There were no other subsequent events of a material nature that occurred between the financial period end and the date of this report.

OUTLOOK FOR THE NEXT SIX MONTHS

Although economic recovery this year remains slow, we are looking forward to building on our successful annual average growth. Our strategic business model, which enabled such growth, will continue to hold us in good stead. The renewed commitment, by government and business, to promoting industrial development in South Africa and Africa in general, will no doubt offer niched entrepreneurial businesses such as Santova the opportunities that are necessary to excel in a flat-to-moderate economy.

BASIS OF PREPARATION

The unaudited condensed Group interim results for the six months ended 31 August 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), 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.

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 period.

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

For and on behalf of the Board, **GH Gerber**

Chief Executive Officer 1 November 2011

SJ Chisholm

Group Financial Director

REGISTRATION NUMBER 1998/018118/06 SHARE CODE SNV ISIN ZAE000090650

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EXECUTIVE DIRECTORS GH Gerber (CEO), SJ Chisholm (GFD), GM Knight, AL van Zyl

NON-EXECUTIVE DIRECTORS ESC Garner (Chairman)*, AD Dixon*, WA Lombard*, S Donner *Independent TRANSFER SECRETARIES Computershare Investor Services (Pty) Limited, 70 Marshall Street, Marshalltown, 2107 **COMPANY SECRETARY** JA Lupton, FCIS

DESIGNATED AND CORPORATE ADVISOR River Group

AUDITORS Deloitte & Touche

