Santova
Limited

Annual
Integrated Report

FEBRUARY 2013

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GROUP HIGHLIGHTS

14,2%

increase in basic earnings per share

10,2%

increase in headline earnings per share

17,5%

increase in net asset value per share

12,5%

increase in profit before tax

19,6%

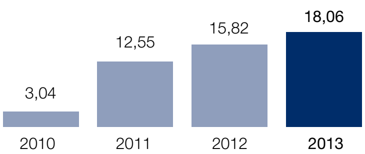
increase in capital and reserves

2,5 cps

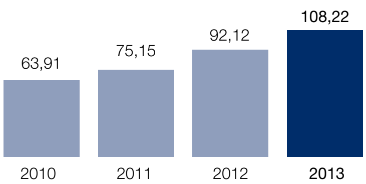
maiden ordinary dividend declared

		2013	2012	% movement
Basic earnings per share	(cents)	18,06	15,82	14,2
Headline earnings per share	(cents)	17,62	15,99	10,2
Turnover/Gross billings margin	(%)	6,8	6,4	6,3
Net asset value per share	(cents)	108,2	92,1	17,5
Capital and reserves	(R'000)	147 963	123 699	19,6
Turnover	(R'000)	178 790	167 107	7,0
Profit before tax	(R'000)	33 809	30 063	12,5
Profit for the year	(R'000)	25 097	22 499	11,5

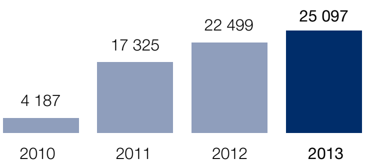
Basic earnings per share



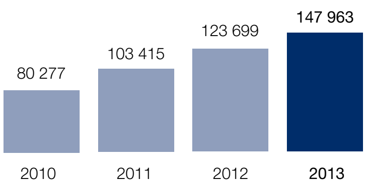
Net asset value per share



Profit for the year



Capital and reserves



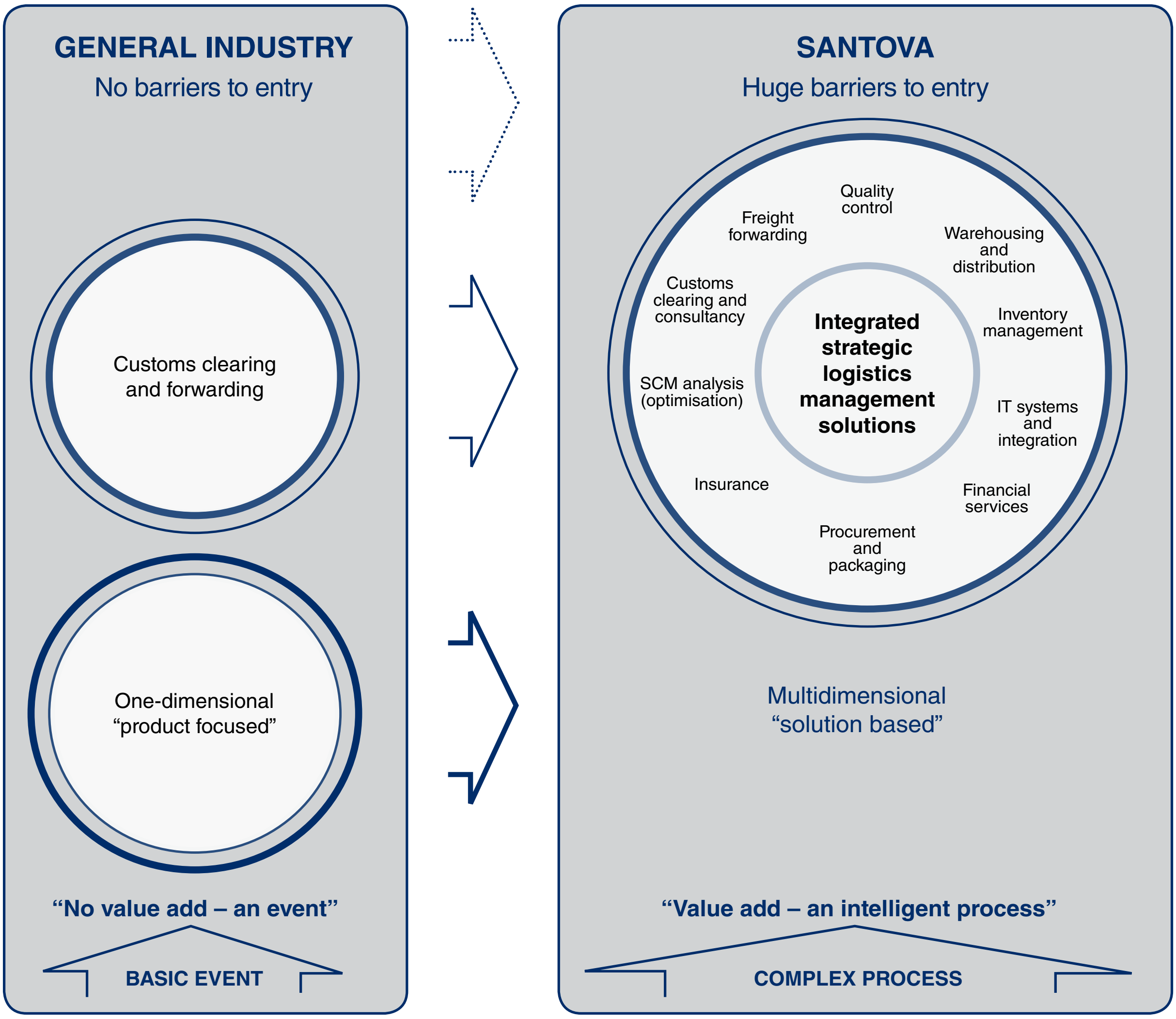
SANTOVA LIMITED is a public company listed on the main board of the Johannesburg Stock Exchange, with offices throughout South Africa and in Hong Kong, Australia, the Netherlands and the United Kingdom, as well as strategic partners throughout the world.

Santova provides **SUPPLY CHAIN OPTIMISATION SOLUTIONS** to our international and domestic clients, through industry-leading strategic logistics management practices and resources. Santova provides **INTEGRATED END-TO-END LOGISTICS SOLUTIONS** that ensure the seamless flow of products into the market place for importers, exporters and consumers worldwide.

Santova achieves this through:

1. Assuming **RESPONSIBILITY FOR THE ENTIRE SUPPLY CHAIN**, from supplier (ex-works) to consumer (point-of-consumption), which strategy has driven the establishment of offices internationally at both ends of our clients' primary trade flow routes.
2. **A UNIQUE CLIENT CENTRIC APPROACH**, which entails:
   - Detailed supply chain analysis and process definition
   - Clearly defining roles, structures, systems and work flow processes
   - Customised service level agreements
   - Appointing dedicated client-centric operational teams
   - Providing a flexible IT interface, accommodating client specific requests and adaptions
3. Offering clients **VIRTUAL SUPPLY CHAIN MANAGEMENT** through the use of the Group's in-house developed intelligent management information system, **OSCAR®**. OSCAR® provides our clients with control, visibility and accurate real time information.

Not a traditional clearing and forwarding business model



GROUP OPERATIONAL STRUCTURE

Santova Logistics
(United Kingdom)

- Essex
- Heathrow Airport

W.M. Shipping
(United Kingdom)

- Birmingham
- Bristol
- Felixstowe

Santova Logistics
(Netherlands)

- Rotterdam
- Schiphol Airport

Santova Logistics
(Hong Kong)

Santova Patent Logistics Co.
(Hong Kong)

- 19 Representative Offices (Mainland China)

Santova Logistics
(Australia)

- Sydney

Santova Logistics
(South Africa)

Santova Financial Services
(South Africa)

Santova Express
(South Africa)

Supply Chain Management Services
(South Africa)

- Pietermaritzburg
- Port Elizabeth
- Johannesburg
- Durban
- Cape Town

SIX-YEAR FINANCIAL REVIEW

		2013	2012	2011	2010	2009	2008
RESULTS							
Profitability							
Gross billings	(R'000)	**2 640 037**	2 605 858	2 044 439	1 493 371	1 885 240	1 956 021
Turnover	(R'000)	**178 790**	167 107	144 230	98 038	118 229	108 243
Operating profit before interest and taxation	(R'000)	**41 034**	39 425	31 701	12 418	26 275	21 132
Profit for the year	(R'000)	**25 097**	22 499	17 325	4 187	7 860	6 071
Profit attributable to equity holders of the parent	(R'000)	**24 688**	22 079	16 964	3 748	7 794	6 026
Financial position							
Net assets	(R'000)	**147 963**	123 699	103 415	80 277	74 366	77 438
Tangible net assets	(R'000)	**38 080**	63 343	43 425	40 750	48 418	48 370
Capital and reserves attributable to equity holders of the parent	(R'000)	**144 937**	121 352	101 735	79 226	74 366	77 399
Financial ratios							
Return on average ordinary shareholders' funds	(%)	**18,5**	19,8	18,8	4,9	10,3	8,1
Return on net assets	(%)	**17,0**	18,2	16,8	5,2	10,6	7,8
Return on tangible net assets	(%)	**65,9**	35,5	40,0	10,3	16,2	12,5
Turnover/billings margin	(%)	**6,8**	6,4	7,1	6,6	6,3	5,5
Operating margin	(%)	**23,0**	23,6	22,0	12,7	22,2	19,5
Interest cover	(ratio)	**5,68**	4,21	3,74	2,23	1,73	1,61
Current ratio	(ratio)	**1,86**	2,20	2,02	2,02	2,56	2,40
Ordinary share performance*							
Ordinary shares in issue at year end	(000's)	**136 725**	134 277	137 613	125 605	129 736	136 679
Share commitments at year end	(000's)	**–**	2 182	2 770	(3 972)	(5 089)	–
Basic earnings per share	(cents)	**18,06**	15,82	12,55	3,04	6,31	4,51
Headline earnings per share	(cents)	**17,62**	15,99	10,65	3,08	6,77	4,50
Diluted basic earnings per share	(cents)	**18,00**	15,82	12,29	2,90	6,20	4,51
Diluted headline earnings per share	(cents)	**17,57**	15,99	10,43	2,94	6,65	4,50
Dividend per share	(cents)	**2,5**	–	–	–	–	–
Dividend cover	(times)	**7,2**	–	–	–	–	–
Dividend yield	(%)	**2,36**	–	–	–	–	–
Closing share price at year end							
– Actual	(cents)	**106**	81	8	3	5	7
– Adjusted for 10 to 1 share consolidation	(cents)	**106**	81	80	30	50	70
Net asset value per share	(cents)	**108,22**	92,12	75,15	63,91	57,32	56,66
Tangible net asset value per share	(cents)	**27,85**	47,17	31,56	32,44	37,32	35,39
Net worth per share	(cents)	**106,01**	90,37	73,93	63,08	57,32	56,63
Market capitalisation at year end	(R'000)	**144 929**	108 764	110 090	37 681	64 868	95 675

* *During the 2012 financial year, the Group consolidated its shares on a 10 to 1 basis. In order to maintain comparability with prior years, these amounts have been adjusted as if the share consolidation occurred at the beginning of the 2008 financial year.*

	2013 R'000	2012 R'000	2011 R'000	2010 R'000	2009 R'000	2008 R'000
STATEMENT OF FINANCIAL POSITION						
Assets						
Non-current assets	**122 247**	73 171	72 422	52 297	38 876	43 502
Current assets	**436 369**	345 208	275 454	188 465	219 717	286 789
Total assets	**558 616**	418 379	347 876	240 762	258 593	330 291
Liabilities						
Non-current liabilities	**54 364**	5 023	5 761	6 772	5 361	2 658
Current liabilities	**356 289**	289 657	238 700	153 713	178 866	250 195
Total liabilities	**410 653**	294 680	244 461	160 485	184 227	252 853
Capital and reserves	**147 963**	123 699	103 415	80 277	74 366	77 438
Total equity and liabilities	**558 616**	418 379	347 876	240 762	258 593	330 291
STATEMENT OF COMPREHENSIVE INCOME						
Gross billings	**2 640 037**	2 605 858	2 044 439	1 493 371	1 885 240	1 956 021
Cost of billings	**(2 461 247)**	(2 438 751)	(1 900 209)	(1 395 333)	(1 767 011)	(1 847 778)
Turnover	**178 790**	167 107	144 230	98 038	118 229	108 243
Operating profit before interest and taxation	**41 034**	39 425	31 701	12 418	26 275	21 132
Net interest paid	**(7 225)**	(9 362)	(8 485)	(5 565)	(15 188)	(13 096)
Profit before taxation	**33 809**	30 063	23 216	6 853	11 087	8 036
Income tax expense	**(8 712)**	(7 564)	(5 891)	(2 666)	(3 227)	(1 965)
Net profit for the year	**25 097**	22 499	17 325	4 187	7 860	6 071

DEFINITIONS

CURRENT RATIO
Current assets divided by current liabilities (excluding cash and cash equivalents, short-term borrowings and overdraft).

EARNINGS PER SHARE
Basic earnings per share is calculated on profit for the year attributable to equity holders of the parent divided by the weighted average number of ordinary shares (adjusted for the effects of subscriptions awaiting allotment, share commitments and treasury shares) in issue during the year under review. Headline earnings per share is calculated after adjusting for non-trading items.

DIVIDEND COVER
Basic earnings per share divided by dividends per share.

DIVIDEND YIELD
Dividends per share divided by the closing share price at year end.

INTEREST COVER

Operating profit before interest and taxation, divided by net interest paid.

MARKET CAPITALISATION
The share price multiplied by the number of ordinary shares in issue at year end.

NET ASSETS
Total assets less total liabilities.

NET ASSET VALUE PER SHARE
Net assets divided by the number of ordinary shares in issue at year end.

NET WORTH PER SHARE
Ordinary shareholders' funds (capital and reserves attributable to equity holders of the parent) divided by the number of ordinary shares in issue at year end.

OPERATING MARGIN
Operating profit before interest and taxation expressed as a percentage of turnover.

RETURN ON NET ASSETS
Profit for the year expressed as a percentage of net assets.

RETURN ON TANGIBLE NET ASSETS
Profit for the year expressed as a percentage of tangible net assets.

RETURN ON AVERAGE ORDINARY SHAREHOLDERS' FUNDS
Profit for the year attributable to equity holders of the parent expressed as a percentage of average ordinary shareholders' funds (capital and reserves attributable to equity holders of the parent for current and prior year divided by two).

TANGIBLE NET ASSETS
Total assets less total liabilities and intangible assets.

DIRECTORATE AND MEMBERS OF COMMITTEES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Edward (Ted) Garner (73)

CA (SA), MBL (UNISA), MSIA (Carnegie Mellon, USA)
Chairman
Appointed: 5 June 2008

Ted is a Chartered Accountant with a Masters Degree in Business Administration. Most of his working career has been with in the Tongaat Sugar company/Tongaat-Hulett group which he joined in 1967. He was appointed Financial Director of the Tongaat-Hulett group in 1978 and, in addition, served as Executive Chairman of various operating divisions in the group, both locally and internationally, and Vice-Chairman of Triangle Sugar Corporation in Zimbabwe. Since his retirement from the Tongaat-Hulett group in 2000, Ted has focused on various directorships and his business consultancy.

Anthony (Tony) Dixon (66)

CA (SA), F.Inst.D
Appointed: 1 December 2010

Tony spent 30 years of his business career with Coopers & Lybrand (PricewaterhouseCoopers), becoming Regional Chairman – KwaZulu-Natal, and was a long-serving member of the firm's National Executive and Governing Board. Since 1995 Tony has held executive and non-executive directorships on a number of major listed and unlisted boards, including one of South Africa's largest short-term insurance companies, and he is currently also a director of Allied Technologies Limited ("Altech") and Consolidated Infrastructure Group Limited. Tony was Executive Director of the Institute of Directors for four years and for a number of years Tony provided the secretariat role to the King Committee, of which he is currently a member.

Warwick Lombard (57)

CA (SA)
Appointed: 5 June 2008

Warwick qualified as a Chartered Accountant (South Africa) in 1988. He completed his articles with Kessel Feinstein and moved into the commercial environment in 1987. Over the last 20 years he has served on various boards of both listed and unlisted companies as Financial Director in the construction, mining and technology sectors. He is currently the Group Financial Director of a privately held industrial holdings group.

NON-EXECUTIVE DIRECTORS

Stanley Donner (60)

BCom, LLB
Appointed: 21 February 2005

Stanley graduated from the University of the Witwatersrand with a law degree and he then went on to complete a shipping diploma part-time whilst in the employ of Freight Services, an Anglo American Group company. His service with Freight Services covered a number of roles from import clearing to ship chartering. Thereafter, Stanley was instrumental in starting an international trading company, with a small shipping company to look after terminal cargo requirements. Stanley joined the Board when the Company listed in 2002 and he is actively involved in promoting the interests of Santova. He resigned on 20 March 2003 and was re-appointed on 21 February 2005.

COMPANY SECRETARY

Jennifer Lupton (71)

FCIS, M.Inst.D
Appointed: 8 May 2003

Jenny began her career in Rhodesia in the early 1970s working for an investment banking organisation where she gained wide experience in all aspects of company secretarial work. She emigrated to South Africa in 1975 and joined the head office of the same organisation where she enhanced her company secretarial experience, gained her Associate membership of the Southern African Institute of Chartered Secretaries, and subsequently became a Fellow of the Institute. In 1994 she moved to KwaZulu-Natal and after eight years as Office Manager of an Auditing Practice, left in 2002 to build her own company, Highway Corporate Services (Pty) Ltd, which provides outsourced company secretarial services to listed and unlisted companies.

EXECUTIVE DIRECTORS

Glen Gerber (50)

BA (Hons), MBA
Chief Executive Officer
Appointed: 1 February 2003

Glen attained a BA Honours degree at Rhodes University in 1984 and following completion of his compulsory national service he then joined Integrated Business Information Systems (Pty) Ltd as a research and design manager (statistics and research methodology). On completing his MBA at the University of Pretoria, Glen made a strategic career change and joined Investec Group Limited where he headed both the Northern Transvaal and, later, the KwaZulu-Natal operations for a continuous period of twelve years, going on to be appointed divisional director of Investec Private Bank in 1995. Upon his resignation from Investec private bank in 2003, Glen joined Santova and has been instrumental in development of the Group over the last 10 years as CEO.

David Edley (45)

CA (SA)
Group Financial Director
Appointed: 1 March 2012

David completed his articles with Deloitte in Durban in 1992. Since then he has held a number of senior financial positions, both in South Africa and in the United Kingdom. David's most recent appointment was as Chief Executive Officer of Gane Capital (Pty) Limited, a privately held company involved in specialised lending and asset management. Prior to this he was Chief Operating Officer of Investec Private Bank, Durban. David joined Santova as Group Financial Director in 2012.

Lance van Zyl (39)

Group Marketing Director
Appointed: 22 February 2011

Lance started his freight career in 1993 as a consolidator with a medium-sized company specialising in import and export consolidations. He received in-house training and worked through all the divisions, culminating in a managerial position. In 2001 he left the organisation to join Aviocean as General Manager and six months later bought out his partner to acquire 100% of the business. Lance sold his interest in Aviocean to Santova in March 2010 and Lance was appointed a director of Santova in February 2011.

PRESCRIBED OFFICER

Andrew Lewis (34)

BCom, LLB, ACIS
Group EXCO Member and Group Legal Advisor
Appointed: 25 January 2013

Andrew completed his BCom and LLB degrees at the University of Natal and thereafter he served his articles at Deneys Reitz Incorporated. During his articles he gained experience in maritime, commercial and labour law and on completion was admitted as an attorney. He joined the Santova Group in early 2005 where he has served as Group Legal Adviser for the past eight years. In addition to his role as Group Legal Advisor he serves as a director of Santova Logistics (Pty) Limited and chairs the Risk Management Committee and National Customs Committee.

MEMBERS OF COMMITTEES

Group EXCO Committee
GH Gerber, AL van Zyl, DC Edley, AKG Lewis

Audit and Risk Committee
WA Lombard (Chairman), ESC Garner, AD Dixon

Remuneration and Nominations Committee
ESC Garner (Chairman), WA Lombard, AD Dixon

Social and Ethics Committee
AD Dixon (Chairman), WA Lombard, ESC Garner, AKG Lewis

PERFORMANCE AND STRATEGY

Against the backdrop of another year of challenging business conditions which has proved that South Africa is not immune to the fallout of the woes affecting Europe and the United States, the Santova Group has produced commendable results. Focus in the past year on strengthening the offshore businesses and diversifying the Group's operations into other regions, products and services has paid off and its ability to diversify and respond quickly to new opportunities is the key to the Group's growth and sustainability in the years ahead.

The most significant events worth noting that have taken place within the Group over the past year have been the following:

- The acquisition of W.M. Shipping Limited in the United Kingdom, which was effective in November 2012;
- The re-branding of Impson Logistics under the name of Santova Logistics, resulting in all of the Group's subsidiary companies globally, with the exception of the newly acquired W.M. Shipping Limited, now bearing the Santova name;
- The merger of Santova Logistics and Santova Logistics South Africa, the Group's two wholly owned South African logistics subsidiaries, into one entity. This brings significant operational efficiencies and synergies to our South African operations; and
- The establishment of a specialised Group marketing office in Sandton, Johannesburg from which to drive the Group's marketing and supply chain analysis initiatives nationally.

INTEGRATED REPORTING

Following the introduction of the Group's first Annual Integrated Report in 2011, the Group has continued to make strides in enhancing the quality of our reporting to stakeholders. This year we have improved the layout and introduced two new reports, the Risk Management Report and the Social and Ethics Committee Report.

In addition, in an effort to improve the usability of the information, it has been decided to condense the printed report and separate out the detailed financial statements and notes thereto into a "stand-alone" Annual Financial Statements document. This separate Annual Financial Statements document will be available in electronic format, or on request, and will be published on the Group's website, simultaneously with the posting of the Annual Integrated Report to shareholders.

SHAREHOLDER VALUE

It is worthwhile noting that the period under review saw significant value created for shareholders. As a result of the Group's recent trend of strong financial performance, including a very meaningful return on average shareholders' funds of 18,5%, it has seen a re-rating of its share price which the Board and management now believe more fully reflects the true inherent value of the Group.

The share price closed the year 31% higher at 106 cents versus 81 cents in the prior year, which sees it now trading at only a 2% discount to net asset value per share, versus a 12% discount in the prior year.

This was aided by significantly more liquidity in the company's shares with 29,2 million shares having changed hands during the 2013 financial period, compared to only 5,4 million in the 2012 financial period.

FOCUS IN THE PAST YEAR ON STRENGTHENING THE OFFSHORE BUSINESSES AND DIVERSIFYING THE GROUP'S OPERATIONS INTO OTHER REGIONS, PRODUCTS AND SERVICES HAS PAID OFF

CORPORATE GOVERNANCE

Santova is fully committed to upholding the highest standards of corporate governance practices within its business. As a result, and in compliance with the requirements of the Companies Act of 2008, the year under review has seen the establishment of a Social and Ethics Committee to manage and monitor the Group's performance as a responsible corporate citizen.

The Board has initiated a comprehensive internal board evaluation assessment and corporate governance assessment process in an effort to identify levels of compliance with accepted corporate governance practices and standards. While not yet totally compliant, good progress has been made as can be seen in the Corporate Governance Report on page 16 and in the King III Compliance Register which is available on the Group's website.

DIRECTORATE

During the period under review there was only one change to the membership of the Board and that was the resignation of Gary Knight as an executive director of the Company on 28 February 2013. Gary will continue to work with the Group in a consultancy capacity. The Board wishes to thank Gary for his valuable contribution to the Group and wishes him every success in his future endeavours.

APPRECIATION

Finally, in closing, I would like to express my appreciation to my fellow Board colleagues for all their support and input during the past financial year. In particular, I would like to thank Glen Gerber, his management team and all the Group's employees internationally for their sterling efforts in striving to make Santova a world class supply chain logistics provider.

ESC Garner
Chairman

17 May 2013

Santova has continued to demonstrate resilience and initiative, despite the changing and relatively subdued world economies against a background of persisting intense competition where profit margins continue to be under severe pressure.

Despite these challenges the results for the year are pleasing with revenue of R178,790 million (2012: R167,107 million) being 6,99% up on the previous year and net profit for the year increasing by 11,55% to R25,097 million from R22,499 million. Most notable, however, is the increase in basic earnings per share to 18,06 cents, which is 14,16% up on the previous year's figure of 15,82 cents.

What is encouraging is the fact that approximately 35% of the Group's earnings are now being generated by Santova's offshore operations, which is consistent with the Group's strategy of diversification in terms of geographic regions, currencies, industries, products and services.

It is obvious that the world and global trade patterns are changing. This is evidenced by the fact that in 2012 more than half of the growth of the world economy was generated from "developing" countries and the manufacturing base being well and truly settled in the East rather than the West. As Jack Welsh once pronounced, "An organisation's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage" and this is precisely what Santova has focused on achieving, when confronting the current volatility of world markets.

Whilst we pride ourselves on our business model and internal operational efficiencies, the success of our efforts to diversify our business has been key. Taking cognisance of the needs of our customers and adapting to cater for their supply chain requirements globally has ensured our success to date. Whilst it may appear to some that there is not much difference between domestic and international logistics, there are in fact some substantial differences which include cultural diversity, distance, documentation flow, and intellectual capital, to name but a few.

Furthermore, the effective globalisation of our logistical service offerings has opened up many opportunities to Santova, including low cost sourcing, access to intellectual capital, increased markets and increased economies of scale.

SOUTH AFRICA

As reported in our interim results, the negligible to negative levels of growth visible in offshore markets are no different to what is being experienced here in South Africa.

In what can be purported to be "sluggish" economic circumstances, Santova in South Africa has continued to "hold its own" locally. This is in spite of the continued pressure to "price down", a loss of a few clients who were meaningful contributors to earnings, lower commodity volumes shipped, particularly in the mining sector, and reduced trade volumes which are a direct result of a relatively sudden weakening of the rand.

It is encouraging that the South African operations managed to limit the extent to which the abovementioned challenges might have negatively impacted Group earnings. The extent of such impact on our earnings was "hedged" by sound organic growth through additional business, predominantly through our existing associations. This has been achieved despite the continued and growing intense competition within the logistics sector for what appears to be a "limited" prospective client base in South Africa.

THE EFFECTIVE GLOBALISATION OF OUR LOGISTICAL SERVICE OFFERINGS HAS OPENED UP MANY OPPORTUNITIES TO SANTOVA

Fortunately, our international capability of developing and delivering innovative global logistics solutions, has stood by us in the prevailing tough trading conditions. In this rising tide of global uncertainty and business complexity, we have worked closely with many companies whose supply chains were re-engineered to manage high volume production by capitalising on labour arbitrage opportunities available in China and other low cost countries. Effectively, our ability to deal with diversity in terms of people and in the functions we oversee has enabled us to break down silos between trading partners so that supply chain processes and costs are optimised.

In addition, our decision to expand our sales and marketing capability and integrate the South African logistics operations into one operating unit has been a success and the resultant benefits, both quantitative and qualitative, are already visible.

Our short-term insurance business has shown impressive year-on-year growth in earnings (166%), despite the myriad of regulatory and reporting changes and their attendant costs. In essence, compliance demands cost and the heightened compliance environment has been introduced at a time when the industry is also confronted by a soft market cycle, dampening pricing and reduced premium volume growth. Nevertheless, our continued focus on operational efficiencies and effectiveness has and will continue to improve the return on investment and earnings growth going forward. Our focus on opportunities in the international markets, particularly marine insurance, is starting to "pay dividends" and we anticipate that this process will continue evolving into what can be expected to be an exciting generator of quality earnings for this business.

EUROPE

The European zone is still characterised by the prolonged period of downturn in the economy and, with little evidence suggesting the prospects of a significant change in the coming year, we continue to trade in difficult times.

The Freight Transport Association's Logistics Report 2012 indicates that inland domestic freight volumes are 11% below their pre-recession level of 2007 while new heavy goods vehicle ("HGV") registrations are down 15%. HGV movements to the EU are down to levels last seen in 2002 as a result of economic weakness across the Euro area.

Only freight movements by sea and air linked to trade outside Europe have seen growth. The volatility and unpredictability in the European markets makes for a cautious approach, particularly in view of the fact that many European companies are, for the first time, looking to trade with emerging, faster growing economies. However, this in itself offers the Group an opportunity to capitalise on the growing trade between the G7 countries and these emerging markets.

Our operations in the United Kingdom and in the Netherlands have continued to deliver significant year-on-year earnings growth, which has been strengthened even further by the strategic acquisition of W.M. Shipping Limited. Operating as a freight forwarder, line agent or non-vessel operating container carrier ("NVOCC") since 1989, W.M. Shipping now offers the Group deep sea routes between Europe, South America and Eastern regions. Most importantly, however, is the fact that the Group now has a presence in the midland regions of the United Kingdom from which the majority of industrial businesses in the United Kingdom manufacture and export to the rest of the world.

AUSTRALIA

In comparison to developed world economies, the Australian economy has, on the face of it, been performing fairly well all year, with annual gross domestic product growth of 3,1% in the 12 months to December 2012. However, this has been largely off the strong demand for Australia's abundant and diverse natural resources in the mining sector. Unfortunately the retail sector, on which our operation in Australia is predominantly dependent, is struggling and this has impacted on the ability of this office to meet expectations.

ASIA

In regard to our operations in Hong Kong and China, year-on-year earnings growth has been impressive, even after significant expenses incurred during this period in the form of further investment in the capabilities in this region. As organisations worldwide look to procuring in China rather than manufacturing locally, the location of these offices becomes all the more strategic. Furthermore, as logistics activities move more to source, our offices in this region fulfil the strategic 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. In this regard, we do expect to grow our activities in Southern China ("the new territories"), which should bode well for new revenue generation in this region.

OUTLOOK: FUTURE PROSPECTS

Whilst the outlook for world economies for the year ahead is relatively "flat" to "slightly optimistic", we are confident that not only will we be capable of meeting the challenges as they present themselves but will capitalise further on our entrepreneurial capability and the "spirit" in which we engage such challenges. There is no doubt that amidst intense competition, which is exacerbated even further by a flat to moderate trading environment, lucrative possibilities are still accessible to those organisations that have the entrepreneurial flair and willingness to engage.

We will continue seeking to take advantage of slow global economies by looking for strategic acquisitions in niche markets that will enhance both our supply chain management capability and earnings growth going forward. Our focus will continue to be on balancing future growth between growing organically and through strategic acquisitions. In regard to the emerging new economic "growth poles", particularly sub-Saharan Africa, we intend investing further in our ability to leverage off the opportunities presented in mining, agriculture and manufacturing. To date, some good progress has been made in regard to this region; this is in spite of the difficulties encountered in trying to secure a trading presence in these markets.

Another exciting initiative is our decision to introduce a courier service in the form of Santova Express. Our focus will be to leverage off our extensive existing client base globally, offering special (time sensitive) delivery of packages, documents or information. These services boast faster delivery times than traditional methods of transporting documents, and many businesses rely on them. In fact, this type of service has become a keystone of our clients' businesses. The fact that the Santova Group has an existing client base and the courier business constitutes one of the most cost-effective businesses to start, we believe this initiative has huge potential. In fact, demand for such a service from our clients has been overwhelming.

On a final note, in so far as the industry in which we trade is concerned, most services on offer are "commodities", leaving price as the only differentiator. Herein lies the opportunity for Santova. Today, the differentiator is not coming from business service; it is coming from the value a business can add over and above just providing the service. This fact, together with our strategy of continually seeking and developing a sustainable competitive advantage, will remain our priority for 2013.

ACKNOWLEDGEMENT AND APPRECIATION

The environment in which we trade today has never been so challenging and competitive. I would like to express my appreciation and pride to all staff, executive management and fellow Board members for their commitment and unrelenting support for what we believe in and what we, as a well synchronised unit, strive to achieve.

To our clients, shareholders, suppliers and business associates, thank you for your support and loyalty without which we would not have achieved what we have over the years. We look forward to sharing with you the exciting prospects that await us going forward.

GH Gerber
Chief Executive Officer

The 2013 financial period saw the Santova Group continue the trend, established in recent financial periods, of achieving constant earnings growth and a strengthening of its financial position.

PROFITABILITY

The Group achieved solid growth in profit for the year of 11,6% from R22,5 million to R25,1 million, which was leveraged upwards into a 14,2% bottom line increase in basic earnings per share from 15,82 cents to 18,06 cents. This was due to a lower weighted average number of shares in issue during the current period.

The resultant headline earnings per share was 10,2% higher at 17,62 cents compared to 15,99 cents in the prior year, impacted primarily by the derecognition of a financial liability in Santova Financial Services which fell outside of headline earnings.

This solid growth was achieved despite a very moderate increase of only 1,3% in total Group billings from R2,61 billion to R2,64 billion and a softening in the Group's operating margin from 23,6% to 23%, which in terms of worldwide logistical industry standards remains a very competitive margin.

The increase in profitability was also bolstered by a number of other indirect factors:

- Lower finance costs and higher interest received as the Group starts to generate cash from operating activities and holds increased cash balances; and
- A substantial increase in other income of R4,6 million, primarily due to increased gains on foreign exchange.

SEGMENTAL ANALYSIS

As mentioned in the CEO's review, the benefits from the Group's international expansion strategy are starting to become evident through the diversification of the Group's earnings away from its previous reliance on the South African market. In the current financial period R8,8 million of profit for the year or 35% of the total profit was generated outside of South Africa, compared with R3,7 million or 17% in the past financial year.

This was primarily as a result of the WMS transaction, but also very strongly impacted by:

- All the foreign subsidiaries generating profits during the current period; and
- An impressive performance in the Netherlands region following the strengthening of its operational team during the latter half of the year, which saw a loss of R0,1 million in 2012 converted to a profit of R1,7 million in the current year.

In addition, the excellent performance from the Group's financial services division in leveraging off the Group's client base needs to be highlighted, with net profits of R2,6 million compared to R1 million in the prior year. Even if one eliminates the once-off income from the derecognition of a financial liability in the current year, this was still an increase of 93% like on like.

ACQUISITION OF W.M. SHIPPING (UNITED KINGDOM)

2013 saw the Group's first acquisition in two and a half years, that of W.M. Shipping, a long established, forwarding and clearing company based near Birmingham in the British Midlands.

Santova acquired 100% of the shares in W.M. Shipping and the purchase consideration was settled entirely in cash. The funding required to settle the purchase consideration was raised internally from dividends received from Group subsidiaries and from cash reserves acquired as part of the transaction. The fact that the Group did not have to issue any shares to finance the transaction, means the contribution to profits from W.M. Shipping will have significant leverage on Group headline earnings going forward.

THE 2013 FINANCIAL PERIOD SAW THE SANTOVA GROUP CONTINUE THE TREND, ESTABLISHED IN RECENT FINANCIAL PERIODS, OF ACHIEVING CONSTANT EARNINGS GROWTH AND A STRENGTHENING OF ITS FINANCIAL POSITION

As detailed in the Circular to shareholders, dated 21 December 2012, the seller is able to earn three further cash amounts as part of the overall agreed purchase consideration, subject to the meeting of certain warranted profit levels. These three warranty payments have been present valued and accounted for as financial liabilities on the Group's balance sheet at year end, totalling R15,388 million.

The effective acquisition date of the transaction was 23 November 2012 and the effect of this being that three months of W.M. Shipping's revenue and profit have been consolidated into the current year results.

A further significant impact of the acquisition on the Group's financial position has been the R48,7 million increase in goodwill, the net of the R50,0 million goodwill recognised at acquisition adjusted to the closing rate for GBP at year end, as detailed in the notes to the Annual Financial Statements.

FINANCIAL POSITION

The Group's overall financial position continues to improve year on year as a result of the continued profitability, and due to the Group having matured into a phase of generating positive cash flows.

Net asset value increased from R123,7 million to R148,0 million, which translates into a highly credible 17,5% increase in net asset value per share to 108,2 cents from 92,1 cents.

Utilisation of the Group's factoring facility, as disclosed under short-term borrowings, has decreased during the year from R138,3 million to R137,8 million due to the Group having taken out a longer term, more secured funding facility of R39 million to fund its working capital needs, evident through the increase in both short and long-term interest-bearing borrowings.

Trade debtor balances increased during the period from R320 million to R369 million, primarily as a result of the take on of the W.M. Shipping debtors book.

Management of the debtors books within the Group remains one of our core competencies which is evidenced by a nominal bad debt write-off in the current year, when compared to the overall book size, of R1,6 million versus R0,9 million in the prior year, and a doubtful debt provision of only 1,15% of the outstanding debtors book at year end.

CASH FLOWS/FUNDING

On a very positive note the Group has, for the first time since the 2010 financial year, returned to a position where positive cash flows are being generated from operating activities, generating R14,8 million in the current year versus a utilisation of R18,9 million in the previous financial year. In turn the Group's cash and cash equivalents at year end have more than doubled to R29,5 million from R12,8 million in the prior year.

During the current period the Group further entrenched its strong relationship with its primary transactional bankers, renewing all of its major funding facilities successfully and negotiating an additional term funding facility. Management are therefore confident that the Group has sufficient facilities and funding in place to cater for all its expected future growth in the coming financial period.

The Group is committed to the promotion of good corporate governance and every effort is being made on a continuous basis to institute "best practice" wherever possible and appropriate in all aspects of the Group's activities. A King III Compliance Register covering all 71 principles contained in the King Report on Corporate Governance for South Africa – 2009 ("King III") has been prepared and is available on the Company's website. A summary of that report is contained in this Corporate Governance Report.

THE BOARD OF DIRECTORS

The Company has a small Board of Directors suited to the present size of the Group, with extensive financial, corporate governance and business experience, balanced with entrepreneurial flair. The Board is a unitary Board with the roles of the Chairman and Chief Executive Officer separated and their responsibilities clearly defined. The Chairman is an independent non-executive director. There exists a clear division of responsibilities at Board level that ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Board has adopted a policy detailing procedures for appointments to the Board, which has been properly documented. All appointments are formal and transparent and a matter for the Board as a whole, but assisted by the Remuneration and Nominations Committee when required.

BOARD CHARTER

The Board has adopted a Board Charter which regulates its role and defines matters reserved for Board approval. The Charter is reviewed annually to ensure that it is kept current and relevant, and is available on the Company's website and on request. The responsibilities of the Board include the following:

- Compliance with all applicable laws, regulations and codes of business practice;
- Responsibility for setting the strategic objectives of the Company, determining investment and performance criteria, and taking ultimate responsibility for the proper management and ethical behaviour of the Group;
- Defining levels of materiality, reserving specific powers to itself and delegating other matters to executive management in terms of a limits of authority framework;
- Responsibility for monitoring the management of key risk issues and performance areas and identifying key non-financial issues relevant to the Group; and
- Reviewing the performance of the various Board committees established to assist in the discharge of its duties.

MEETINGS

The Board meets at least quarterly on a formal basis and the Board calendar is set at the end of the previous calendar year, for the year ahead, to facilitate maximum attendance by directors at Board meetings. Four meetings were held during the year under review and the directors' attendance record is set out in the table above:

DIRECTOR	MAY 2012	JULY 2012	OCTOBER 2012	FEBRUARY 2013
ESC Garner (Chairman)	•	•	•	•
AD Dixon	•	•	•	•
S Donner	•	•		•
DC Edley (GFD)	•	•	•	•
GH Gerber (CEO)	•	•	•	•
GM Knight*	•	•	•	
WA Lombard	•	•	•	•
AL van Zyl	•	•	•	•

* *Resigned 28 February 2013*

SUBSIDIARY COMPANIES

Each of the South African operating entities has its own Board of Directors on which at least two members of the Board of the holding company sit. Board meetings are held as and when required but at least once a year and dates of meetings are fixed when the main Board calendar is set. The Executive Committees of the subsidiary companies meet at least three times a year and report back to the Board. The Company Secretary attends all Board meetings and provides secretarial services. The holding company's Audit and Risk Committee has taken on the Audit and Risk Committee function of all of the subsidiaries and deals with the matters required to be dealt with in terms of the Companies Act, 2008, the JSE Listings Requirements, and King III.

BOARD COMMITTEES

The Board has appointed an Audit and Risk Committee, a Remuneration and Nominations Committee and a Social and Ethics Committee. The Remuneration and Nominations Committee and the Social and Ethics Committee were separated during the year into two independent committees.

AUDIT AND RISK COMMITTEE

A full Audit and Risk Committee Report may be found on page 27 with a separate report on Risk Management on page 17.

REMUNERATION AND NOMINATIONS COMMITTEE

The three independent non-executive members of the Board comprise the members of the Remuneration and Nominations Committee, with the Chairman of the Board having acted as its Chairman during the period under review. At the committee meeting held in May 2013 AD Dixon, an independent non-executive director, was appointed Chairman of the committee. The CEO is a permanent invitee to committee meetings.

The committee has adopted a Charter setting out its terms of reference, which has been adopted by the Board and is reviewed annually to ensure that it remains current. During the year the committee set the overall parameters for salary increases and bonuses, approved the remuneration of senior executives and determined the remuneration of executive directors. Remuneration being one of the largest cost components of the Group, optimising the remuneration expense will always be a core focus area for the committee.

During the period under review a Share Option Scheme was set up as a measure to reward and retain key senior executives in the Group. The Scheme was approved by shareholders at the Annual General Meeting held on 24 July 2012. The committee appointed a Compliance Officer and determined the awards to be made to certain senior executives in terms of the Scheme, which have been reported on in the Remuneration Report on page 25.

The Group has an extremely active and efficient Group Human Resources team which looks after the issues of human resource management in terms of social transformation, moral and social responsibility.

The Group has an active training programme to enhance the skills of all its employees internationally and train them in the Group's business. For more detail please refer to the Sustainability Report on pages 19 to 23.

MEETINGS

The Remuneration and Nominations Committee held one meeting during the year and attended to other matters via the medium of teleconference. All members of the committee attended the meeting.

MEMBER	21 FEBRUARY 2013
ESC Garner (Committee Chairman)	•
WA Lombard	•
AD Dixon	•

The Remuneration Report dealing with directors' remuneration can be found on page 24.

SOCIAL AND ETHICS COMMITTEE

During the period under review, a Social and Ethics Committee separate from the Remuneration and Nominations Committee was established. The three independent non-executive Board members and the Group Legal Adviser have been appointed members of the committee. The committee has adopted a Charter setting out its terms of reference, which include those defined in the Companies Regulations 2011. For more detail, please refer to the report of the Social and Ethics Committee on page 29.

KING III COMPLIANCE

Since the end of the financial year under review, the Board conducted a comprehensive evaluation of itself, its committees, and the extent to which it has applied or not applied the principles of King III. The process has revealed that whilst the Group has applied the majority of the recommended principles, in some areas the principles have not yet been applied to the fullest extent intended. These are the areas on which we will focus our attention as we work toward fully implementing these remaining principles in the coming reporting periods. The findings with regard to King III are contained in a full King III Compliance Register which can be found on the Company's website. Further commentary may also be found in the individual committee reports that appear elsewhere in this Annual Integrated Report.

A summary of the King III principles that the Board has either not applied, or where more focus is needed in order to be fully compliant, are as follows:

Chapter 1: Ethical Leadership and Corporate Citizenship

Principles 1.2 and 1.3 require more Board focus

Chapter 2: Boards and Directors

Principle 2.20 There needs to be a formal process for on-going training and development of directors.

Principle 2.22 No evaluation of individual directors has been performed as yet.

Principle 2.26 The Board does not believe it is appropriate to disclose the remuneration of individual senior executives who are not prescribed officers or directors.

Chapter 3: Audit Committees

Principle 3.5 The Audit and Risk Committee is monitoring the progress towards a combined assurance model.

Chapter 4: The Governance of Risk

Principle 4.10 There is no formal process in place at present enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders other than the information published in this Annual Integrated Report.

Chapter 5: The Governance of Information Technology

Attention is being focused on the governance of information technology this year.

Chapter 6: Compliance with laws, codes, rules and standards

Principle 6.2 There is no formal CPD process in place to ensure all directors are current.

Chapter 7: Internal Audit

Principles 7.1, 7.3 and 7.4 The Board does not believe a dedicated internal audit department is warranted given the current size of the Company.

Chapter 8: Governing Stakeholder Relationships

The Board and the Social and Ethics Committee will be giving this chapter more attention in the year ahead.

Chapter 9: Integrated Reporting and Disclosure

Principle 9.3.3 The Board does not believe that external assurance on the sustainability issues contained within the Annual Integrated Report is warranted at present.

COMPANY SECRETARY

The Company Secretary attends all Board and Board committee meetings of the Company and Board meetings of the South African subsidiaries. In an evaluation carried out at its last meeting, the Board has established that the Company Secretary has the necessary qualifications and experience required to fulfil the role and the responsibilities placed upon a company secretary by the 2008 Companies Act, the JSE Listings Requirements and King III. In addition, as a result of being an outsourced function, it enhances the independence of the Company Secretary.

Although effective risk management has been an integral part of the Company's strategy for a number of years, the Company has taken significant steps towards further formalising and expanding its risk management practices and processes during the year under review.

The Board, together with the Group Legal Advisor, held a two day off-site group risk workshop during July 2012 at which two significant goals were achieved:

- The group risk management objectives, methodology, processes and responsibilities were defined; and
- Key group risks were identified, documented and measured.

The workshop ended with all participants gaining a deeper understanding of the risks inherent in the business as a whole, and in particular those risks that are considered most significant.

The outcome of this Group Risk Workshop and the subsequent process carried out by management, forms the basis of this report to shareholders.

The Board recognises the importance of an effective risk management strategy and risk management processes, and seeks to ensure that it is an ongoing practice, which is embedded in the day-to-day activities of operational management. The strategy and processes will require continuous reassessment and improvement as the Group grows and evolves. The key focus of the Board's role is to obtain evidence that:

- The most significant risks inherent within the business of the Group have been identified;
- Management understands the risks; and
- Management are managing the risks.

In all the Group's risk management processes the Board seeks to ensure compliance with the specific risk governance recommendations of King III.

The key aim of the Group's risk management process is to identify, quantify and manage the key risks inherent within the Group, such that the residual risks are maintained within acceptable tolerance levels, whilst ensuring investment returns are maximised in order to create value for all stakeholders within the business.

RISK MANAGEMENT STRUCTURE/RESPONSIBILITY

The Board is, first and foremost, charged with the responsibility of risk governance within the Group.

In order to ensure the proper implementation of a practical risk management framework and processes, the Board has delegated the responsibility to the Audit and Risk Committee, a statutory committee which is also a sub-committee of the Board. Membership of the committee consists of independent non-executive directors, all of whom have extensive knowledge and experience in the field of risk management.

Where its oversight of risk management is concerned, the Audit and Risk Committee is in turn supported by the Risk Management Committee, an executive committee consisting entirely of senior management, who are directly responsible for implementing and monitoring the risk management processes, on a day-to-day basis.

The members of the Risk Management Committee, during the year under review, were as follows:

AKG Lewis (Committee Chairman, Group Legal Adviser and a director of Santova Logistics)

GD Chaplin (Committee Secretary and Group Financial Accountant)

DC Edley (GFD)

ESC Garner (Board Chairman)

GH Gerber (CEO)

GK Knight (MD of Santova Logistics and main Board director)*

JW Wright (MD of Santova Financial Services (Pty) Ltd)

AL van Zyl (Main Board director and director of Santova Logistics)

* *Resigned 28 February 2013*

The Audit and Risk Committee is also supported by the IT Risk Management Committee which is concerned with IT risk and all matters connected with IT within the Group on a global basis. The members of the IT Risk Management Committee, during the year under review, were as follows:

DC Edley (Committee Chairman, GFD)

G Christy (MD of CAIS (Pty) Ltd – the Group's outsourced IT support providers)

M Desai (FD of Santova Logistics)

GM Knight (MD of Santova Logistics)*

D Nielsen (Director of CAIS (Pty) Ltd – the Group's outsourced IT support providers)

BA Stirk (Group IT Co-ordinator)

* *Resigned 28 February 2013*

In addition, the Audit and Risk Committee periodically calls upon the external auditors and certain external consultants to provide additional risk assurance.

RISK MANAGEMENT PROCESS

The key to the Group's risk management methodologies and procedures is the formally documented Risk Register that identifies and measures the top 20 risks inherent within the Group.

Having initiated the risk management process and the establishment of the formal Risk Register following the group risk workshop, the Board has delegated the ongoing re-assessment and re-measurement of the top 10 inherent risks contained in the Risk Register to the Audit and Risk Committee. The committee in turn has delegated the ongoing re-assessment and re-measurement of the top 11 to 20 risks to the Risk Management Committee, whilst acknowledging that the ranking could change between the two groups of risk.

The Audit and Risk Committee and the Risk Management Committee meet on a regular basis, for which formal agendas are drawn up and minutes of the meetings maintained. The Chairman of the Risk Management Committee then attends the Audit and Risk Committee by invitation and presents a formal risk report, minutes of the Risk Management Committee meetings and an update on all current key risk issues and initiatives.

The process used to implement the ongoing re-assessment and re-measurement of inherent risks is as follows:

- The Board or Committee members are given the task to measure and rank inherent risks as they are identified within the business, in terms of the perceived level of impact and probability to determine an inherent risk score on a scale of 1 to 5. The inherent risk scores from each Board and committee member are then averaged, so as to achieve an overall key inherent risk ranking;
- Once the key inherent risk ranking has been quantified, management, through the Risk Management Committee, are tasked with identifying the risk owner, current controls in mitigation of the risk and assessing the perceived effectiveness of these controls. From this assessment, management are then able to compute the residual risk score which is used as a measure to prioritise and identify planned future actions to improve/reduce the level of residual risk, to acceptable tolerance levels;
- Once management has computed residual risk and completed the commentary on current controls and planned future actions, the Risk Register is resubmitted to the Audit and Risk Committee for review and approval. The Audit and Risk Committee, using the Risk Register as a tool and focusing on those risks identified as having a high computed residual risk, is then in a position to recommend the implementation of an appropriate internal audit strategy and plan; and
- Management is then required on an ongoing basis to update the current controls planned future actions as these actions are implemented and completed, which in turn will result in the necessity to re-quantify the control effectiveness and thus the ultimate residual risk.

The Risk Register is a "live" document under constant review by management and periodic review by the Board through the Audit and Risk Committee.

OVERVIEW OF KEY RISKS

At the group risk workshop held during the current reporting period, the Board identified and quantified what it considered to be the 10 most significant inherent risks that exist within the Group.

These key risks were classified into four major risk categories and the following table is a summary of the results, measuring the average level of inherent risk on a scale of 1 to 10, with 10 being the highest. The results identified Strategic Risk as having the highest overall inherent risk to the Group and Operational Risk as having the most individual risk items that require further assessment and management.

MAJOR RISK CATEGORIES

RISK CATEGORY	NUMBER OF RISKS	AVERAGE INHERENT RISK SCORE
Strategic	2	7,1
Operational	5	6,6
Financial	3	6,4
Legal and compliance	–	–
Total/average	**10**	**6,7**

The following table summarises the 10 key risks based on the residual risk rating as assessed by the Board. Residual risk is determined after having identified and measured the effectiveness of current controls in place, and then applying this measurement of control effectiveness in mitigation of the inherent risk score.

KEY RISKS

RISK CATEGORY	SUB-CATEGORY	RISK SUMMARY
Operational	IT Risks	IT hardware failure
Strategic	Sales and marketing risk	New client acquisition
Operational	People/human resource risk	Succession planning
Operational	People/human resource risk	Talent identification and retention
Operational	People/human resource risk	Staff integration
Operational	People/human resource risk	Staff training
Strategic	Innovation risk	Technology innovation
Financial	Funding risk	Funding
Financial	Foreign exchange risk	Exchange rate volatility
Financial	Credit risk	Counterparty default

The Santova Board of Directors is committed to the long-term sustainability of the Group, not only from an economic perspective but also socially and environmentally. The company strives to be a good corporate citizen, maximising value creation for its shareholders whilst minimising the impact it has on the environment and maximising the social benefits it brings to its various other stakeholders.

The economic performance of the Group is summarised in the financial reports contained in this Annual Integrated Report. This Sustainability Report seeks to provide the Group's stakeholders with information on how it has addressed its sustainability from an environmental and social perspective. In addition, it highlights how the Group has also addressed a number of other specific key issues such as ethics, human resources, quality, and health and safety, for the benefit of all stakeholders. This report is to be read in conjunction with the governance, risk management and financial reports to establish a full view on the Group's sustainability.

CULTURE, PHILOSOPHIES AND VALUES

Santova's mission statement, philosophy relating to clients and service and value proposition provide the vital high level value system of the organisation from which it addresses its sustainability responsibilities. But it is important to note that every employee within the Group is contractually bound to and signs a document detailing our code on Culture, Philosophies and Values. This core document serves to entrench the Group's code of ethics and is responsible for setting the moral and ethical tone of the Group within each and every employee. In addition, management's belief in and constant enforcement of this code ensures that our sound value system is consistently applied by all employees and representatives of the Santova Group when interacting with stakeholders.

Our culture, philosophies and values are:

- **Performance based culture** where **"walk the talk"** and **commitment to excellence** is unquestionable;
- **Enthusiastic, energetic, positive participation** in the day-to-day life of the company;
- **Honesty, integrity, trust,** and **confidentiality** in all our dealings, both internally and externally, involving the Group;
- **Remuneration, reward** and **career advancement** based on performance;
- An "open door policy" where **open debate** is encouraged;
- A **culture of learning** where both employee and organisation commit to the continuous growth in skills and abilities of all employees;
- Never content with "the way things are", always **striving to improve or add value** to both client and company through **proactive** and **innovative behaviour;**
- **Tolerance of differences, no discrimination** whilst always having compassion and empathy;
- **Loyalty, dedication** and **commitment** to both colleagues and company;
- **Communication, collaboration** and **co-operation** with colleagues and company – teamwork; and
- Create and maintain an environment of **enjoyment, encouragement** and **support** to facilitate the achievement of both personal and company goals.

ENVIRONMENT

Santova is committed to the principles of promoting a healthy and sustainable environment in all regions and fortunately, due to the fact that the Group's business model is one of outsourcing and is not based on the ownership of physical assets, its "footprint" on the environment is not extensive and is primarily through its infrastructure of offices.

Therefore its environmental objectives are primarily office focused through a number of initiatives such as the procurement of environmentally friendly products, the active recycling of stationary products, the minimisation of electricity usage, and encouraging the use by both staff and clients of OSCAR®, the Group's in-house developed software system that is a paperless logistics operational system.

A Group environmental policy has been drafted to address the measurement, awareness, communication, strategy, goals and targets of this important area as well as to enforce the obvious legislative requirements.

HUMAN RESOURCES AND LABOUR PRACTICES

The Group Human Resources Department in the Santova head office ("Group HR") manages the human resources function for all regions around the world. This function takes responsibility for a wide range of areas such as employee management, payroll, medical aid, provident/pension, wellness, training and development, aspects of employment equity and broad-based black economic empowerment and other more general human resource areas. Group HR has a network of professional specialist suppliers both locally and internationally which provide additional expertise in the various fields when required.

The 2013 financial year was a busy year for Group HR. In addition to a number of strategic appointments and initiatives, the department was involved in a number of "road shows" with the local offices around South Africa, as well as auditing the human resources aspects in the United Kingdom and Netherlands offices. One of the more significant tasks achieved in the year was dealing with the myriad of HR tasks attendant upon the merger of the two Johannesburg offices into one and the name change of Impson Logistics to Santova Logistics. The "take-on" of W.M. Shipping employees following its recent acquisition has begun and will be a process that will continue to be implemented over the balance of the coming financial year. The department has also begun a revamp of the Human Resources manual within the Group to bring it in line with changing laws, the many improvements to our policies and procedures over recent years, and best practice.

SANTOVA GROUP WORKFORCE BY REGION		
	2013	2012
South Africa	**280**	**278**
Durban	**154**	143
Johannesburg	**81**	90
Cape Town	**25**	24
Port Elizabeth	**12**	13
Pietermaritzburg	**4**	4
Sasolburg	**4**	4
International	**57**	**31**
Australia		
Sydney	**10**	13
United Kingdom		
Heathrow	**7**	5
Essex	**3**	4
Midlands	**15**	–
China		
Hong Kong	**8**	5
The Netherlands		
Rotterdam	**7**	2
Amsterdam	**7**	2
Total	**337**	**309**

The number of employees in the Group has grown year on year by 9%, with almost all the growth being in the international offices. 4% of the growth was as a result of natural growth in existing offices around the world, whilst the balance of 5% growth is a result of the W.M. Shipping acquisition.

All employees are required to have medical aid insurance or similar medical cover (in international jurisdictions). Employees either join the Group medical aid scheme or provide proof of their own independent medical aid. Membership to the Group provident fund is compulsory in South Africa, whilst international offices have additional flexibility in this area to cater for local practices and laws.

New policies and procedures continue to be drafted as and when required to keep up with the evolving legislative and statutory requirements as well as practices, locally and internationally. These policies and procedures are enforced to ensure the high standards of the Group are consistently applied in all regions. Whilst all policies and procedures are drafted as far as reasonably possible with international laws and standards in mind, the Group policies and procedures are applicable to the international offices as far as their local laws and practices will allow.

Labour issues around the world are co-ordinated and handled through the Group Human Resources Department which not only ensures that all local and international labour laws are strictly adhered to, but that employee misconduct, incapacity and performance matters are handled in an efficient but appropriate manner which is consistent with our values.

INTERNATIONAL STANDARDS ORGANISATION (ISO) 9001:2008

Santova Logistics, the largest trading entity within the Group, was officially re-certified ISO 9001:2008 compliant on 6 February 2013 by ISO Auditing firm, SGS South Africa (Pty) Ltd. Santova Logistics is certified for the activities of import and export handling and customs clearing, import and export forwarding, project cargo, warehousing and transport of cargo. Good progress has been made by Santova Logistics since its last formal audit and the efforts of its ISO team to strive for continuous improvement within the management system was rewarded. The re-certification by SGS South Africa (Pty) Ltd served not only as a clear indication that the system was growing in the right direction, but also that the Santova Logistics employees have embraced the system, processes and the value that the ISO accreditation brings to the Group.

Our policy is to provide innovative, efficient, proactive and cost effective supply chain solutions and services for global import and export business, striving always to ensure we meet our vision, mission and philosophy. Santova Logistics is able to control all work activities through the application, maintenance and continual improvement of a Quality Management System complying with the requirements of ISO 9001:2008. All non-conformances are measured by Corrective Action Reports to support measurable standards.

During the period, formal ISO representatives for each branch of Santova Logistics were identified and appointed and these representatives (as well as their branches) report to the Management Representative in Durban. In order to continuously improve the Santova Logistics operating efficiencies, a Management Review Committee periodically holds meetings to discuss ways of addressing non-conformities and reviewing the policy statement.

EMPLOYMENT EQUITY

The tables and graphs prepared for this section of the Sustainability Report are based on consolidated statistics from all the South African entities for the year ended 28 February 2013. The commentary on each entity has been drafted using statistics from the reports for the most recent completed employment equity period (1 October 2012).

The Employment Equity and Skills Development Committee, together with the assistance of Group HR controls, measures and drives employment equity, which is applicable to the South African portion of the Group. Each South African entity, under the guidance of Group HR, is responsible for managing their employment equity planning and implementation to achieve the required targets.

Occupational level

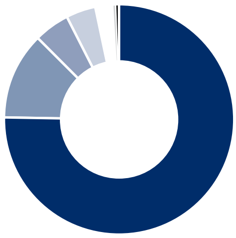
OCCUPATIONAL LEVEL		TOTAL
Top management		9
Senior management		22
Professionally qualified and experienced specialists and mid-management		39
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents		63
Semi-skilled and discretionary decision making		147
Total		280

Set out below are some of the highlights of the targets and goals for the various South African entities over the last Employment Equity reporting period:

- The targets for African males and specifically African females have been achieved within Santova Logistics. Notably, the targets for White and Indian males have also been achieved with attention now turning to the Indian and White female targets in the year ahead. No noteworthy movement has been observed in the Coloured group. Whilst staff turnover has continued to be significant, growth of the number of employees in this entity has been limited which has made achieving goals a difficult challenge;
- The targets for the relatively smaller Santova Limited, the Group's holding company (approximately 10% of the size of the Santova Logistics entity in terms of employee numbers), were not achieved due to minimal staff growth and minimal staff turnover. New targets will be set for this entity during the course of the next financial year;
- In Santova Financial Services, relatively higher staff turnover in the entity allowed for opportunity to replace and meet targets for African females in the semi-skilled level, with attention now turning to meeting the targets for African males for the period ahead; and
- Santova Logistics South Africa went through a restructure during the period, and then ultimately the merger with Santova Logistics immediately after the last employment equity period. A new combined target will be set for the new combined entity during the course of the next period.

Skills shortages in our industries amongst designated groups continue to present a challenge for employment equity and the Group has relied on its Learnership Programme (discussed below) to assist in this area.

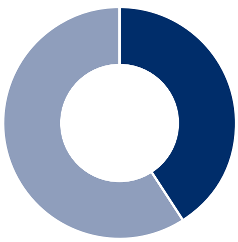
Occupational category



OCCUPATIONAL CATEGORY		TOTAL
Clerks		211
Legislators/senior officials/managers		34
Service and sales workers		14
Technicians/associate professionals		12
Professionals		7
Elementary occupations		1
Unspecified		1
Total		280

The male to female ratio with the South African entities has continued to improve and female employees now make up 59% of the South African Group employees as at the end of the financial year.

Categorised by gender



GENDER		TOTAL	PERCENTAGE
Male		114	41
Female		166	59
Total		280	100

It is important to highlight that there is an opportunity to address the changes proposed in the current Employment Equity Bill (which is likely to be promulgated during 2013) during the upcoming review and setting of new employment equity plans for all South African entities in September 2013.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("B-BBEE")

The Group (through its respective B-BBEE Committees) has continued to work closely with its B-BBEE consultant in the on-going implementation and development of B-BBEE.

Santova Limited, the Group's holding company is, for the purposes of B-BBEE, a Qualifying Small Enterprise ("QSE"). Santova Limited was verified by SAB&T BEE Services in February 2013 and achieved a score of 89,80 and as such is classified as a Level 2 contributor.

Santova Limited is a "Value-Adding Enterprise" for the purposes of B-BBEE. This means that the B-BBEE recognition level (score) of Santova Limited (125%) may be multiplied by 1,25 by any client of Santova Limited. The effect of this is that Santova Limited has a procurement recognition of 156,25%.

Santova Logistics (previously Impson Logistics) is, for the purposes of B-BBEE, a "generic" enterprise with an annual turnover in excess of R35 million. As such, all seven elements of B-BBEE must be focused on by Santova Logistics. In August 2012, Santova Logistics was subject to B-BBEE verification by Integra Scores (an accredited verification agency). Santova Logistics achieved a B-BBEE score of 61,95 and as such is classified as a Level 5 contributor.

It is important to note that Santova Logistics is a "Value-Adding Enterprise" for the purposes of B-BBEE. This means that the B-BBEE recognition level (score) of Santova Logistics (80%) may be multiplied by 1,25 by any client of Santova Logistics. The effect of this is that Santova Logistics has a procurement recognition of 100%. Santova Logistics has continued to make Enterprise Development contributions to four suppliers within the industry:

- ABI Freight Carriers CC ("ABI Freight");
- Isiqiniseko Deliveries CC ("Isiqiniseko Deliveries");
- LIV Business (Pty) Ltd ("LIV"); and
- Two Be Sales Fifty Three CC ("Two Be").

Santova Logistics has provided, inter alia, computer hardware and software, delivery vehicles, training, employee salaries, legal advice and business support to ABI Freight, and has procured transport services from ABI Freight. Santova Logistics has provided, inter alia, vehicles, legal advice, insurance, maintenance support and business support to Isiqiniseko Deliveries and Two Be. Santova Logistics has provided monetary assistance to LIV.

Santova Financial Services is, for the purposes of B-BBEE, a Qualifying Small Enterprise ("QSE"). Santova Financial Services was verified by SAB&T BEE Services (an accredited verification agency) in February 2013 and achieved a score of 100,00 and as such is classified as a Level 1 contributor.

Santova Financial Services is, a "Value-Adding Enterprise" for the purposes of B-BBEE. This means that the B-BBEE recognition level (score) of Santova Financial Services (135%) may be multiplied by 1,25 by any client of Santova Financial Services. The effect of this is that Santova Financial Services has a procurement recognition of 168,75%.

Santova Logistics South Africa is, for the purposes of B-BBEE, a Qualifying Small Enterprise ("QSE"). Santova Logistics South Africa was verified by Integra Scores (an accredited verification agency) in August 2012 and achieved a score of 93,96 and as such is classified as a Level 2 contributor.

Santova Logistics South Africa is a "Value-Adding Enterprise" for the purposes of B-BBEE. This means that the B-BBEE recognition level (score) of Santova Logistics South Africa (125%) may be multiplied by 1,25 by any client of Santova Logistics SA. The effect of this is that Santova Logistics South Africa has a procurement recognition of 156,25%.

Santova NVOCC is, for the purposes of B-BBEE, an Exempted Micro Enterprise ("EME"). Santova NVOCC was verified by Integra Scores (an accredited verification agency) in December 2012 and achieved a Level 4 B-BBEE certificate. The effect of this is that Santova NVOCC has a procurement recognition of 100%.

TRAINING AND SKILLS DEVELOPMENT

This vital area of employee wellness and development is managed by Group HR. All regions within the Group undertook Training and Skills Development initiatives during the period. A total of 154 employees around the world were trained in 74 different in-house and external training courses. There were a number of different areas of training and development that were focused on during the period, with the most prevalent being on logistics and insurance "operational" training, health and safety training, and information technology training (in particular software training on the relevant software programmes utilised across the Group). Supply Chain Theory training was also emphasised in the last year and will be promoted in the next reporting period to ensure that employees' skills are aligned with the latest strategies of the Santova Board.

In South Africa, the Skills Development and Employment Equity Committee oversees training and development and, with the assistance of Group HR, ensures that the Annual Training Report and Workplace Skills Plan are submitted timeously to the Department of Labour, for the various South African entities within the Group. The Group has its own skills development facilitator and utilises the services of an external specialist, where required.

Funding for training and development is provided for by the Group, as well as by way of various government grants that are applied for each year. The support of government training initiatives and maintaining a close relationship with the relevant sector education training authorities is an important goal of the Group. Aside from the learnership programme discussed below, the Group has also developed other development programmes for employees and is in the process of launching the new Induction, Training and Development ("ITD") Programme for University graduates in the coming year.

LEARNERSHIP PROGRAMME

The Santova Learnership Programme, which has been running for the past five years, is the Group's leading social upliftment and reform programme which impacts many different areas of sustainability and social responsibility within South Africa for the Group, including Employment Equity, B-BBEE, Training and Skills Development and Corporate Social Investment.

There were 33 learners involved in the Santova Learnership Programme during the current financial year with 18 learners completing the programme from the previous financial year and an additional 15 new learners (and interns) entering the programme in the current financial year. The graduates of this programme continue to impress and the majority of graduates were retained within the Group after concluding the programme. A new formal Graduate Programme for ex-learners is being developed for the 2014 financial year in conjunction with the relevant sector education training authority.

HEALTH AND SAFETY

Each entity within the Santova Group falls within one of the Health and Safety "Locations" as defined by the Santova Health and Safety Manual. Each "Location" is responsible for the complete process of Health and Safety in their region or designated area and has its own appointed representatives and committee. Regular audits by the various appointed representatives form part of the process. The Group Health and Safety Committee monitors the various "Locations" and their compliance with the relevant laws and regulations. The Group also uses the services of an external specialist who provides guidance and assistance where required.

HIV/AIDS AND OTHER LIFE-THREATENING DISEASES

The Group has an HIV/AIDS, Life-threatening and Notifiable Diseases Policy in place to ensure fairness and consistent compliance with applicable legislation by providing procedures and guidelines for dealing with employees who contract a life-threatening, notifiable or communicable illness. The enforcement of this policy is overseen by the Group Human Resources Department who ensures that employees, who suspect that they might be suffering from a life-threatening illness, can seek assistance and feel free to confide in their management regarding their suspected condition.

The Risk Management Committee considers available statistics in light of the policy and the principles of the relevant code of good practice at each meeting to decide if any special action with regards to risk profiles and direct/ indirect costs is warranted and to ensure current measures and strategies in place are considered to be reasonable and sufficient.

CORPORATE SOCIAL INVESTMENT AND RESPONSIBILITY

In the period 1 March 2012 to 28 February 2013, the various entities within the Group made 92 donations to 26 different charities and causes, many of which were in the form of monthly donations.

In addition to the financial contributions mentioned above and the various training and development programmes, the Group promoted social responsibility and contribution by all regions around the world. Most regions have aligned with local charities and causes that are important to their community. Contributions and initiatives included blood donor clinics, participation by all South African entities in Casual Day, Sunflower Fund awareness and promotion talks, Sunflower Fund donor clinics and other events.

Employee Wellness Days continued to be driven by Group HR in conjunction with the Group's medical aid service provider. The project has been expanded to include the Durban, Johannesburg and Cape Town offices. In addition to this, each region around the world hosted their own wellness and social events during the year, which included sporting and entertainment events.

The Remuneration and Nominations Committee ("Remco" or "the Committee") is mandated by the Santova Board (the Board) to support and advise on the Group's remuneration philosophy and policy.

Refer to the Corporate Governance Report on page 15 for details of the composition, meetings and mandate of the Committee. During the year under review, the Board accepted the recommendations of Remco under its delegated powers.

The Chairman of the Board ensures that Remco has access to professional advice from outside the Group where necessary.

POLICY ON DIRECTORS' REMUNERATION

The directors are appointed to the Board to bring to the Group management expertise and strategic direction and to provide the necessary skills and experience appropriate to its needs as a diversified leading global business. The guaranteed remuneration is based just below the median of the market, with discretion to pay a premium to the median for the attraction and retention of the directors.

Our reward strategies and remuneration structure are designed to attract, motivate and retain high-calibre people at all levels of the Group, in a highly competitive environment. Consideration is given to total reward and the appropriate balance between fixed and variable pay for all employees, depending on seniority and roles.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors do not have service contracts with the Company but instead have letters of appointment. All non-executive directors have terms of appointment of three years and one-third of the non-executive directors retire each year at the Annual General Meeting in terms of the Company's Memorandum of Incorporation. Each retiring director who is eligible and offers himself for re-election is then subject to re-election by shareholders.

The Chairman receives an annual fee which takes into consideration his role as Chairman of the Group, his attendance at Board and Committee meetings, and the breadth of that role coupled with the associated levels of commitment and expertise.

Other non-executive directors receive fixed fees for service on the Board and Board committees on the basis of meetings attended and chairmanship of Board committees. Non-executive directors do not receive short-term incentives nor do they participate in any long-term incentive schemes. The fees paid to non-executive directors for the past financial year were approved by shareholders at the Annual General Meeting held on 24 July 2012. Details of the remuneration paid to each non-executive director for the past financial year may be found in the table below.

At the Annual General Meeting to be held on 30 July 2013 shareholders will be asked to pass a special resolution to increase the fees of non-executive directors to the amounts set out in the Notice of Annual General Meeting.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

Each executive director is bound by a formal contract of employment. These contracts are formulated in a manner which is consistent with industry norms and the provisions of the Basic Conditions of Employment Act.

The Committee aims to align the directors' total remuneration with stakeholder interest by ensuring that a significant portion of their package is linked to the achievement of performance targets.

Executive directors' salaries are reviewed annually by the Committee. Salaries are compared to remuneration levels of other South African companies to ensure sustainable performance and market competitiveness. The individual salaries of directors are reviewed annually in light of their own performance, experience, responsibility and Group performance. The Company makes contributions to defined contribution plans on behalf of the executive directors on the basis of a percentage of pensionable salary, which is included in their total cost to company ("TCC"). Death and disability cover reflects best practice amongst comparable employers in South Africa and is included in directors' TCC, as is cover on the Group's medical healthcare scheme. These elements comprise the fixed remuneration component. Executive directors do not receive directors'

NON-EXECUTIVE DIRECTORS' FEES

	2013 Directors' fees R'000	2013 Consulting fees R'000	2013 Total R'000	2012 Directors' fees R'000	2012 Consulting fees R'000	2012 Total R'000
AD Dixon	**107**	**–**	**107**	38	–	38
S Donner	**41**	**1 009**	**1 050**	24	1 026	1 050
ESC Garner	**272**	**–**	**272**	218	–	218
WA Lombard	**171**	**–**	**171**	102	–	102
	591	**1 009**	**1 600**	382	1 026	1 408

	Basic remuneration R'000	Retirement, medical and other benefits R'000	Total cost to company R'000	Performance bonus R'000	Total R'000
2013					
Executive directors					
DC Edley	**999**	**193**	**1 192**	**50**	**1 242**
GH Gerber	**2 047**	**53**	**2 100**	**310**	**2 410**
GM Knight	**1 359**	**261**	**1 620**	**278**	**1 898**
AL van Zyl	**1 545**	**75**	**1 620**	**–**	**1 620**
Prescribed officers					
AKG Lewis	**642**	**82**	**724**	**102**	**826**
	6 592	**664**	**7 256**	**740**	**7 996**
2012					
Executive directors					
SJ Chisholm	848	165	1 013	160	1 173
GH Gerber	1 633	167	1 800	346	2 146
MF Impson	674	142	816	609	1 425
GM Knight	1 168	272	1 440	240	1 680
AL van Zyl	1 440	72	1 512	1 229	2 741
	5 763	818	6 581	2 584	9 165

fees for attending Board and committee meetings and are not specifically remunerated in any way for their role as directors of the Company.

A breakdown of the annual remuneration (excluding equity awards) of directors for the years ended 28 February 2013 and 29 February 2012 can be found in the table above.

SANTOVA SHARE OPTION SCHEME

At the Annual General Meeting held on 24 July 2012 shareholders approved the Santova Share Option Scheme ("the Scheme") as a means of incentivising and retaining senior management and executive directors. In terms of the Scheme the Group will grant share options to qualifying employees to acquire shares in the Company. The rules of the Scheme are set down in a document that has been approved by the JSE and filed with the Companies and Intellectual Property Commission. The Company Secretary has been appointed as the Compliance Officer of the Scheme and the Remuneration and Nominations Committee will govern the Scheme on an ongoing basis. Non-executive directors are not entitled to participate in the Scheme.

During the course of the current financial period Remco made the first allotment of options in terms of the scheme to certain qualifying employees and executive directors. A summary of options allotted to executive directors and prescribed officers is as follows:

	Options as at 1 March 2012	Options awarded	Options lapsed	Options exercised	Options as at 28 February 2013	Option price (cents)	Vesting date
2013							
Executive directors							
DC Edley	–	450 000	–	–	**450 000**	**85**	30 November 2015
GH Gerber	–	800 000	–	–	**800 000**	**85**	30 November 2015
GM Knight	–	600 000	600 000	–	**–**	**–**	–
AL van Zyl	–	500 000	–	–	**500 000**	**85**	30 November 2015
Prescribed officers							
AKG Lewis	–	199 000	–	–	**199 000**	**85**	30 November 2015
	–	2 549 000	600 000	–	**1 949 000**		

* *Resigned 28 February 2013*

BENEFICIAL AND NON-BENEFICIAL SHAREHOLDING

The beneficial and non-beneficial shareholdings of directors of the Company and its subsidiaries may be found on pages 38 of this Annual Integrated Report.

INTEREST OF DIRECTORS IN CONTRACTS

The directors have certified that they were not materially interested in any transaction of material significance and which significantly affected the business of the Group, with the Company or any of its subsidiaries. Accordingly, no conflict of interest with regard to directors' interests in contracts exists. There have been no material changes in the aforegoing since 28 February 2013 and the date of this Annual Integrated Report.

DIRECTORS TRADING IN COMPANY SECURITIES

The Company has a written policy on trading in the Company's shares. All directors are required to obtain clearance prior to trading in Company securities. Such clearance must be obtained from the Chairman or in his absence by a designated director. Directors are required to inform their portfolio/investment managers not to trade in the securities of the Company unless they have specific written instructions from that director to do so. Directors also may not trade in their shares during closed periods. Directors are further prohibited from dealing in their shares at any time when they are in possession of unpublished price-sensitive information in relation to those securities, or otherwise where clearance to deal is not given.

We are pleased to present our report for the financial year ended 28 February 2013.

The Audit Committee is an independent statutory committee appointed by the shareholders. Further duties are delegated to the Audit Committee by the Board of Directors of the Company. The Board of Directors of Santova Limited has delegated the monitoring of risk management to the Committee. This report includes both these sets of duties and responsibilities.

AUDIT AND RISK COMMITTEE CHARTER

The Audit and Risk Committee has adopted formal terms of reference contained in a Charter that has been approved by the Board of Directors. The Committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. The Charter is available on the Company's website and is available on request.

AUDIT AND RISK COMMITTEE MEMBERS, MEETING ATTENDANCE AND ASSESSMENT

The Audit and Risk Committee is independent and consists of three independent, non-executive directors. It meets at least three times a year in accordance with its Charter. Due to the fact that at this stage of its development the Company only has three independent, non-executive directors, the Chairman of the Board is also a member of the Committee.

The Chief Executive Officer, Group Financial Director, audit partner and audit manager are permanent invitees on the Committee. The Group Legal Adviser attends meetings to present his Legal and Risk Report.

The effectiveness of the Audit and Risk Committee and its individual members has been recently internally assessed as part of a comprehensive evaluation process of the board and its sub-committees.

FOUR MEETINGS WERE HELD DURING THE YEAR				
MEMBER	11 MAY 2012	23 JUL 2012	29 OCT 2012	25 FEB 2013
WA Lombard CA (SA) (Chairman)	•	•	•	•
AD Dixon CA (SA)	•	•	•	•
ESC Garner CA (SA)	•	•	•	•

ROLE AND RESPONSIBILITIES

Statutory duties

The Audit and Risk Committee's role and responsibilities include statutory duties set down in the Companies Act, 2008, and further responsibilities assigned to it by the Board. The Audit and Risk Committee executed its duties in terms of the requirements of King III and instances where the principles of King III have not been applied have been explained in the Corporate Governance Report included on pages 15 to 16 in this Annual Integrated Report.

External auditor appointment and independence

The Audit and Risk Committee has satisfied itself that the external auditor was independent of the Company, as set out in Section 94 (8) of the Companies Act, 2008, which includes consideration of previous appointments of the auditor and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. The external auditor does not take on any non-audit work for the Company. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The Committee ensured that the appointment of the auditor complied with the Companies Act and any other legislation relating to the appointment of auditors.

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2013 financial year.

The external auditor is not considered for non-audit services.

The Committee has nominated, for election at the Annual General Meeting, Deloitte & Touche as the external auditor and S Munro as the designated auditor responsible for performing the functions of auditor for the 2014 financial year. The Committee has satisfied itself that the audit firm and designated auditor are accredited as such on the JSE list of auditors and their advisors.

Financial statements and accounting practices

The Audit and Risk Committee has reviewed the accounting policies and the financial statements of the Company and the Group and is satisfied that they are appropriate and comply with International Financial Reporting Standards.

An Audit and Risk Committee process has been established to receive and deal appropriately with any concerns and complaints relating to the reporting practices of the Company. No matters of significance have been raised in the past financial year.

Internal financial controls

The Audit and Risk Committee has overseen a process by which it has assured itself of the effectiveness of the Group's system of internal controls and risk management, including internal financial controls through the assurance received from formal financial, legal, IT and customs reports provided by management and external and internal assurance providers. Based on this assurance the Audit and Risk Committee made a recommendation to the Board in order for the Board to report thereon. The Board report referring to the effectiveness of the system of internal controls is included on page 3 of the Annual Financial Statements. The Audit and Risk Committee supports the opinion of the Board in this regard.

Duties assigned by the Board

In addition to the statutory duties of the Audit Committee, as reported above, and in accordance with the provisions of the Companies Act, 2008, the Board of Directors has determined further functions for the Audit and Risk Committee to perform, as set out in the Audit and Risk Committee's Charter. These functions include the following:

Integrated reporting and combined assurance

The Audit and Risk Committee fulfils an oversight role regarding the Company's integrated report and the reporting process.

The Audit and Risk Committee considered the Group's sustainability information as disclosed in the Sustainability Report and has assessed its consistency with operational and other information known to Audit and Risk Committee members, and for consistency with the annual financial statements. The Audit and Risk Committee discussed the sustainability information as disclosed in the Sustainability Report with management. The Board or Directors do not believe that the Group is at the stage of its development that warrants the cost of appointing either a sustainability committee or an external assurance provider. The Audit and Risk Committee is satisfied that the Group has optimised the assurance coverage obtained from management, internal and external assurance providers in accordance with an appropriate combined assurance model.

Going concern

The Audit and Risk Committee has reviewed (a documented assessment, including key assumptions, prepared by management of) the going concern status of the Company and the Group and has made recommendations to the Board. The Board's statement on the going concern status of the Company and the Group, as supported by the Audit and Risk Committee, may be found in the Directors' Responsibilities and Approval statement on page 3 of the electronic version of the Annual Financial Statements.

Governance of risk

The Board has assigned oversight of the Group's risk management function to the Audit and Risk Committee. The Committee is assisted in this task by the internal Risk Management Committee and, where relevant, the IT Risk Management Committee.

Further detailed information on the governance of risk and members of the relevant sub-committees can be found in the Risk Management Report on page 17.

Based on the information contained in the Risk Management Report, the Audit and Risk Committee members are of the opinion that all identified risks to the business are being appropriately managed by the management team.

Internal audit

The Group does not have an internal audit department as envisaged by King III as the Board of Directors does not believe that, at this stage in the Group's development, the cost of a fully-fledged independent internal audit function is justified. Management, the Board and the Audit and Risk Committee have taken responsibility for ensuring an appropriate internal control environment by properly identifying all material risks, both financial and other, and mitigating these through the implementation of appropriate controls and action plans.

Whilst there is not a specifically designated internal audit, there are a number of specialised individuals, divisions and committees within the Group who review high risk areas on a continuous basis. This includes role players that are independent of the subsidiaries and/or business units that they review and audit. Furthermore, there is a specialised network of independent suppliers whose role assists in the audit of risk within the Group. In addition, the Group EXCO team, during their visits to subsidiary companies, regularly review the internal controls adopted at subsidiary level for both adequacy and effectiveness.

The Audit and Risk Committee oversees the adequacy and effectiveness of controls through a process of robust and regular feedback from management, including quarterly risk reports from the Group Financial Director and Group Legal Advisor. The external audit function, as well as other external assurances (auditing areas such as tax, customs, IT, training and development, quality assurance, B-BBEE and Employment Equity to name a few), also provide a degree of comfort in that certain controls are reviewed during the course of these audit and any shortcomings identified are reported to the Audit and Risk Committee.

The Committee, together with management, ensure implementation of programmes for corrective action where necessary.

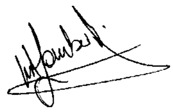
The Committee can affirm that nothing has come to its attention, or to the attention of the external auditors, that would indicate any material breakdown in the adequacy or effectiveness of the internal controls of the Group during the financial year.

The Audit and Risk Committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

Evaluation of the expertise and experience of the Financial Director and finance function

The Audit and Risk Committee has satisfied itself that the Financial Director has the appropriate experience and expertise.

The Audit and Risk Committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.



WA Lombard
Chairman of the Audit and Risk Committee

17 May 2013

During the period under review the Board formally established a Social and Ethics Committee in terms of the requirements of the 2008 Companies Act. The primary function of the committee is to ensure the Company is seen as a responsible corporate citizen. Responsible corporate citizenship places a responsibility on a Company to ensure an ethical relationship exists between itself and the society in which it operates. This report by the committee to shareholders is prepared in accordance with the requirements of the 2008 Companies Act and seeks to describe how the Committee has discharged its statutory responsibilities and any other responsibilities, delegated to it by the Board from time to time.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The Board has appointed three independent non-executive Board members and the Group Legal Adviser as members of the Committee. The Committee is chaired by Tony Dixon, an independent non-executive director who during his extensive experience in senior corporate roles has served as both an executive officer for the Institute of Directors and the secretariat to the King Committee.

The Committee meets at least twice annually and the meetings are formally minuted and documented by the Company Secretary, who is also secretary of this Committee. The Chairman of the committee will represent the Committee at the Annual General Meeting each year and report to shareholders as required by the 2008 Companies Act.

During the period under review the newly established committee met on two occasions and the attendance at such meetings was as follows:

DIRECTOR	29 OCT 2012	21 FEB 2013
AD Dixon (Chairman)	•	•
ESC Garner	•	•
AKG Lewis	•	•
WA Lombard	•	•

ROLE AND RESPONSIBILITY OF THE COMMITTEE

The committee's role and responsibilities are governed by a formal Charter that has been approved by the Board. The Charter is available on the Company's website, at www.santova.com or is available on request.

As a responsible corporate citizen the Company should protect, enhance and invest in the wellbeing of the economy, society and the natural environment. The role of the Committee is to monitor the Company's activities to ensure it achieves these goals, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, with specific regard to matters relating to:

- Social and economic development;
- Good corporate citizenship;
- Environmental health and public safety;
- Consumer relationships; and
- Labour and employment.

As the primary mechanism to ensure the committee monitors these specific areas appropriately, it has compiled a register which separates the above matters into categories and then further analyses the detailed components of these matters into sub-categories. The committee is now in the ongoing phase of allocating responsibilities, analysing current practices, rating the current level of compliance and identifying planned future actions.

In utilising this register, the Committee will further develop and enhance it's processes and practices during the coming financial period, so as to ensure it is not just a passive recipient of information and is in a meaningful position to report on the Company's activities to shareholders going forward.

Tony Dixon

AD Dixon

Chairman of the Social and Ethics Committee

Durban
17 May 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2013

	Notes	GROUP 2013 R'000	GROUP 2012 R'000
ASSETS			
Non-current assets		**122 247**	73 171
Plant and equipment		**8 308**	8 365
Intangible assets	3	**109 883**	60 356
Financial asset		**522**	522
Deferred taxation		**3 534**	3 928
Current assets		**436 369**	345 208
Trade receivables		**368 931**	320 311
Other receivables		**36 764**	11 046
Current tax receivable		**1 129**	304
Amounts owing from related parties		**–**	761
Cash and cash equivalents		**29 545**	12 786
Total assets		**558 616**	418 379
EQUITY AND LIABILITIES			
Capital and reserves		**147 963**	123 699
Stated capital		**145 307**	145 195
Contingency reserve		**–**	210
Foreign currency translation reserve		**1 785**	3 000
Accumulated loss		**(2 155)**	(27 053)
Attributable to equity holders of the parent		**144 937**	121 352
Minority interest		**3 026**	2 347
Non-current liabilities		**49 516**	5 023
Interest-bearing borrowings		**37 402**	164
Long-term provision		**1 966**	1 976
Financial liabilities		**10 148**	2 882
Deferred taxation		**–**	1
Current liabilities		**361 137**	289 657
Trade and other payables		**199 664**	139 002
Current tax payable		**3 650**	253
Current portion of interest-bearing borrowings		**3 430**	157
Amounts owing to related parties		**167**	246
Financial liabilities		**5 293**	2 596
Short-term borrowings and overdrafts		**137 829**	138 252
Short-term provisions		**11 104**	9 151
Total equity and liabilities		**558 616**	418 379

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2013

		Notes	GROUP 2013 R'000	GROUP 2012 R'000
Turnover			178 790	167 107
Gross billings			2 640 037	2 605 858
Cost of billings			(2 461 247)	(2 438 751)
Other income			8 535	3 910
Depreciation and amortisation			(3 070)	(3 776)
Administrative expenses			(143 221)	(127 816)
Operating profit			41 034	39 425
Interest received			2 014	1 328
Finance costs			(9 239)	(10 690)
Profit before taxation			33 809	30 063
Income tax expense			(8 712)	(7 564)
Profit for the year			25 097	22 499
Attributable to:				
Equity holders of the parent			24 688	22 079
Minority interest			409	420
Other comprehensive income				
Exchange differences arising from translation of foreign operations			(945)	2 179
Total comprehensive income			24 152	24 678
Attributable to:				
Equity holders of the parent			23 473	24 011
Minority interest			679	667
Basic earnings per share	(cents)	2	18,06	15,82
Diluted basic earnings per share	(cents)	2	18,00	15,82
Dividends per share	(cents)		2,50	–

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2013

	Attributable to equity holders of the parent							
	Stated capital R'000	Share commit-ments R'000	Con-tingency reserve 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 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 offer	(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 buybacks in equity	(471)	–	–	–	–	(471)	–	(471)
Balances at 29 February 2012	145 200	(5)	210	3 000	(27 053)	121 352	2 347	123 699
Total comprehensive income	**–**	**–**	**–**	**(1 215)**	**24 688**	**23 473**	**679**	**24 152**
Transfer of contingency reserve	**–**	**–**	**(210)**	**–**	**210**	**–**	**–**	**–**
Issue of shares in terms of share commitments	**938**	**(938)**	**–**	**–**	**–**	**–**	**–**	**–**
Equity reserves arising from grant of equity-settled share options	**115**	**–**	**–**	**–**	**–**	**115**	**–**	**115**
Repurchase of shares in terms of put options exercised	**(943)**	**943**	**–**	**–**	**–**	**–**	**–**	**–**
Recognition of costs directly related to share issues capitalised to equity	**(3)**	**–**	**–**	**–**	**–**	**(3)**	**–**	**(3)**
Balances at 28 February 2013	**145 307**	**–**	**–**	**1 785**	**(2 155)**	**144 937**	**3 026**	**147 963**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2013

	GROUP 2013 R'000	GROUP 2012 R'000
OPERATING ACTIVITIES		
Cash generated from/(utilised in) operations	30 655	(1 973)
Interest received	2 014	1 328
Finance costs	(9 087)	(10 319)
Taxation paid	(8 827)	(7 918)
Net cash flows from operating activities	14 755	(18 882)
INVESTING ACTIVITIES		
Plant and equipment acquired	(2 204)	(2 238)
Intangible assets acquired and developed	(831)	(3 222)
Proceeds on disposals of plant and equipment	674	2 424
Decrease/(increase) in amounts owing from related parties	29	(188)
Net cash flows on acquisition of subsidiaries	(35 738)	(2 426)
Net cash flows from investing activities	(38 070)	(5 650)
FINANCING ACTIVITIES		
Repurchase of share capital	(943)	(6 307)
Share issue expenses	(3)	–
Borrowings raised	42 242	25 953
(Decrease)/increase in amounts owing to related parties	(79)	89
Net cash flows from financing activities	41 217	19 735
Net increase/(decrease) in cash and cash equivalents	17 902	(4 797)
Effects of exchange rate changes on cash and cash equivalents	1 012	935
Cash and cash equivalents at beginning of year	9 626	13 488
Cash and cash equivalents at end of year	28 540	9 626
Cash and cash equivalents are made up as follows:		
Cash and cash equivalents	29 545	12 786
Less: Bank overdrafts	(1 005)	(3 160)
Cash and cash equivalents at end of year	28 540	9 626

GROUP SEGMENTAL ANALYSIS
FOR THE YEAR ENDED 28 FEBRUARY 2013

GEOGRAPHICAL SEGMENTS	South Africa R'000	Australia R'000	United Kingdom R'000	Netherlands R'000	Hong Kong R'000	Group R'000
28 February 2013						
Total billings	**2 429 497**	**123 241**	**98 076**	**85 634**	**28 015**	**2 764 463**
External	**2 364 458**	**122 289**	**87 644**	**62 154**	**3 492**	**2 640 037**
Internal	**65 039**	**952**	**10 432**	**23 480**	**24 523**	**124 426**
Turnover	**129 835**	**14 194**	**17 632**	**13 283**	**3 846**	**178 790**
Operating profit	**28 878**	**2 418**	**6 599**	**2 432**	**707**	**41 034**
Interest received	**1 950**	**2**	**4**	**1**	**57**	**2 014**
Finance costs	**(8 663)**	**(3)**	**(207)**	**(366)**	**–**	**(9 239)**
Income tax expense	**(5 836)**	**(814)**	**(1 626)**	**(378)**	**(58)**	**(8 712)**
Profit for the year	**16 329**	**1 603**	**4 770**	**1 689**	**706**	**25 097**
Segment assets	**370 416**	**18 559**	**32 169**	**15 762**	**8 293**	**445 199**
Intangible assets	**109 880**	**–**	**–**	**3**	**–**	**109 883**
Deferred taxation	**2 648**	**412**	**474**	**–**	**–**	**3 534**
Total assets	**482 944**	**18 971**	**32 643**	**15 765**	**8 293**	**558 616**
Total liabilities	**360 646**	**7 478**	**24 319**	**14 168**	**4 042**	**410 653**
Depreciation and amortisation	**2 496**	**265**	**140**	**93**	**76**	**3 070**
Capital expenditure	**2 440**	**96**	**222**	**243**	**34**	**3 035**
29 February 2012						
Gross billings	2 592 277	114 601	45 360	27 413	24 580	2 804 231
External	2 440 843	113 729	36 361	8 364	6 561	2 605 858
Internal	151 434	872	8 999	19 049	18 019	198 373
Turnover	138 300	13 429	6 368	5 539	3 471	167 107
Operating profit	34 934	2 352	1 629	7	503	39 425
Interest received	1 253	2	–	25	48	1 328
Finance costs	(10 093)	(85)	(332)	(180)	–	(10 690)
Income tax (expense)/credit	(7 313)	(594)	417	–	(74)	(7 564)
Profit/(loss) for the year	18 781	1 675	1 714	(148)	477	22 499
Segment assets	322 135	14 314	6 177	5 709	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	6 600	5 712	5 760	418 379
Total liabilities	273 082	5 852	7 074	5 900	2 772	294 680
Depreciation and amortisation	3 072	565	33	44	62	3 776
Capital expenditure	4 812	335	11	174	128	5 460

BUSINESS SEGMENT	Logistics Services R'000	Insurance R'000	Group R'000
28 February 2013			
Net profit	**22 500**	**2 597**	**25 097**
Total assets	**553 034**	**5 582**	**558 616**
Total liabilities	**409 510**	**1 143**	**410 653**
29 February 2012			
Net profit	21 523	976	22 499
Total assets	413 547	4 832	418 379
Total liabilities	292 399	2 281	294 680

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"), the requirements of the South African Companies Act, No 71 of 2008, as amended, and the JSE Listings Requirements.

The Group's accounting policies are consistent with those applied in the annual financial statements for the year ended 29 February 2012.

2. EARNINGS PER SHARE

The calculation of basic earnings per ordinary share is based on net profit attributable to ordinary shareholders of R24 687 999 (2012: R22 079 280), and a weighted average number of ordinary shares of 136 725 450 (2012: 139 546 928).

		2013 R'000	2012 R'000
Reconciliation between earnings and headline earnings			
Profit attributable to equity holders of the parent		**24 688**	22 079
Net loss on disposals of plant and equipment		**171**	314
Impairment of loan		**–**	41
Derecognition of financial liability		**(713)**	–
Taxation effects		**(49)**	(91)
Minority Interest		**(1)**	(25)
Headline earnings		**24 096**	22 318
Headline earnings per share	(cents)	**17,62**	15,99

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

3. INTANGIBLE ASSETS

	2013 R'000	2012 R'000
Goodwill movement:		
Carrying value at beginning of year	**57 285**	56 227
Acquisition of W.M. Shipping Limited (UK)	**52 039**	–
Impairment of investment in Santova B.V.	**(336)**	–
Translation of foreign operations	**(2 110)**	1 058
Carrying value at end of year	**106 878**	57 285
Carrying value of computer software	**3 005**	2 627
Carrying value of customer lists	**–**	444
Total intangible assets	**109 883**	60 356

Effective 23 November 2012, the Group acquired the entire issued share capital of W.M. Shipping Limited, operating as a traditional freight forwarder and clearing company out of Birmingham, United Kingdom.

The acquisition was concluded for a purchase price of R77 480 601, which is to be settled entirely in cash as follows:

- R61 221 782 paid upfront out of local reserves distributed to the holding company in the form of a dividend from a South African subsidiary and cash reserves acquired from W.M. Shipping Limited as part of the transaction; and
- Three separate contingent payments payable over a 24-month period based on certain profit warranties being met during specified time periods, amounting to a net present value on acquisition date of R16 258 819.

The fair value, on acquisition date, of the assets acquired was R25 441 345. The amount by which the purchase price exceeds the fair value of assets acquired is attributable to goodwill, as illustrated in the reconciliation above.

4. ISSUE AND REPURCHASE OF SHARES

The remainder of MF Impson's put options were exercised during the year, and the Company repurchased 942 778 shares which were subsequently cancelled.

The final profit warranty related to the acquisition of Aviocean was met at the end of the previous year, and 3 125 000 shares were issued to AL van Zyl out of share commitments.

The Employee Share Option Scheme, which was approved by shareholders at the Annual General Meeting, was implemented during the current financial year, with a first tranche of 3 673 000 options having been awarded to qualifying employees and directors. From this first allocation, 3 073 000 options remain outstanding at year end and are available to be exercised on vesting date.

5. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Subsequent to the year end, a contract between Santova Logistics South Africa (Pty) Ltd and AP Lion Investments (Pty) Ltd became effective. This contract resulted in the termination of the lease for the premises previously occupied by Santova Logistics South Africa (Pty) Ltd, thereby absolving the company of any future obligations in respect of the property and producing substantial operational savings to the Group. The lease termination agreement gives rise to a financial liability as a result of the cost of early termination of the original lease agreement.

In addition, as a result of recently having acquired the business of Santova Logistics South Africa (Pty) Ltd in an internal reorganisation of the Group's South African subsidiaries, Santova Logistics (Pty) Ltd has issued a financial guarantee to AP Lion Investments (Pty) Ltd in support of Santova Logistics South Africa (Pty) Ltd's legal obligations in terms of the lease termination agreement.

The financial liability, which will be recognised in the 2014 financial reporting period, amounts to a net present value of R4,6 million and, after the release of an associated deferred lease expense accrual of R1,6 million, the impact on the statement of comprehensive income will be a net expense of R3 million. The effect of the termination of the lease agreement will be a R2,5 million reduction in the Group's operational expenses for the 2014 financial period and a further R3,9 million in the following reporting periods.

6. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the Board of Directors on 17 May 2013.

7. AUDIT OPINION

These consolidated group financial statements have been extracted from the audited annual financial statements upon which Deloitte have unissued an modified report. The auditor's report does not necessarily cover all of the information contained in this announcement/financial report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the Company or the Company's website.

SHARE ANALYSIS
FOR THE YEAR ENDED 28 FEBRUARY 2013

	Number of shareholders	% of shareholders	Number of shares	% of shares
Shareholder spread				
1 to 1 000 shares	154	17,84	97 648	0,07
1 001 to 10 000 shares	298	34,53	1 449 179	1,06
10 001 to 100 000 shares	309	35,81	12 572 641	9,21
100 001 to 1 000 000 shares	83	9,62	24 096 881	17,66
1 000 001 shares and over	19	2,20	98 243 057	72,00
Total	863	100,00	136 459 406	100,00
Distribution of shareholders				
Banks	18	2,08	22 866 920	16,76
Close corporations	19	2,20	1 653 114	1,21
Endowment funds	3	0,35	115 000	0,08
Hedge funds	2	0,23	2 991 070	2,19
Individuals	717	83,08	47 620 618	34,90
Insurance companies	1	0,12	855 114	0,63
Investment companies	1	0,12	89 396	0,07
Nominees and trusts	64	7,42	15 280 483	11,20
Other corporations	10	1,16	274 686	0,20
Private companies	28	3,24	44 713 005	32,76
Total	863	100,00	136 459 406	100,00
Public/non-public shareholders				
Non-public shareholders	14	1,63	62 798 078	46,02
Directors and associates of the Company holdings	13	1,51	33 808 931	24,78
Strategic holdings (more than 10,0%)	1	0,12	28 989 147	21,24
Public shareholders	849	98,37	73 661 328	53,98
Total	863	100,00	136 459 406	100,00
Beneficial shareholders holding 5,0% or more				
Maitland Management Limited			28 989 147	21,24
AL van Zyl			18 751 415	13,74
Custodians holding 5,0% or more				
SIX SIS			10 700 000	7,84
			39 689 147	29,08

Breakdown of holdings of directors and associates of the Company at 28 February 2013

	Direct number of shares	% of shares	Indirect number of shares	% of shares
Directors' beneficial holdings	20 798 915	15,24	4 416 162	3,24
AD Dixon	280 000	0,21	–	–
ESC Garner	–	–	300 000	0,22
Delmas Crushers CC	–	–	300 000	0,22
GH Gerber	87 500	0,06	4 116 162	3,02
GH Gerber	87 500	0,06	–	–
Lloyd Investment Trust	–	–	1 388 889	1,02
Staff Capital (Pty) Ltd	–	–	2 727 273	2,00
GM Knight (resigned 28 February 2013)	1 680 000	1,23	–	–
AL van Zyl	18 751 415	13,74	–	–
Directors of subsidiary companies beneficial holdings	3 577 335	2,61	5 016 520	3,68
TK Blond	1 011 627	0,74	–	–
GH Crews	237 300	0,17	–	–
L Notelovitz	72 333	0,05	–	–
R Singh	837 008	0,61	5 016 520	3,68
R Singh	837 008	0,61	–	–
Rajin Singh Family Trust	–	–	5 016 520	3,68
GW Stay	1 419 067	1,04	–	–
Total	24 376 250	17,85	9 432 682	6,92

SHAREHOLDERS' CALENDAR

Activity	Date
Financial year end	28 February
Release of abridged Group results on SENS	17 May 2013
Release of abridged Group results in the press	20 May 2013
Dividend information	
Declaration date	17 May 2013
Last day to trade cum-dividend	19 July 2013
Trading ex-dividend commences	22 July 2013
Record date	26 July 2013
Payment date	29 July 2013
Dispatch of 2013 Annual Integrated Report	30 May 2013
2013 Annual General Meeting	30 July 2013
Release of interim statements for the six months ending 31 August 2013	October 2013

TRADE ANALYSIS

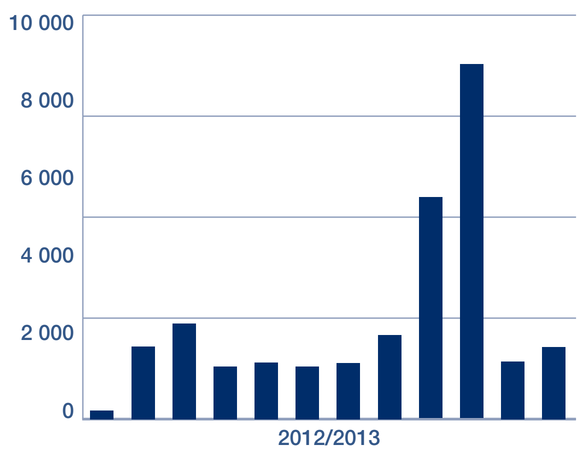
Year	Month	High sale	Low sale	Number of deals	Volume	Value
2012	March	81	67	43	385 896	285 658
2012	April	83	56	131	1 220 659	888 565
2012	May	93	74	151	3 179 056	2 534 314
2012	June	85	79	41	1 085 017	887 523
2012	July	80	71	45	1 405 980	1 082 029
2012	August	87	74	95	1 707 644	1 348 543
2012	September	104	79	59	995 067	827 099
2012	October	87	82	73	1 993 667	1 683 538
2012	November	89	66	271	5 774 092	4 834 732
2012	December	95	84	181	8 187 509	7 119 385
2013	January	104	92	140	1 431 180	1 352 160
2013	February	114	90	130	1 787 390	1 866 003

JSE STATISTICS

Traded price		Statistics
Close	(cents per share)	106
High	(cents per share)	114
Low	(cents per share)	56
Market capitalisation	(R millions)	144 646 972
Value of shares traded	(R millions)	24 709 549
Value traded as percentage of market capitalisation	(percentage)	17,08
Volume of shares traded	(millions)	29 153 157
Volume traded as a percentage of number in issue	(percentage)	21,36
Price earnings ratio	(ratio)	6,35
Dividend per share	(cents)	2,5
Dividend yield	(percentage)	2,36
Earnings yield	(percentage)	17,04
Year end market price/net asset value	(ratio)	0,98
Shares in issue at end of year	(shares)	136 459 406
Shares issued during the year	(shares)	3 125 000
Shares repurchased during the year	(shares)	942 778
Number of shareholders	(individuals)	863

Daily closing share price (cents)

Monthly share volumes ('000s)



NOTICE OF ANNUAL GENERAL MEETING

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, please consult your stockbroker, accountant, attorney, banker or other independent professional advisor immediately.

Kindly note that meeting participants (including shareholders and proxies) are required to provide reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified.

Shareholders are reminded to take note of the following dates:

- Last day to trade in order to be eligible to vote at the Annual General Meeting will be Friday, 19 July 2013
- The record date in order to be eligible to vote at the Annual General Meeting will be Friday, 26 July 2013

NOTICE IS HEREBY GIVEN to shareholders as recorded in the Company's securities register on 30 May 2013 that the Annual General Meeting of the shareholders of Santova Limited will be held in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban on Tuesday, 30 July 2013 at 12:00 for the purposes of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, No 71 of 2008 ("the Companies Act"), as read with the Listings Requirements of JSE Limited ("JSE Listings Requirements").

THE PERCENTAGE OF VOTING RIGHTS REQUIRED FOR ORDINARY RESOLUTION NUMBERS 1 TO 8 TO BE ADOPTED IS IN EXCESS OF 50% (FIFTY PERCENT) OF THE VOTING RIGHTS EXERCISED ON THESE RESOLUTIONS.

1. ORDINARY RESOLUTION NUMBER 1 – ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

   "That the audited annual financial statements of the Company and the Group for the year ended 28 February 2013 (as approved by the Board of Directors of the Company), including the Directors' Report, the Report of the Auditors, Report of the Company Secretary, Report of the Social and Ethics Committee and the Report of the Audit and Risk Committee, having been considered, be adopted."

2. ORDINARY RESOLUTION NUMBER 2 – RE-ELECTION OF AD DIXON AS A DIRECTOR DUE TO ROTATION

   "That AD Dixon, who is required to retire by rotation at this Annual General Meeting in terms of Article 14.2 of the Company's Memorandum of Incorporation, but being eligible has offered himself for re-election, is hereby re-appointed as a director of the Company with immediate effect."

   Motivation for ordinary resolution number 2

   One-third of the directors are required to retire at each Annual General Meeting in terms of Article 14.2 of the Company's Memorandum of Incorporation. These directors may offer themselves for re-election. The Board recommends to shareholders the re-election of the director mentioned in ordinary resolution number 2, who retires by rotation, but, being eligible, has offered himself for re-election.

   The profile of the director standing for re-election as outlined in ordinary resolution number 2 above appears on page 6 of this Annual Integrated Report.

3. ORDINARY RESOLUTION NUMBER 3 – RE-ELECTION OF AUDIT AND RISK COMMITTEE MEMBERS

   "That the shareholders re-elect, each by way of a separate resolution, the following independent non-executive directors as members of the Company's Audit and Risk Committee to remain members until the conclusion of the next Annual General Meeting of the Company:

   - Anthony David Dixon
   - Edward Sephton Clayton Garner
   - Warwick Adrian Lombard

   The profiles of the committee members standing for re-election as outlined in ordinary resolution number 3 above appear on page 6 of this Annual Integrated Report."

4. ORDINARY RESOLUTION NUMBER 4 – RE-APPOINTMENT OF DELOITTE & TOUCHE AS AUDITORS OF THE COMPANY

   "That the re-appointment of Deloitte & Touche, as recommended by the Company's Audit and Risk Committee, as independent auditors of the Company, and Stephen Douglas Munro as the registered partner, to hold office until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved."

5. ORDINARY RESOLUTION NUMBER 5 – NON-BINDING ADVISORY ENDORSEMENT OF THE COMPANY'S REMUNERATION POLICY

   "That the Company's remuneration policy (excluding the remuneration of the non-executive and independent directors for their services as directors and as members of Board committees) as set out in the Remuneration Report on page 24, is hereby endorsed on a non-binding advisory basis."

Motivation for ordinary resolution number 5

King III recommends that the remuneration policy be tabled to shareholders for a non-binding advisory vote at each Annual General Meeting. The Company's remuneration policy appears in the Remuneration Report on page 24 of this Annual Integrated Report.

6. ORDINARY RESOLUTION NUMBER 6 – UNISSUED SHARES TO BE PLACED UNDER THE CONTROL OF THE DIRECTORS

"That the authorised but unissued ordinary shares in the capital of the Company are hereby placed under the control and authority of the directors of the Company. Subject to the provisions of any applicable legislation and the JSE Listings Requirements, the directors are hereby authorised and empowered to allot and issue all or any of such ordinary shares to such person or persons on such terms and conditions and at such times as the directors may, from time to time, at their discretion, deem fit."

Motivation for ordinary resolution number 6

In terms of the Company's Memorandum of Incorporation, the shareholders of the Company are required to approve the placement of the unissued ordinary shares under the control of the directors.

7. ORDINARY RESOLUTION NUMBER 7 – GENERAL AUTHORITY TO ISSUE SHARES, AND TO SELL TREASURY SHARES, FOR CASH

"That the directors of the Company and/or any, of its subsidiaries, from time to time, be and are hereby authorised, by way of a general authority, to:

- Allot and issue all or any, or to issue options in respect of all or any, of the authorised but unissued ordinary shares in the capital of the Company; and/or
- Sell, or otherwise dispose of or transfer, or issue any options in respect of ordinary shares in the capital of the Company purchased by subsidiaries of the Company;

for cash, to such person/s on such terms and conditions and at such times as the directors, at their discretion, deem fit, subject to the Companies Act, the Memorandum of Incorporation of the Company, the JSE Listings Requirements and the following limitations:

- The securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- Any such issue may only be made to public shareholders as defined by the JSE Listings Requirements, and not to related parties;
- The number of ordinary shares issued for cash shall not in aggregate exceed 50% (fifty percent) of the number of issued ordinary shares in any one financial year;
- This general authority is valid until the earlier of the Company's next Annual General Meeting or expiry of a period of 15 (fifteen) months from the date that this authority is given;
- A SENS announcement giving full details, including the impact on the net asset value per share, tangible net asset value per share, earnings per share and headline earnings per share, will be published when the Company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to the cash issue;
- In determining the price at which an issue of ordinary shares may be made in terms of this authority the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the Company;
- Whenever the Company wishes to use ordinary shares held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares; and
- In terms of approval of the general issue for cash, a resolution is achieved by a 75% majority of the votes cast in favour of such resolution by all equity securities holders present or represented by proxy at the general meeting convened to approve such resolution. The resolution must be worded in such a way as to include the issue of any options/convertible securities that are convertible into an existing class of equity securities, where applicable."

THE PERCENTAGE OF VOTING RIGHTS REQUIRED FOR SPECIAL RESOLUTION NUMBERS 1 TO 3 TO BE ADOPTED IS 75% (SEVENTY-FIVE PERCENT) OR MORE OF THE VOTING RIGHTS EXERCISED ON THESE RESOLUTIONS.

8. SPECIAL RESOLUTION NUMBER 1 – REMUNERATION OF INDEPENDENT AND NON-EXECUTIVE DIRECTORS

"That in terms of Section 66(9) of the Companies Act 2008 and with immediate effect and until the conclusion of the next Annual General Meeting in 2014, the fees payable to the independent and non-executive directors of the Company for their services as directors be approved as follows:

• For directors' attendance at Board meetings	R9 750 per meeting
• Audit and Risk Committee Chairman	R18 150 per meeting
• Audit and Risk Committee meetings	R8 400 per meeting
• Remuneration and Nominations Committee Chairman	R4 500 per meeting
• Remuneration and Nominations Committee meetings	R2 100 per meeting
• Social and Ethics Committee Chairman	R4 500 per meeting
• Social and Ethics Committee meetings	R2 100 per meeting
• Chairman (includes attendance at meetings)	R300 000 per annum."

Explanatory note to special resolution number 1

In terms of Section 66(8) and 66(9) of the Companies Act, 2008, which took effect on 1 May 2011, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of the Company's Memorandum of Incorporation.

Special resolution number 1 is required in order to obtain the approval of the Company, in a general meeting, of the remuneration payable to the independent and non-executive directors for the period commencing immediately and ending at the conclusion of the next Annual General Meeting. Increases in remuneration are implemented only after formal approval has been obtained.

9. SPECIAL RESOLUTION NUMBER 2 – FINANCIAL ASSISTANCE TO SUBSIDIARIES AND OTHER RELATED OR INTER-RELATED PARTIES

"To the extent required by the Companies Act, the Board of Directors of the Company ("the Board") may, subject to compliance with the provisions of the Company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance, including by way of lending money, guaranteeing a loan or other obligation, and securing any debt or obligation, or otherwise to any of its present or future subsidiaries, and/or to a related or inter-related (as defined by the Companies Act) company or corporation, and/or to a member of a related or inter-related corporation, and/or to a person related to any such company, corporation or member, for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related company, or for the purchases of any securities of the Company or a related or inter-related company, as contemplated in sections 44 and/or 45 of the Companies Act, for such amounts and on such terms and conditions as the Board may determine. This authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2014."

SHAREHOLDERS ARE REFERRED TO THE NOTICE TO SHAREHOLDERS IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT SET OUT ON PAGE 46 OF THIS ANNUAL INTEGRATED REPORT.

Explanatory note to special resolution number 2

Notwithstanding the title of Section 45 of the Companies Act, being "Loans or other financial assistance to directors", on an interpretation thereof, the body of the section also applies to financial assistance provided by a company to any related or inter-related company or corporation, a member of a related or inter-related corporation, and to a person related to any such company, corporation or member.

Further, Section 44 of the Companies Act may also apply to the financial assistance so provided by a company to any related or inter-related company or corporation, a member of a related or inter-related corporation, or a person related to any such company, corporation or member, in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or inter-related company.

Both Sections 44 and 45 of the Companies Act provide, inter alia, that the particular financial assistance must be provided only pursuant to a special resolution of shareholders adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients, and the specific recipient falls within that category and the Board of Directors is satisfied that: (1) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in the Companies Act); and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

As part of the normal conduct of the business of the Company and its subsidiaries or associates ("the Santova Group"), the Company, where necessary, usually provides financial assistance, guarantees and other support undertakings to third parties on behalf of its local and foreign subsidiaries and joint ventures or partnerships in which the Company or members of the Santova Group have an interest. This is particularly so where funding is raised by the foreign subsidiaries of the Group, by way of borrowings or guarantees for the purposes of the conduct of their operations. Previously, in terms of the Company's Articles of Association and the Companies Act, No 61 of 1973, as amended, the Company was not precluded from providing the aforementioned financial assistance. The Company would like the ability to provide financial assistance, if necessary, also in other circumstances, in accordance with Section 45 of the Companies Act. Furthermore, it may be necessary for the Company to provide financial assistance to any of its present or future subsidiaries, and/or to any related or inter-related company or corporation, and/or to a member of a related or inter-related corporation, and/or to a person related to any such company, corporation or member, to subscribe for options or securities of the Company or another company related or inter-related to it. Under the Companies Act, the Company will, however, require the special resolution referred to above to be adopted. It is difficult to foresee the exact details of the financial assistance that the Company may be required to provide over the next two years. It is essential, however, that the Company is able to organise effectively its internal financial administration. For these reasons it is necessary to obtain the approval of shareholders as set out in special resolution number 2.

It should be noted that this resolution does not authorise financial assistance to a director or a prescribed officer of the Company or any company or person related to such a director or prescribed officer.

Unless renewed, the existing authority granted by the shareholders at the previous Annual General Meeting on 24 July 2012 expires at the forthcoming Annual General Meeting. The authority will be subject to the Companies Act and the JSE Listings Requirements. The aggregate number of ordinary shares able to be allotted and issued in terms of this resolution shall be limited to 5% (five percent) of the number of ordinary shares in issue at 28 February 2013.

The directors have decided to seek annual renewal of this authority, in accordance with best practice. The directors have no current plans to make use of this authority, but are seeking its renewal of ensure that the Company has maximum flexibility in managing the Group's capital resources.

10. SPECIAL RESOLUTION NUMBER 3 – GENERAL AUTHORITY TO BUY OWN SHARES

"THAT the Company or any subsidiary of the Company may, subject to the Companies Act, the Company's Memorandum of Incorporation and the JSE Listings Requirements and any other stock exchange upon which the securities in the capital of the Company may be quoted or listed from time to time, repurchase ordinary shares issued by the Company, provided that this authority shall be valid only until the date of the next Annual General Meeting of the Company or for 15 (fifteen) months from the date of the resolution, whichever is the shorter, and may be varied by a special resolution at any general meeting of the Company at any time prior to the Annual General Meeting."

It is recorded that the Company or any subsidiary of the Company may only make a general repurchase of ordinary shares if:

- Any such acquisition of ordinary shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- The Company is so authorised by its Memorandum of Incorporation;
- The Company is authorised thereto by its shareholders in terms of a special resolution of the Company in general meeting, which authorisation shall only be valid until the Company's next Annual General Meeting or 15 (fifteen) months from the date of passing of this special resolution, whichever is the shorter;
- The repurchases are made at a price no greater than 10% (ten percent) above the volume weighted average of the market value for such securities for the 5 (five) business days immediately preceding the date on which the repurchase is effected;
- At any point in time, the Company may only appoint one agent to effect any repurchases on the Company's behalf;
- The Company or its subsidiaries do not repurchase securities during a prohibited period defined in terms of the JSE Listings Requirements, unless it has a repurchase programme where the dates and qualities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period;
- A paid press announcement, containing full details of such repurchases is published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three per cent) or the number of securities in issue prior to the repurchases and for each 3% (three per cent), on a cumulative basis, thereafter;
- Acquisitions of the Company's securities by the Company or its subsidiaries in the aggregate in any one financial year may not exceed 20,0% (twenty percent) of the Company's issued share capital from the date of the grant of this general authority;

In terms of the general authority given under this special resolution, any acquisition of ordinary shares shall be subject to:

- The Companies Act;
- The JSE Listings Requirements and any other applicable stock exchange rules, as may be amended from time to time;
- The sanction of any other relevant authority whose approval is required in law; and
- A resolution by the Board that they authorise the repurchase, that the Company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company or the Group.

After having considered the effect of any repurchases of ordinary shares pursuant to this general authority, the directors of the Company in terms of the Companies Act and the JSE Listings Requirements, confirm that they will not undertake such repurchase of ordinary shares unless at the time that the contemplated repurchase is to take place:

- The Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the Annual General Meeting;
- The consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries for a period of 12 (twelve) months after the date of the Annual General Meeting;
- The Company and its subsidiaries will have adequate capital and reserves for the ordinary business purposes of the Company and its subsidiaries for a period of 12 (twelve) months after the date of the Annual General Meeting; and
- The working capital available to the Company and its subsidiaries will be sufficient for the Group's ordinary business purposes for a period of 12 (twelve) months after the date of the Annual General Meeting.

The Company undertakes that it will not enter the market to repurchase the Company's securities, in terms of this general authority, until such time as the Company's sponsor has provided written confirmation to the JSE regarding the adequacy of the Company's working capital in accordance with Schedule 25 of the JSE Listings Requirements.

For the purposes of considering the special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, certain information is either listed below or has been included in the Annual Integrated Report:

- Directors and management – refer to pages 6 and 7;
- Major shareholders – refer to page 37;
- No material changes in the financial or trading position of the Company and its subsidiaries since 28 February 2013 – refer to page 36;
- Directors' interest in securities – refer to page 38;
- Share capital of the Company – refer to page 32 of the Annual Financial Statements; and
- The directors' liability statement – refer to page 3 of the Annual Financial Statements.

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may or have had a material effect on the Company's financial position over the past 12 (twelve) months preceding the date of this notice of Annual General Meeting.

Motivation for special resolution number 3

The Company's Memorandum of Incorporation contains a provision allowing the Company or any subsidiary of the Company to repurchase securities issued by the Company. This is subject to the approval of the shareholders in terms of the Company's Memorandum of Incorporation and the JSE Listings Requirements. The existing general authority, granted by members at the Annual General Meeting held on 24 July 2012, is due to expire unless renewed.

The directors of the Company are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any subsidiary of the Company, to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions and price justify such action.

Repurchases will only be made after the most careful consideration, where the directors believe that an increase in earnings per share will result and where repurchases are, in the opinion of the directors, in the best interests of the Company and the Group.

11. ORDINARY RESOLUTION NUMBER 8 – AUTHORITY TO EXECUTE REQUISITE DOCUMENTATION

"That any director of the Company, or the Company Secretary where appropriate, be and is hereby authorised to do all such things and to sign all such documents issued by the Company required to give effect to special resolution numbers 1 to 3 and ordinary resolution numbers 1 to 7."

PROXY AND VOTING PROCEDURE

In compliance with the provisions of Section 58(8)(b)(i) of the Act, a summary of the rights of a shareholder to be represented by proxy, as set out in Section 58 of the Act, is set out immediately below:

1. An ordinary shareholder entitled to attend and vote at the Annual General Meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the Annual General Meeting in the place of the shareholder. A proxy need not be a shareholder of the Company.

2. A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remain valid only until the end of the Annual General Meeting.

3. A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

4. The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

5. The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.

6. If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

Attention is also drawn to the notes to the form of proxy.

In order to be effective, proxy forms should be delivered to the registered office of the Company by no later than 48 (forty-eight) hours prior to the commencement of the meeting.

Any shareholder having difficulty or queries with regard to the above may contact the Company Secretary on 031 765 4989.

By order of the board

JA Lupton
Company Secretary

17 May 2013

Registered office
Santova House
88 Mahatma Gandhi Road
PO Box 6148
Durban
4000

GENERAL INSTRUCTIONS

All shareholders are encouraged to attend the Annual General Meeting of the Company.

All registered shareholders of ordinary shares ("shares") in the Company are entitled to attend, speak and vote at the Annual General Meeting.

1. CERTIFICATED AND DEMATERIALISED SHAREHOLDERS WITH "OWN NAME" REGISTRATION

   If you hold certificated shares (i.e. you have not dematerialised your shares in the Company) or are an "own name" dematerialised shareholder, then:

   You may either attend and vote at the Annual General Meeting; or, alternatively

   You may appoint a proxy to represent you at the Annual General Meeting by completing the attached form of proxy and returning it to the registered office of the Company to be received by no later than 48 (forty-eight) hours prior to the commencement of the meeting.

2. DEMATERIALISED SHAREHOLDERS WITHOUT "OWN NAME" REGISTRATION

   Please note that the Company has moved to the JSE Limited's electronic settlement system, Strate. If you are a dematerialised shareholder (i.e. you have replaced your paper share certificate with electronic records of ownership under Strate) and are not an "own name" dematerialised shareholder, then:

   If you wish to attend the Annual General Meeting, you should contract your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them. The letter of representation must be obtained within the time period required by your CSDP or broker, as the case may be, and allow them sufficient time to provide such letter to the Company Secretary prior to the Annual General Meeting.

Or, alternatively,

If you are unable to attend the Annual General Meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the Annual General Meeting in accordance with the mandate between yourself and your CSDP or broker, as the case may be. You should not complete the attached form of proxy. If your CSDP or broker does not obtain voting instructions from you in respect of the Annual General Meeting, it will be obliged to act in terms of your mandate. The instructions must be provided within the time period required by your CSDP or broker, as the case may be.

SECTION 45 NOTICE

NOTICE IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT IN RESPECT OF SPECIAL RESOLUTION NUMBER 2

1. At the Annual General Meeting referred to in the Notice of Annual General Meeting to which this Section 45 Notice is attached, the Board will seek authority from the shareholders of the Company for it to provide, at any time and from time to time until the conclusion of the next Annual General Meeting to be held in 2014, any direct or indirect financial assistance as contemplated in Section 44 and/or Section 45 of the Companies Act to any of is present or future subsidiaries, any other related or inter-related company or corporation, a member of a related or inter-related corporation and/or a person related to any such company, corporation or member.
2. On 17 May 2013, the Board adopted a resolution authorising the financial assistance set out in the annexure (Table of Financial Assistance), subject to the aforesaid special resolution being duly passed by shareholders.
3. Section 45(5) of the Companies Act obligates the Company to provide written notice, inter alia, to all shareholders within 10 business days of the Board adopting a resolution to do anything contemplated in Section 45(2), as is done in the aforesaid special resolution, where the total value of all loans, debts, obligations or assistance contemplated in that Board resolution, together with any previous such resolution during the financial year, exceed one-tenth of 1% of the Company's net worth at the time of that resolution.
4. As the total value of the financial assistance conditionally approved, in terms of the Financial Assistance Board Resolution, exceeds the threshold set out in point 3, the requisite written notice is hereby provided.

ANNEXURE TO THE SECTION 45 NOTICE

TABLE OF FINANCIAL ASSISTANCE		
1. Nedbank banking facilities		
	CONTRACT PARTIES	Santova Limited, Santova Logistics (Pty) Ltd and Santova Logistics South Africa (Pty) Ltd
	DESCRIPTION OF FACILITY	Various banking facilities granted by Nedbank Limited as follows: • Invoice discounting facilities of R249 million shared by Santova Logistics (Pty) Ltd and Santova Logistics South Africa (Pty) Ltd • Medium term loan facility of R39 million granted to Santova Logistics (Pty) Ltd • Overdraft facility of R21 million granted to Santova Logistics (Pty) Ltd • Letter of guarantee facilities of R3,5 million to be shared by all three companies • Forward exchange rate contract facilities of R2 million to be shared by all three companies
	SECURITY PROVIDED	Suretyships, incorporating cession of claims, issued in favour of Nedbank Limited in support of the above facilities: • Santova Limited: Limited suretyship to R192 million • Santova Logistics (Pty) Ltd: Unlimited suretyship • Santova Logistics South Africa (Pty) Ltd: Unlimited suretyship • W.M. Shipping Limited: Limited suretyship to R39 million
	EFFECTIVE DATE	17 January 2013 and renewable annually
2. Allianz (Australia) invoice discounting facility		
	CONTRACT PARTIES	Santova Logistics Pty Limited (Australia)
	DESCRIPTION OF FACILITY	A AU$1,5 million invoice discounting facility provided by Allianz Finance Pty Ltd to Santova Logistics Pty Ltd (Australia)
	SECURITY PROVIDED	A AU$2 million guarantee and indemnity given by Santova Limited in favour of Allianz Finance Pty Ltd
	EFFECTIVE DATE	21 February 2012
3. Netherlands overdraft facility		
	CONTRACT PARTIES	Santova Logistics B.V. (Netherlands)
	DESCRIPTION OF FACILITY	A EUR200 000 overdraft facility provided by ABN Amro Bank N.V. to Santova Logistics B.V. (Netherlands)
	SECURITY PROVIDED	A EUR200 000 guarantee given by Santova Limited in favour of ABN Amro Bank N.V.
	EFFECTIVE DATE	27 August 2010
4. United Kingdom overdraft and term loan facility		
	CONTRACT PARTIES	Santova Logistics Limited (United Kingdom)
	DESCRIPTION OF FACILITY	A GBP50 000 overdraft facility and GBP150 000 term loan facility provided by National Westminster Bank Plc to Santova Logistics Limited (United Kingdom)
	SECURITY PROVIDED	A GBP200 000 bank guarantee provided by FirstRand Bank Limited on behalf of Santova Limited, in favour of National Westminster Bank Plc
	EFFECTIVE DATE	22 May 2012

TABLE OF FINANCIAL ASSISTANCE continued		
5. Intercompany current accounts		
	CONTRACT PARTIES	Santova Limited and its subsidiaries
	DESCRIPTION OF FACILITY	In the normal course of business Santova Limited and its subsidiaries invoice one another for services rendered, which results in the creation of intercompany current accounts. Such intercompany current accounts are given standard credit terms, vary in amount from time to time and are settled on a monthly basis by the local subsidiaries and quarterly basis by the foreign subsidiaries
	SECURITY PROVIDED	None
	EFFECTIVE DATE	Ongoing basis
6. Intercompany loan accounts		
	CONTRACT PARTIES	Santova Limited and its subsidiaries
	DESCRIPTION OF FACILITY	Santova Limited operates a centralised Group treasury function and may, from time to time, direct various subsidiaries that hold excess funds to provide funding to another Group company where further investment may be required. These payments result in the creation of intercompany loan accounts. Such intercompany loan accounts vary in amount from time to time, bear interest at market related rates and typically have no fixed repayment dates
	SECURITY PROVIDED	None
	EFFECTIVE DATE	Ongoing basis
7. Financial assistance to directors in terms of the Santova Share Option Scheme		
	CONTRACT PARTIES	Executive directors of the Company and its subsidiaries
	DESCRIPTION OF FACILITY	In terms of the Santova Share Option Scheme approved at the Annual General Meeting held on 24 July 2012, where a director exercises an option in terms of the scheme, the Company may provide short-term financial assistance in the form of a loan so as to enable the director to acquire the shares, pending a sale of a portion of the shares to fund the purchase price of the shares and any related taxation owing
	SECURITY PROVIDED	None
	EFFECTIVE DATE	The Santova Share Option Scheme was established on 28 November 2012

FORM OF PROXY

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

For use at the Annual General Meeting of the Company to be held in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 on Tuesday, 30 July 2012 at 12:00 and at any adjournment thereof:

To be completed by holders of certificated shares and holders of dematerialised shares with "own name" registration only.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with "own name" registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the Annual General Meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (BLOCK LETTERS please)

of (address)

Telephone work Telephone home

being the holder/custodian of ordinary shares in the Company, hereby appoint

1. or, failing him/her

2. or, failing him/her

3. the Chairman of the meeting

as my/our proxy to act on my/our behalf at the Annual General Meeting of the Company to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof, and to vote for or against the ordinary and special resolutions or to abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2):

		FOR	AGAINST	ABSTAIN
1.	Ordinary resolution number 1 – Adoption of the 28 February 2013 annual financial statements			
2.	Ordinary resolution number 2 – Re-election of AD Dixon as a director			
3.	Ordinary resolution number 3 – Re-election of Audit and Risk Committee members			
4.	Ordinary resolution number 4 – Re-appointment of Deloitte & Touche as auditors			
5.	Ordinary resolution number 5 – Non-binding advisory endorsement			
6.	Ordinary resolution number 6 – Unissued shares to be placed under the control of the directors			
7.	Ordinary resolution number 7 – General authority to issue shares for cash			
8.	Special resolution number 1 – Approval of non-executive directors' remuneration			
9.	Special resolution number 2 – Approval for financial assistance to subsidiaries			
10.	Special resolution number 3 – General authority to buy own shares			
11.	Ordinary resolution number 8 – Authority to execute requisite documentation			

(Indicate instruction to proxy by way of a cross in the space provided above.)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this day of 2013

Signature

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the spaces provided, with or without deleting "the Chairman of the meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than the total number of shares that you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. Holders of dematerialised shares must inform their CSDP or broker of whether or not they intend to attend the Annual General Meeting and obtain the necessary letter of representation from their CSDP or broker to attend the Annual General Meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the Annual General Meeting in person.
4. Forms of proxy must be received at the Company's registered office, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 (PO Box 6148, Durban, 4000) by no later than 12:00 on Friday, 26 July 2013.
5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the Chairman of the Annual General Meeting.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
9. The Chairman of the Annual General Meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the Chairman is satisfied as to the manner in which the shareholder wishes to vote.

Certificated and "own name" registered dematerialised shareholders

If you are unable to attend the Annual General Meeting of Santova Limited to be held at 12:00 on Tuesday, 30 July 2013 in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 and wish to be represented thereat, you must complete and return this form of proxy in accordance with the instructions contained herein and lodge it with, or post it to the Company's registered office address, detailed in point 4 above, to be received by them by no later than 12:00 on Friday, 26 July 2013.

Dematerialised shareholders

If you hold dematerialised shares in Santova Limited through a CSDP or broker and do not have an "own name" registered dematerialised registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the Annual General Meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary letter of representation to do so, or should you not wish to attend the Annual General Meeting in person, you must timeously provide your CSDP or broker with your voting instructions in order for the CSDP or broker to vote in accordance with your instructions at the Annual General Meeting.

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
ESC Garner* *(Chairman)*
GH Gerber *(Chief Executive Officer)*
DC Edley *(Group Financial Director)*
AD Dixon*
S Donner**
WA Lombard*
AL van Zyl
* *Independent non-executive*
** *Non-executive*

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

JSE SPONSOR
River Group
Block B, First Floor, 335 Veale Street, Brooklyn, 0181

GROUP AUDITOR
Deloitte & Touche
Deloitte Place, 2 Pencarrow Park
La Lucia Ridge Office Estate, La Lucia, 4051
PO Box 243, Durban, 4000

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

LEGAL ADVISOR
Livingston Leandy Inc
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MAIN BANKERS
First National Bank of South Africa Limited
Nedbank Limited
Standard Bank of South Africa Limited

Santova House, 88 Mahatma Gandhi Road, Durban

Santova
Limited

www.santova.com