GRINDROD
LIMITED

an integrated business

AUDITED RESULTS AND DIVIDEND ANNOUNCEMENT

for the year ended 31 December 2013

OPERATIONAL HIGHLIGHTS

Headline earnings per share

▲ 16%

to 118,7 cents

(2012: 102,6 cents)

Attributable profit

▲ 41%

to R1 177,2 million

(2012: R836,7 million)

Earnings per share

▲ 40%

to 199,1 cents

(2012: 141,8 cents)

Total ordinary dividend

▲ 13%

to 37,1 cents per share

(2012: 32,9 cents)

Increase in net asset value to **1 926 cents** (2012: 1 609 cents)

Net interest-bearing debt to total shareholders' interest of **21%** (2012: 7%)

STRATEGIC HIGHLIGHTS

- Matola coal terminal and Maputo car terminal expansion
- Further expansion in the rail business
- Good project pipeline being secured
- Expansion in the shipping fleet and joint ventures
- Strategic investments in agricultural businesses
- Expanded financial services offerings

BUSINESS ENVIRONMENT

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- Industrial commodity demand continues
- Rail demand continues
- African growth strong and infrastructure opportunities remain intact
- Continued growth in global dry-bulk seaborne trade
- Scrapping exceeds newbuild deliveries in handysize market
- Uncertainty in the trading patterns in the tanker market
- Severe competition and pricing volatility in agricultural commodities
- Currency volatility


RESULTS 2013

MANAGEMENT INCOME STATEMENT 2013

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R million		2013	2012	Comments
Revenue		**32 135**	**35 267**	Decrease due to 50% sale of Cockett in 2012
Trading profit		**1 784**	**1 439**	Increased volumes in terminals offset by decline in the trading business
Depreciation and amortisation		**(618)**	(485)	Increased capital expenditure in ships, terminals and currency
Non-trading items		**484**	211	FCTR release net of impairments
Net interest paid		**(152)**	(66)	Interest paid increases with capital expenditure-related costs
Taxation		**(230)**	(194)	
Non-controlling interest shareholders		**(36)**	(11)	
Preference dividends		**(55)**	(57)	
Profit attributable to ordinary shareholders		**1 177**	**837**	
Average rate of exchange	ZAR/USD	**9,67**	8,22	

HEADLINE EARNINGS – 2013

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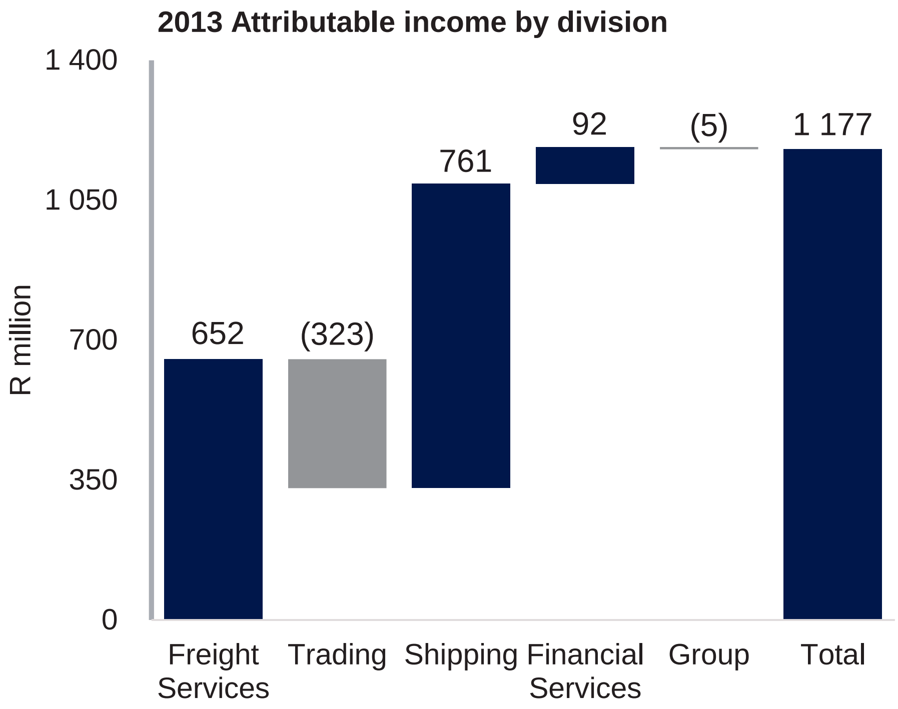
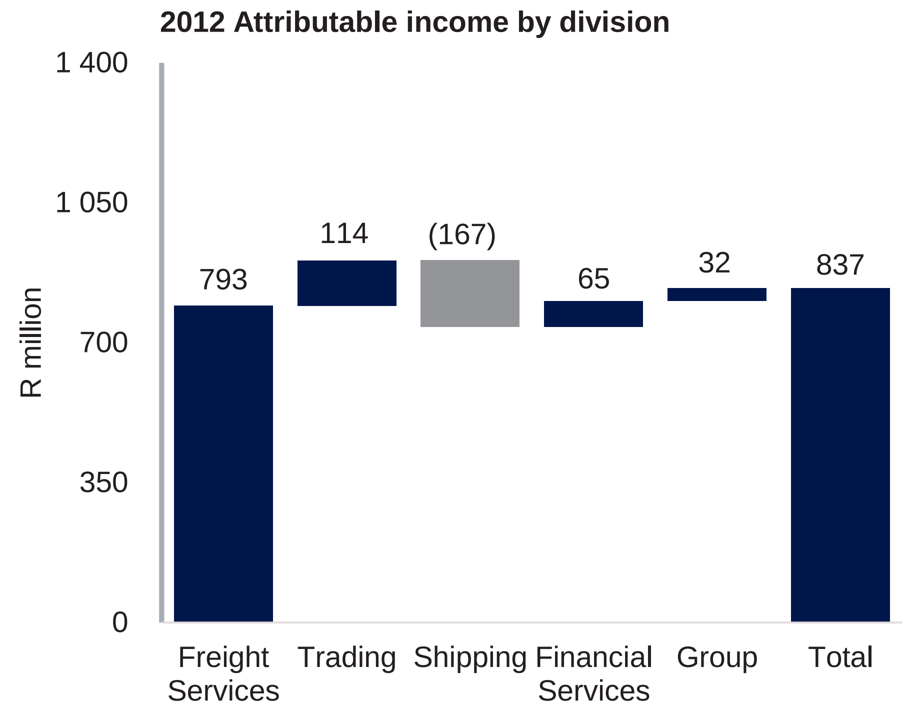
R million	2013	2012	Growth %
Profit attributable to ordinary shareholders	**1 177**	**837**	**41**
Adjusted for:	**(475)**	(231)	106
Foreign currency translation reserve recycled upon cessation of operations following restructure	**(698)**	–	
Net profit on disposals	**(79)**	(455)	(83)
Impairments	**310**	224	38
Negative goodwill	**(8)**	–	
Headline earnings	**702**	**606**	**16**

ATTRIBUTABLE INCOME BY DIVISION





MANAGEMENT BALANCE SHEET

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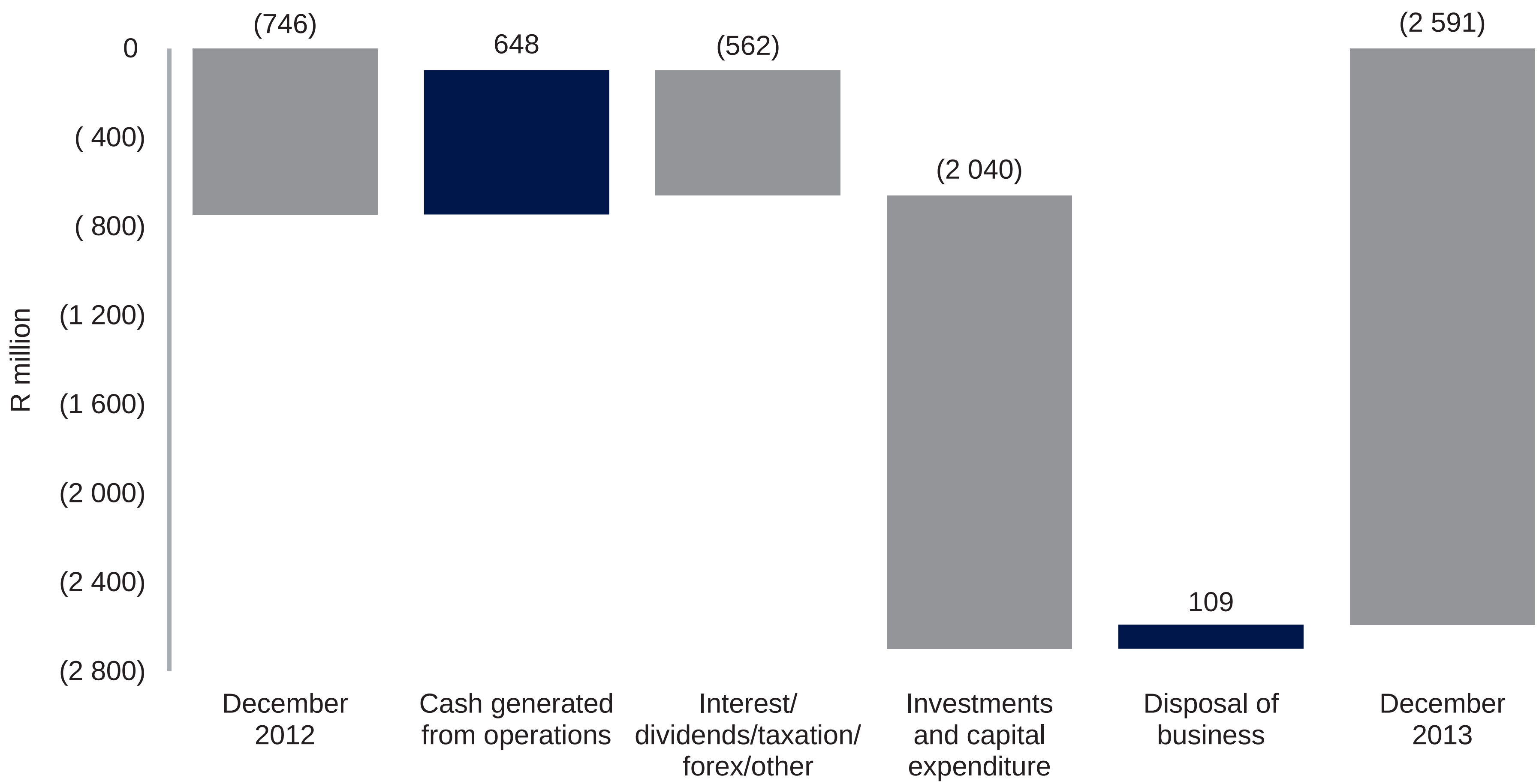
R million	2013	2012	Growth %	Comments
Property, plant and equipment				
Freight Services	2 952	2 108	40	Acquisitions in terminals, vehicles and equipment
Trading	86	125	(31)	Transfer to non-current assets held for sale
Shipping	6 318	4 800	32	Acquisitions and weaker rand
Financial Services	169	37	356	Increase in property
Group	63	39	62	
Intangible assets	1 168	1 150	2	
Investments in associates	1 491	706	111	Investment in new associates
Other assets	4 606	4 250	8	
Current assets	16 534	12 347	34	Increase in bank and cash and non-current assets held for sale
Total assets	**33 387**	**25 562**	**31**	
Shareholders' equity	12 137	10 228	19	Increased earnings and weaker rand
Interest-bearing borrowings	6 948	6 533	6	
Deposits from bank customers	8 015	4 674	71	Increased call deposits including SASSA deposits
Other liabilities	6 287	4 127	52	Increase in non-current liabilities held for sale
Total equity and liabilities	**33 387**	**25 562**	**31**	
Closing rate of exchange ZAR/USD	10,55	8,48		

NET DEBT ANALYSIS



CAPITAL COMMITMENTS AND EXPENDITURE

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	Capital expenditure	Capital commitments				Split as follows	
(R million)	**2013**	2014	2015	2016+	**Total**	Approved not contracted	Approved and contracted
Freight Services	**982**	**560**	**42**	**207**	**809**	**416**	**393**
Ports and Terminals	309	200	13	–	213	84	129
Rail	231	178	29	207	414	263	151
Intermodal	194	182	–	–	182	69	113
Other Logistics	248	–	–	–	**–**	–	–
Trading	**774**	**–**	**–**	**–**	**–**	**–**	**–**
Agricultural commodities	763	–	–	–	**–**	–	–
Industrial raw materials	11	–	–	–	**–**	–	–
Shipping	**923**	**106**	**559**	**177**	**842**	**176**	**666**
Dry-bulk	449	106	559	177	842	176	666
Tankers	474	–	–	–	–	–	–
Financial Services	**136**	**–**	**–**	**–**	**–**	**–**	**–**
Group	**53**	**3**	**4**	**4**	**11**	**11**	–
	2 868	**669**	**605**	**388**	**1 662**	**603**	**1 059**
Split as follows:							
Subsidiary	**2 020**	431	46	227	**704**	359	345
Joint venture	**848**	238	559	161	**958**	244	714

Commitments exclude planned expansion at Maputo, Richards Bay and Coega are subject to Board approval

MARKETS


Angola
Australia
Bermuda
Botswana
Brazil
Canada
China
Congo
Brazzaville
Denmark
Democratic
Republic of
Congo
Ecuador
France
Ghana
Hong Kong
Isle of Man
Japan
Kenya
Korea
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Namibia
The Netherlands
Nigeria
Peru
Sierra Leone
Singapore
South Africa
Swaziland
Tanzania
Ukraine
United Arab Emirates
United Kingdom
USA
Zambia
Zimbabwe


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DRY-BULK SEABORNE TRADE

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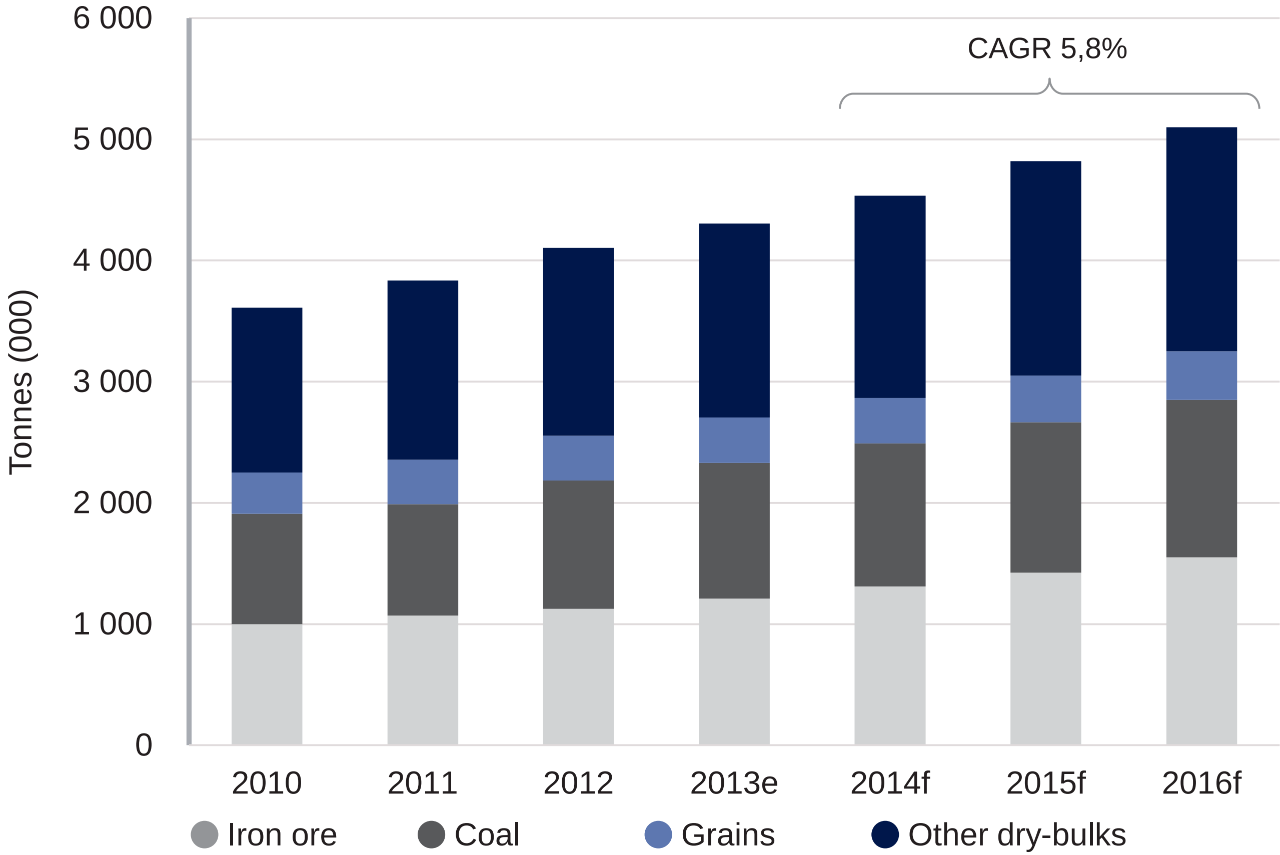
Global dry-bulk seaborne trade

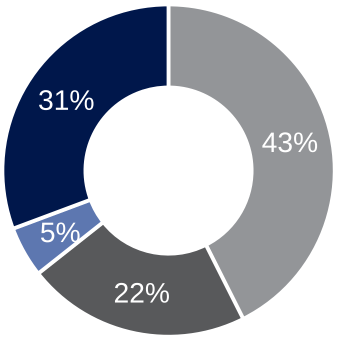


f = forecast e = estimate CAGR – compound annual growth rate
Source: Hartland Shipping Services Ltd, January 2014

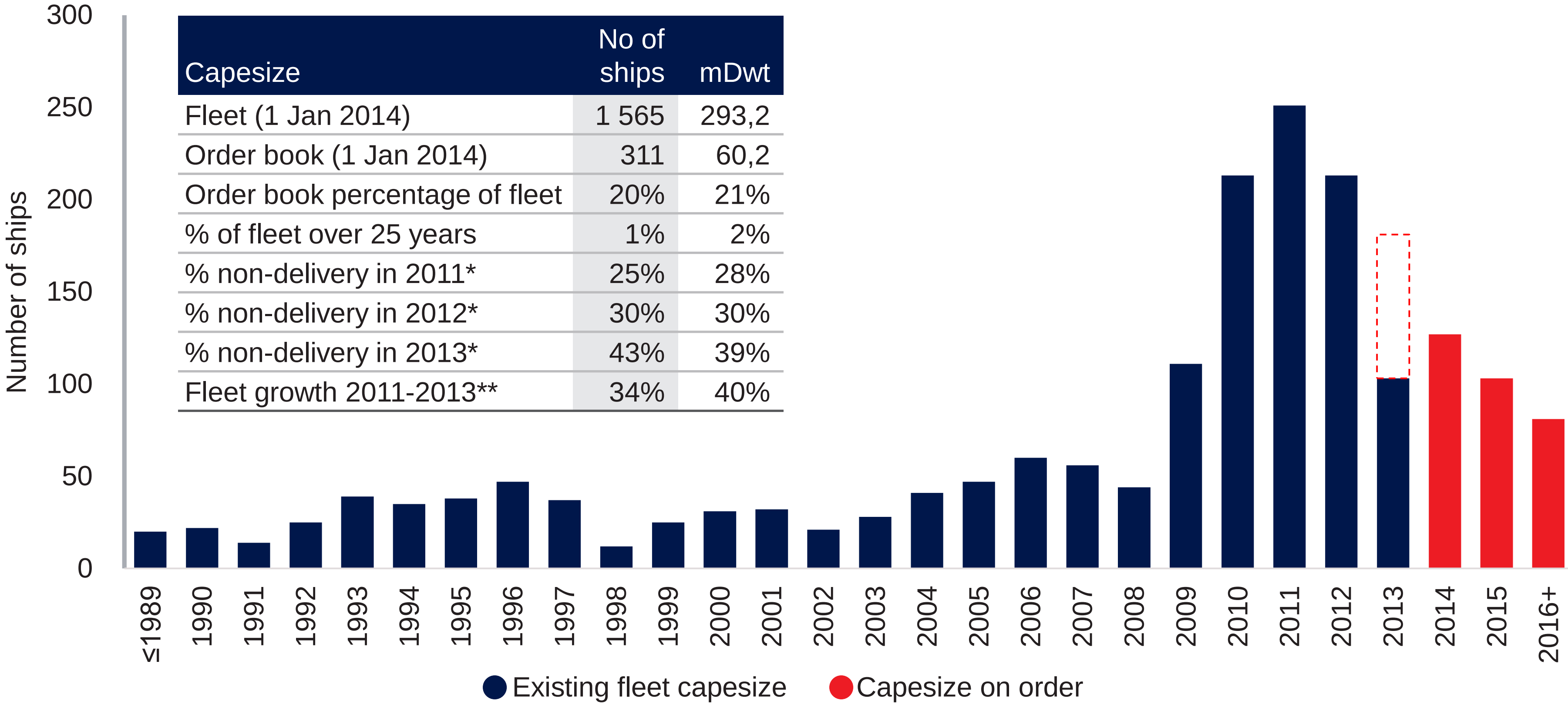
Global dry-bulk seaborne trade is estimated to have grown by **5,1%** in 2013 and reached **4,3** billion tonnes.

Seaborne trade growth is expected to accelerate in **2014** and **2015** as recovery picks up in developed economies. Demand from emerging economies will continue to grow, albeit at a lower rate.

Contribution to growth
by commodity



Capesize bulk carriers



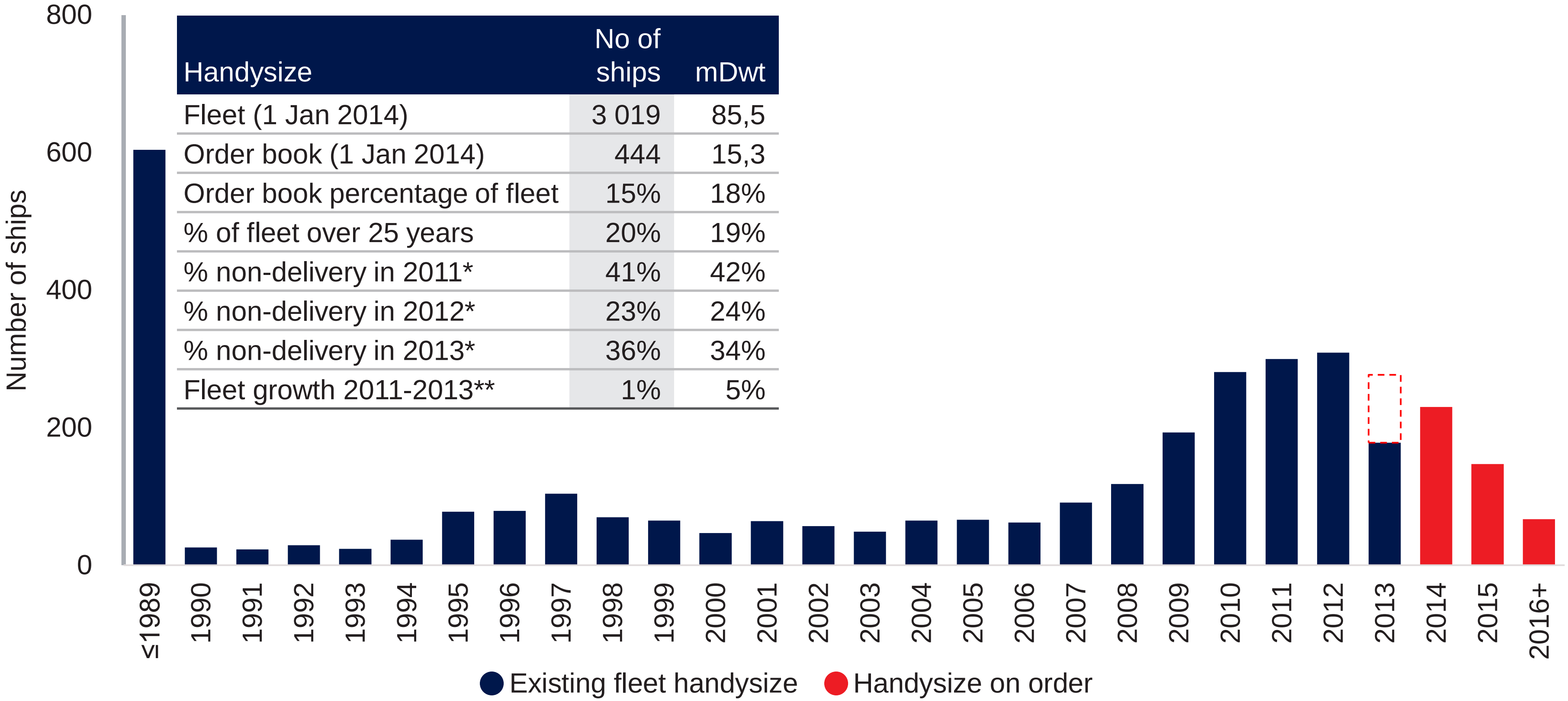
Capesize	No of ships	mDwt
Fleet (1 Jan 2014)	1 565	293,2
Order book (1 Jan 2014)	311	60,2
Order book percentage of fleet	20%	21%
% of fleet over 25 years	1%	2%
% non-delivery in 2011*	25%	28%
% non-delivery in 2012*	30%	30%
% non-delivery in 2013*	43%	39%
Fleet growth 2011-2013**	34%	40%

* Non-deliveries are estimates based on vessels that were scheduled to be delivered according to the opening order book, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2011 until 1 January 2014

Source: Clarksons Research, January 2014

Handysize bulk carriers



Handysize	No of ships	mDwt
Fleet (1 Jan 2014)	3 019	85,5
Order book (1 Jan 2014)	444	15,3
Order book percentage of fleet	15%	18%
% of fleet over 25 years	20%	19%
% non-delivery in 2011*	41%	42%
% non-delivery in 2012*	23%	24%
% non-delivery in 2013*	36%	34%
Fleet growth 2011-2013**	1%	5%

* Non-deliveries are estimates based on vessels that were scheduled to be delivered according to the opening order book, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2011 until 1 January 2014

Source: Clarksons Research, January 2014

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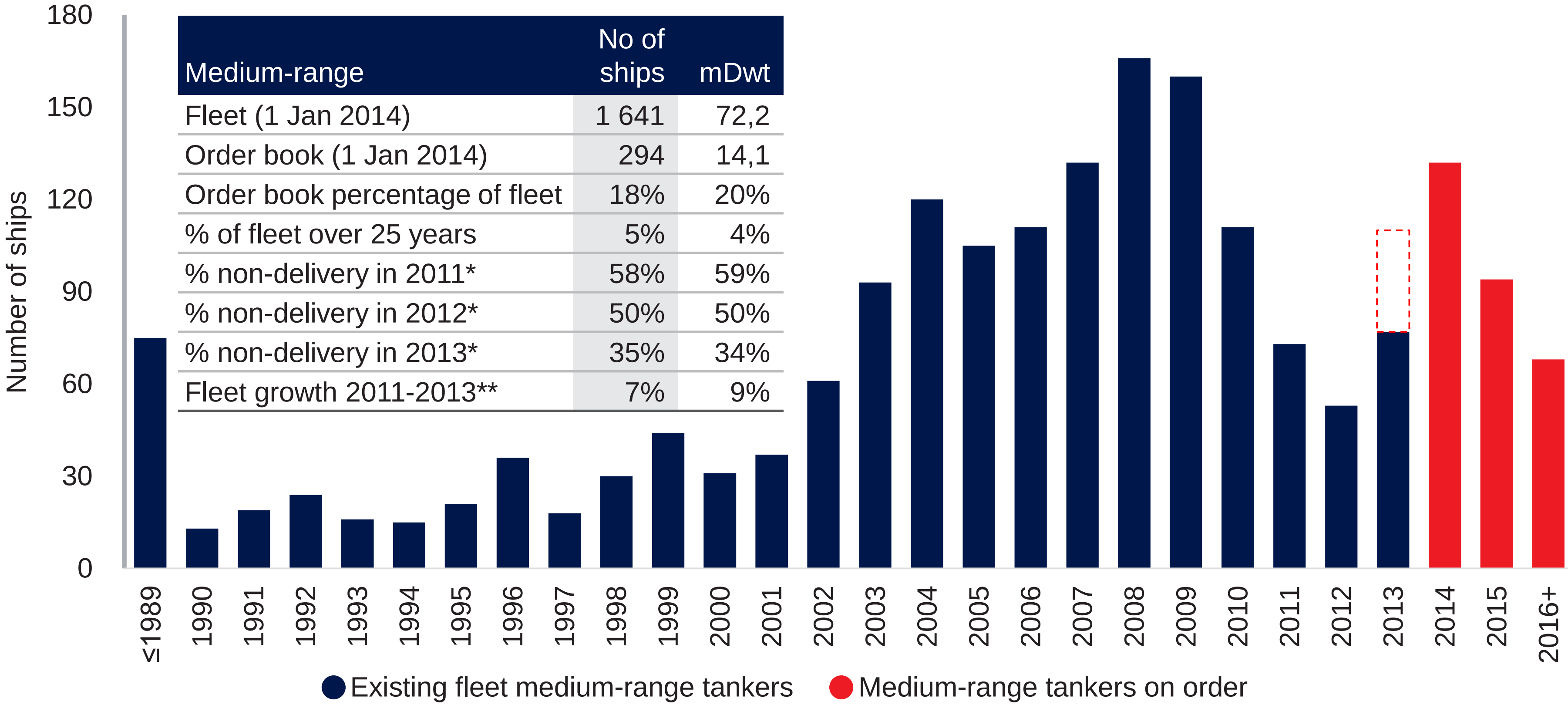
Medium-range products tankers

Medium-range	No of ships	mDwt
Fleet (1 Jan 2014)	1 641	72,2
Order book (1 Jan 2014)	294	14,1
Order book percentage of fleet	18%	20%
% of fleet over 25 years	5%	4%
% non-delivery in 2011*	58%	59%
% non-delivery in 2012*	50%	50%
% non-delivery in 2013*	35%	34%
Fleet growth 2011-2013**	7%	9%



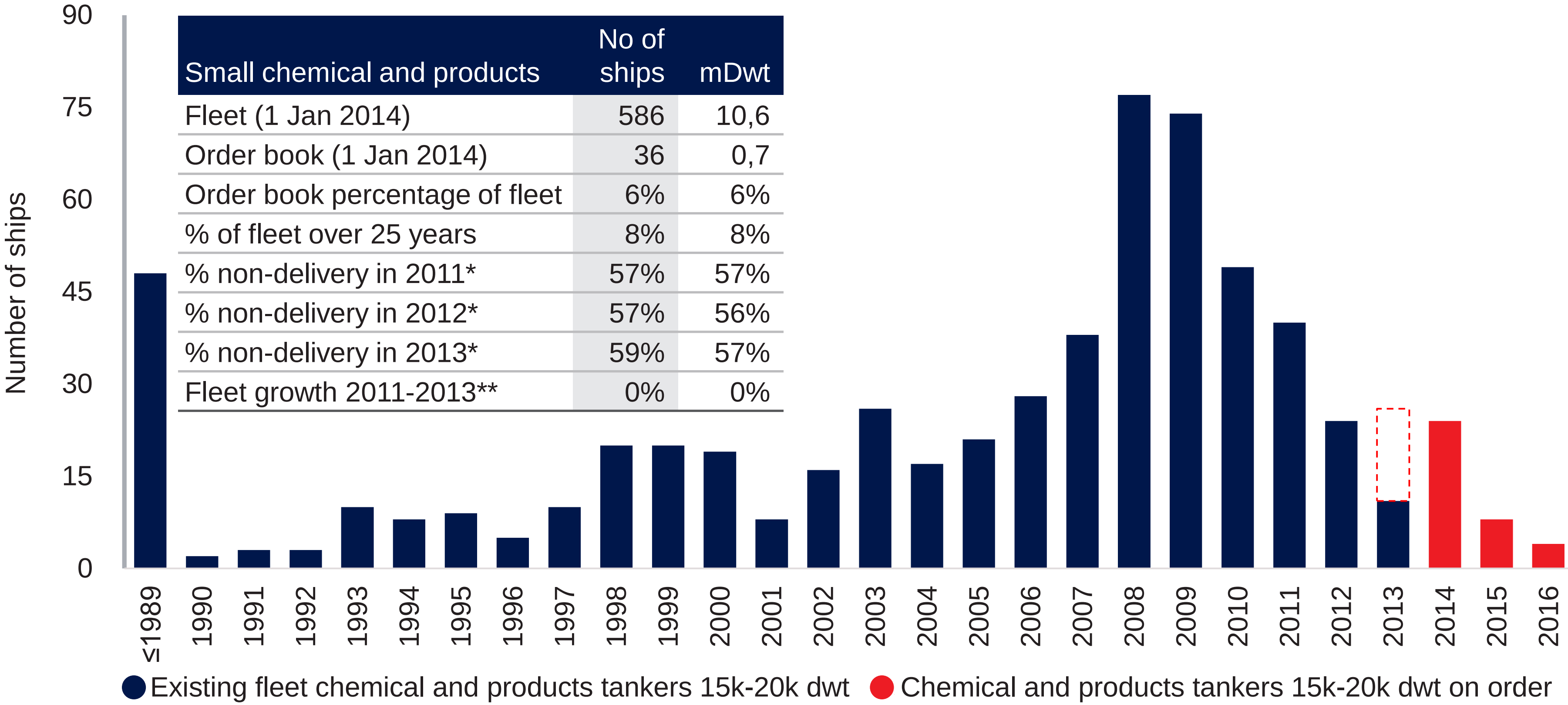
* Non-deliveries are estimates based on vessels that were scheduled to be delivered according to the opening order book, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2011 until 1 January 2014

Source: Clarksons Research, January 2014

Small chemical and products tankers

Small chemical and products	No of ships	mDwt
Fleet (1 Jan 2014)	586	10,6
Order book (1 Jan 2014)	36	0,7
Order book percentage of fleet	6%	6%
% of fleet over 25 years	8%	8%
% non-delivery in 2011*	57%	57%
% non-delivery in 2012*	57%	56%
% non-delivery in 2013*	59%	57%
Fleet growth 2011-2013**	0%	0%



* Non-deliveries are estimates based on vessels that were scheduled to be delivered according to the opening order book, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2011 until 1 January 2014

Source: Clarksons Research, January 2014

OPERATIONAL OVERVIEW

FREIGHT SERVICES

FREIGHT SERVICES

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- Earnings from trading activities increased by 52,4% to R576,7 million (2012: R378,4 million), excluding a R75,8 million profit on sale of Grindrod Tank Terminals (2012: R415 million from Matola coal terminal)
- Ports, Terminals and Rail earnings from trading activities up 51,0% to R493,3 million (2012: R326,6 million)
- Logistics earnings from trading activities up 61,0% to R83,4 million (2012: R51,8 million)

Freight Services	R million	Change from 2012 %
Revenue	5 028	28
EBITDA	1 169	52
Operating income	908	65

OPERATIONAL HIGHLIGHTS – PORTS, TERMINALS AND RAIL

- Maputo port volumes up 15,0% to 17,2 million tonnes
- Significant increase in profit from Matola coal terminal
- Maputo car terminal volume up 49,5% with 71 368 vehicles moved
- Improved volumes at Richards Bay
- Significantly expanded the rail business
- Ocean Africa Container Lines seafreight service optimisation



OPERATIONAL HIGHLIGHTS – LOGISTICS

- Intermodal volumes up 9,1% to 2,3 million TEU
- Intermodal depot expansions in Johannesburg and Maputo in progress
- Contracts secured with owner equipment manufacturers through Maputo car terminal
- Vehicle volumes affected by 77 days of industrial action in automotive industry
- Fuelogic geographic expansion into Mozambique, Western and Eastern Cape (60 vehicles)

STRATEGY

- Terminal expansion: dry-bulk and liquid-bulk
- Expansion in rail businesses
- Geographic diversification

OUTLOOK

- Port and terminals volumes are expected to increase, sustained by continued seaborne commodity demand and new capacity
- Rail business to benefit from initiatives targeted at the strong demand within the sector
- Growth in Botswana, Mozambique and Namibia will underpin fuel transportation performance, offsetting a decline in petrochemical by road transport in South Africa
- The agency businesses are expected to improve through geographic expansion

OPERATIONAL OVERVIEW

TRADING

TRADING

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- 2013 revenue generated of R22,4 billion and net loss of R322,6 million (2012: revenue R27,1 billion and earnings of R113,5 million)
- Poor result from the Atlas business due to increased competition and an inverted market
- Atlas asset impairments and goodwill written off
- Investments in Senwes and NWK performing well
- The marine fuels business delivered pleasing results
- Industrial commodity and coal trading businesses experienced a challenging year exacerbated by labour unrest in the mining industry

Trading	R million	Change from 2012 %
Revenue	22 415	(17)
EBITDA	(93)	(136)
Operating income	(110)	(145)

OPERATIONAL HIGHLIGHTS

- Marine fuels business expanded into Dubai
- Marine fuels physical business:
  - established oil storage in the UK (Thames), and
  - increased Rotterdam volumes
- Oreport empowerment transaction concluded
- Acquisition of 20% shareholding in Senwes and NWK agribusinesses
- Poor Atlas performance being addressed through curtailment of operations

STRATEGY

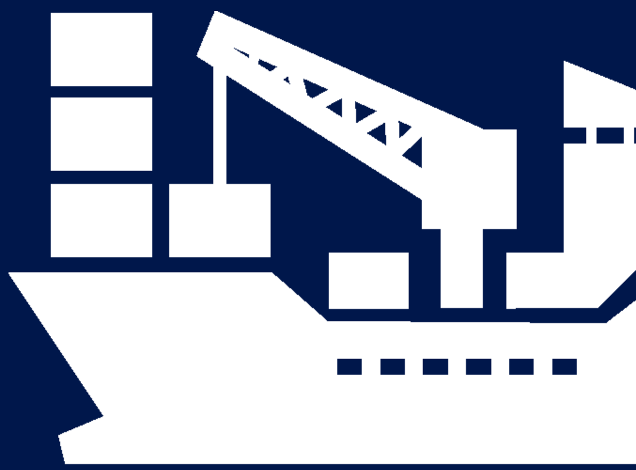
- Focus on utilisation of group assets, services and resources providing an integrated service offering
- Consolidation of the agribusinesses

OUTLOOK

- Marine fuels market remains stable
- Further opportunity for growth and consolidation in the agricultural market

OPERATIONAL OVERVIEW

SHIPPING



SHIPPING

- Earnings from trading activities R165 million (2012: loss R167 million) after excluding R596 million non-trading items

Shipping	R million	Change from 2012 %
Revenue	4 319	8
EBITDA	571	83
Operating income	236	244

OPERATIONAL HIGHLIGHTS

- Improved earnings from dry-bulk fleet in the second half
- Tanker earnings under pressure in the second half
- Average earnings per day outperformed average spot market rates
- Delivery of four new-generation eco fuel-efficient 52 000 dwt medium-range product tankers into Vitol joint venture
- Delivery of two long-term chartered new-generation eco fuel-efficient 51 000 dwt medium-range product tankers and two owned handysize bulk carriers
- Orders placed for eleven new-generation eco fuel-efficient Japanese dry-bulk carriers in new joint venture
- Orders placed for five long-term chartered eco fuel-efficient Japanese supramax bulk carriers

STRATEGY

- Careful management of owned fleet to renew and capture value
- Expand fleet under commercial management

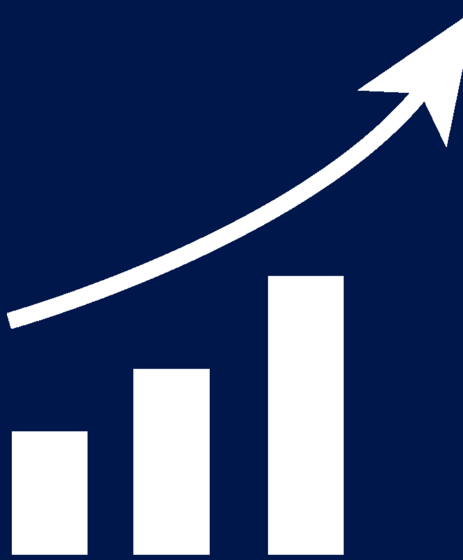
OUTLOOK

- Owned and long-term chartered fleet has a reasonable level of cover
- Dry-cargo market is expected to improve, supported by expected growth in seaborne trade
- Tanker market uncertain due to changing trade patterns

OPERATIONAL OVERVIEW

FINANCIAL SERVICES

Angola
Australia
Bermuda
Botswana
Brazil
Canada
China
Congo
Brazzaville
Denmark
Democratic
Republic of
Congo
Ecuador
France
Ghana
Hong Kong
Isle of Man
Japan
Kenya
Korea
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Namibia
The Netherlands
Nigeria
Peru
Sierra Leone
Singapore
South Africa
Swaziland
Tanzania
Ukraine
United Arab Emirates
United Kingdom
USA
Zambia
Zimbabwe



FINANCIAL SERVICES

- Attributable profit increased to R92,2 million (2012: R65,1 million)
- Assets under management up 11,8% to R12,3 billion (December 2012: R11,0 billion)
- Total funding (excluding SASSA deposits) at R4,9 billion (December 2012: R3,6 billion)
- Bank advances grew 15,6% to R3,7 billion (December 2012: R3,2 billion)

Financial Services	R million	Change from 2012 %
Revenue	371	47
EBITDA	156	22
Operating income	154	23

OPERATIONAL HIGHLIGHTS

- South African Social Security Agency (SASSA) debit card rollout completed with 9,7 million cards in issue at year-end
- Expansion of Private Equity initiatives into UK Property Private Equity Fund
- Launch of Exchange Traded Fund product range
- Consolidation and repositioning of Plexus CIS Unit Trust Funds
- Asset management fund performance

STRATEGY AND OUTLOOK

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STRATEGY

- Continue with focused expansion
- Develop business around the retail card offering
- Pursue growth in assets under management
- Focus on well-secured loans with low risk of default

OUTLOOK

- Good foundation for continued, sustainable growth across the business
- Fee income from increased card base is expected to be significant
- Strong fund performance is expected to continue attracting new assets under management
- Anticipated growth in Exchange Traded Fund market and Property Private Equity Fund

TRANSFORMATION

TRANSFORMATION

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- Significant investment in corporate social investment (CSI) in 2013
- Worked with empowerment partner, Adopt-a-School Foundation
- Adopted King Shaka High School in 2009 with notable successes:
  - a Matric pass rate in 2013 of 71% (2012: 62%, 2009: 35%)
  - 18 distinctions were achieved and three students have been awarded university bursaries
  - 10 learnerships awarded in 2014
- Three new schools targeted for adoption in 2014
- Invested in the Zizile Foundation, founded by Graca Machel, promoting early childhood development and education
- Unicorn Maritime School: During 2013, 2 030 (2012: 2 110) seafarers completed courses, of whom 258 are employed by Unicorn
- Cadet training scheme: During 2013, 24 cadets, of whom 12 were black and four were female, completed the programme (2012: 25)
- Participation in the National Cadet Training Scheme being administered by (SAMTRA) on behalf of SAMSA, providing training berths on-board our vessels

GROUP STRATEGY & OUTLOOK

STRATEGY

- To purposefully grow the business, organically, by acquisition and seeking synergies within the Group, with specific focus on Africa, to become the preferred fully integrated freight and logistics service

OUTLOOK

- Well-positioned to take advantage of an improvement in the global economy
- Well-developed pipeline of strategic projects
- South African origin, uniquely positions the Group to service African trade flows
- Execution on major projects will increase balance sheet gearing
- Board approved a R3 billion equity raise

KEY FOCUS AREAS 2014

- Execute on capital projects
- Maximise asset utilisation
- Drive to secure additional capacity
- Improve operating efficiencies and costs
- Deliver on agribusiness strategy
- Expand rail business
- Develop new infrastructure and logistics opportunities
- Develop an integrated approach to market with all Group businesses
- Drive compliance with key transformation requirements
- Manage strategic partnerships to facilitate execution and reduce risk
- Execute capital raising

ANNEXURES


Angola
Australia
Bermuda
Botswana
Brazil
Canada
China
Congo
Brazzaville
Denmark
Democratic
Republic of
Congo
Ecuador
France
Ghana
Hong Kong
Isle of Man
Japan
Kenya
Korea
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Namibia
The Netherlands
Nigeria
Peru
Sierra Leone
Singapore
South Africa
Swaziland
Tanzania
Ukraine
United Arab Emirates
United Kingdom
USA
Zambia
Zimbabwe


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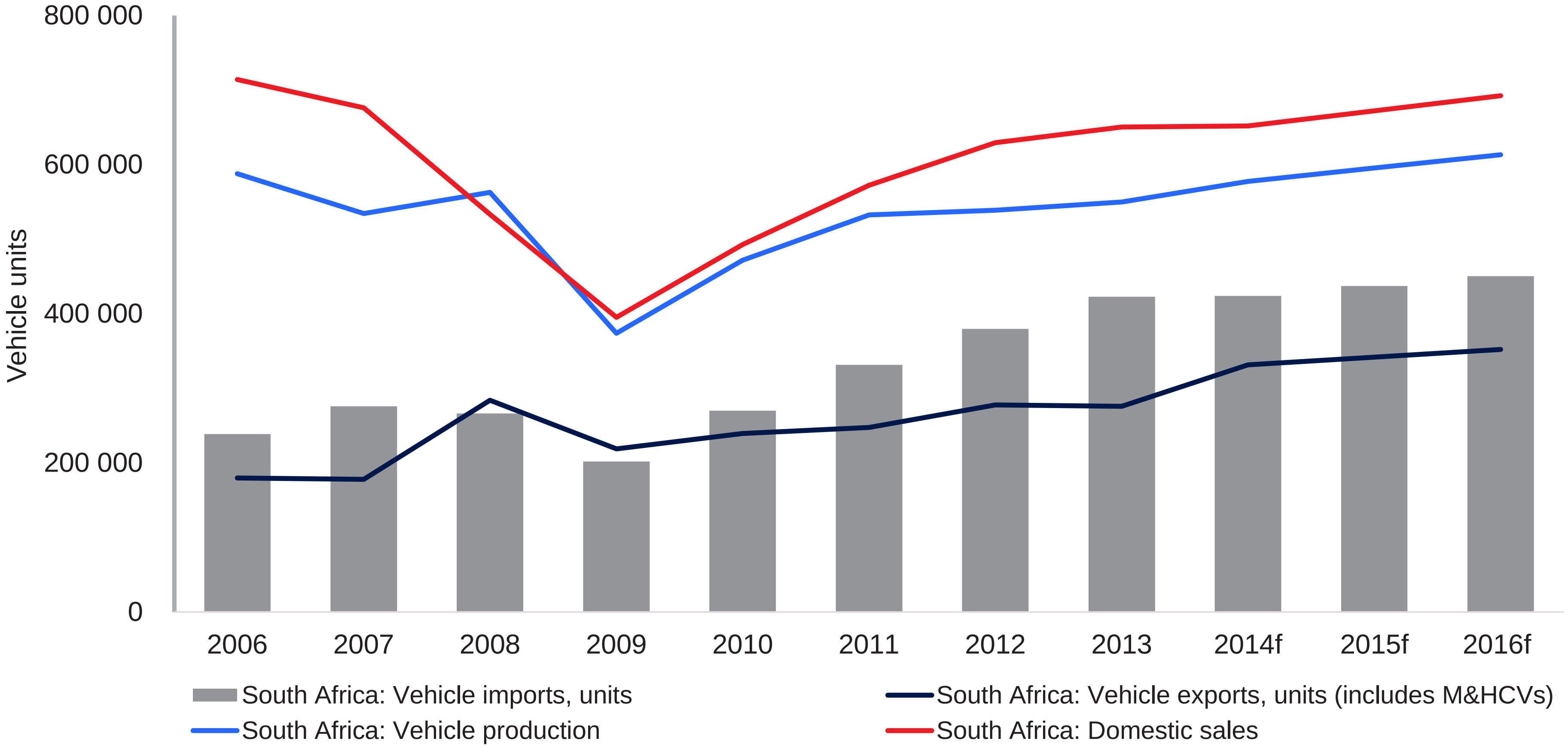
Terminals	Utilisation 2013	2012	% change	Annual capacity 2013	Annual plus capacity under construction	Annual capacity 2012
Dry-bulk (tonnes)	**13 304 503**	**12 065 176**	**10**	**18 650 000**	**19 150 000**	**15 850 000**
Matola coal terminal[1]	**4 314 260**[3]	4 475 649	(4)	**7 300 000**	7 300 000	6 000 000
Richards Bay	**4 367 842**	3 815 060	14	**6 100 000**	6 100 000	6 100 000
Maydon Wharf (Durban)	**853 272**	719 755	19	**700 000**	1 200 000	700 000
Walvis Bay (Namibia)	**383 682**	380 109	1	**550 000**	550 000	550 000
Maputo terminal	**3 385 447**	2 674 603	27	**4 000 000**	4 000 000	2 500 000
Port of Maputo	**17 204 158**	**14 961 278**	**15**	**N/A**	**N/A**	**N/A**
Maputo Car Terminal[2] (number of vehicles)	**71 368**	**47 743**	**49**	**120 000**	**120 000**	**52 000**

1. Increased capacity effective from 1 October 2013
2. Increased capacity effective from 1 September 2013
3. Impact of Tenga bridge collapse of approximately 1,2 million tonnes not included

AUTO INDUSTRY SECTOR – SOUTH AFRICA



f = BMI forecast
Source: Automotive News Europe, NAAMSA, BMI forecasts, January 2014

DRY-BULK DAILY SPOT RATES (BALTIC INDICES)

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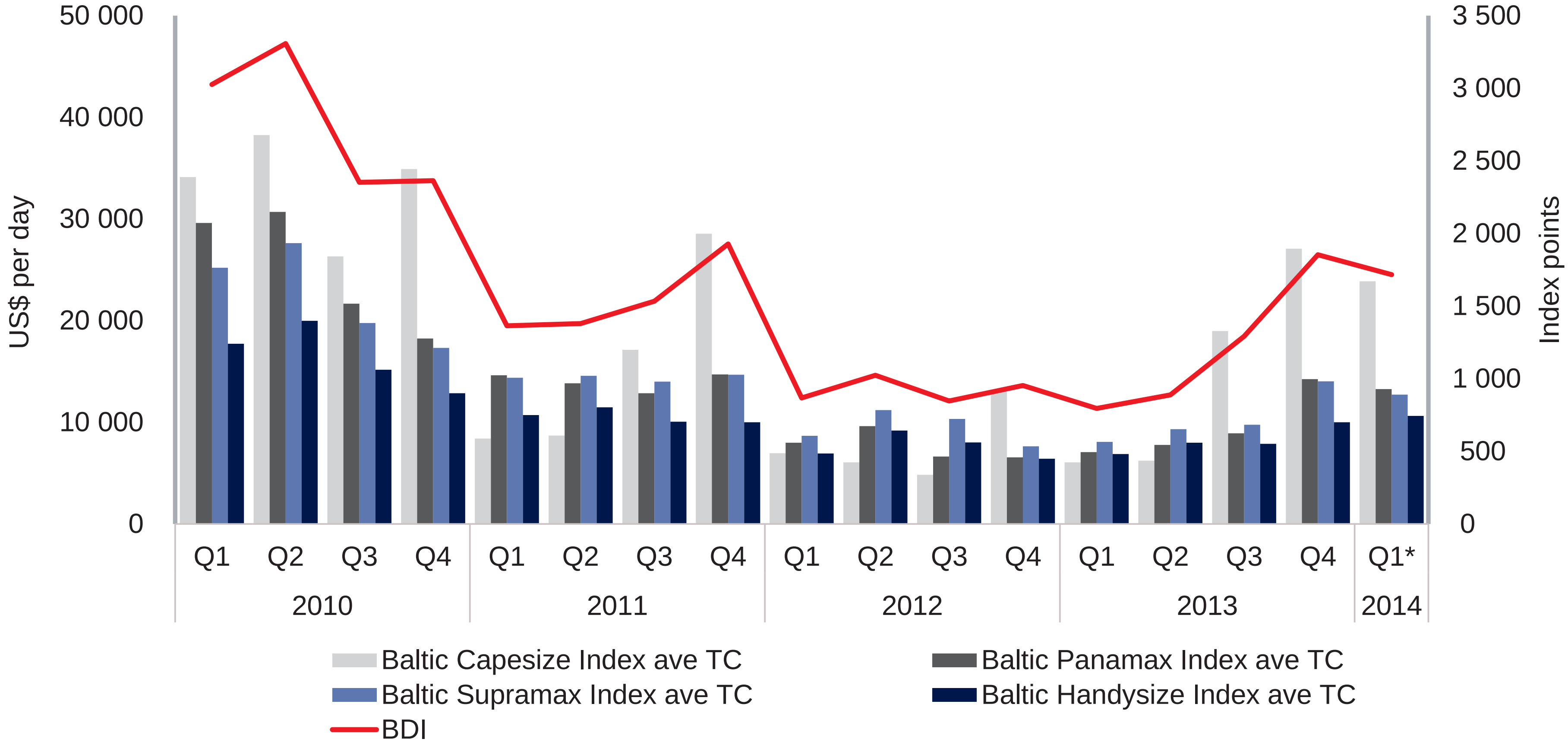

* Q1 2014: 1 January to 15 January 2014

Source: Clarksons Research (Shipping Intelligence Network), copyright Baltic Exchange, January 2014

DRY-BULK TRADE GROWTH

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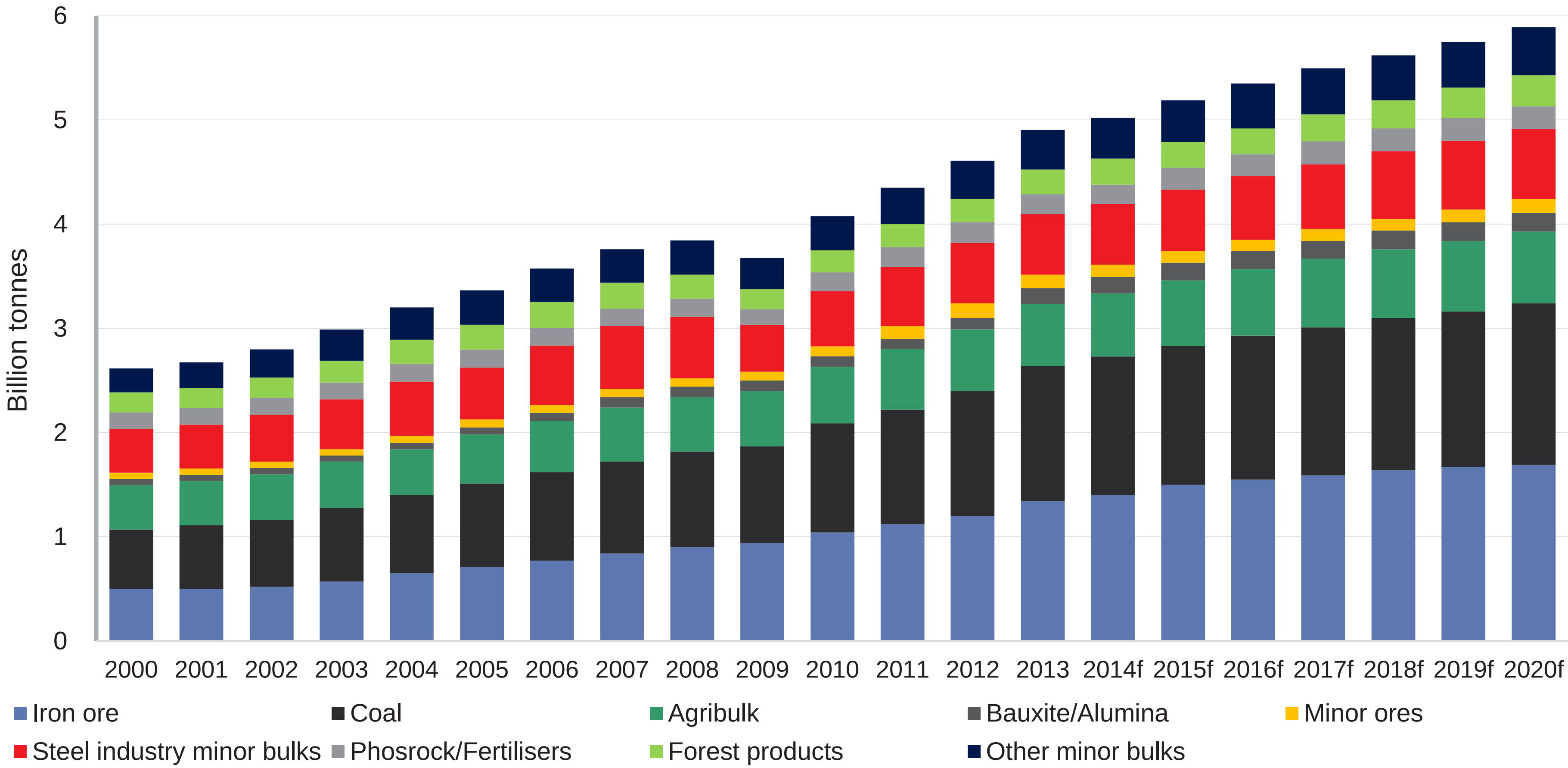

Source: Braemar Seascope, January 2014

HANDYSIZE BULK CARRIER AND PRODUCTS TANKER TIME CHARTER RATES

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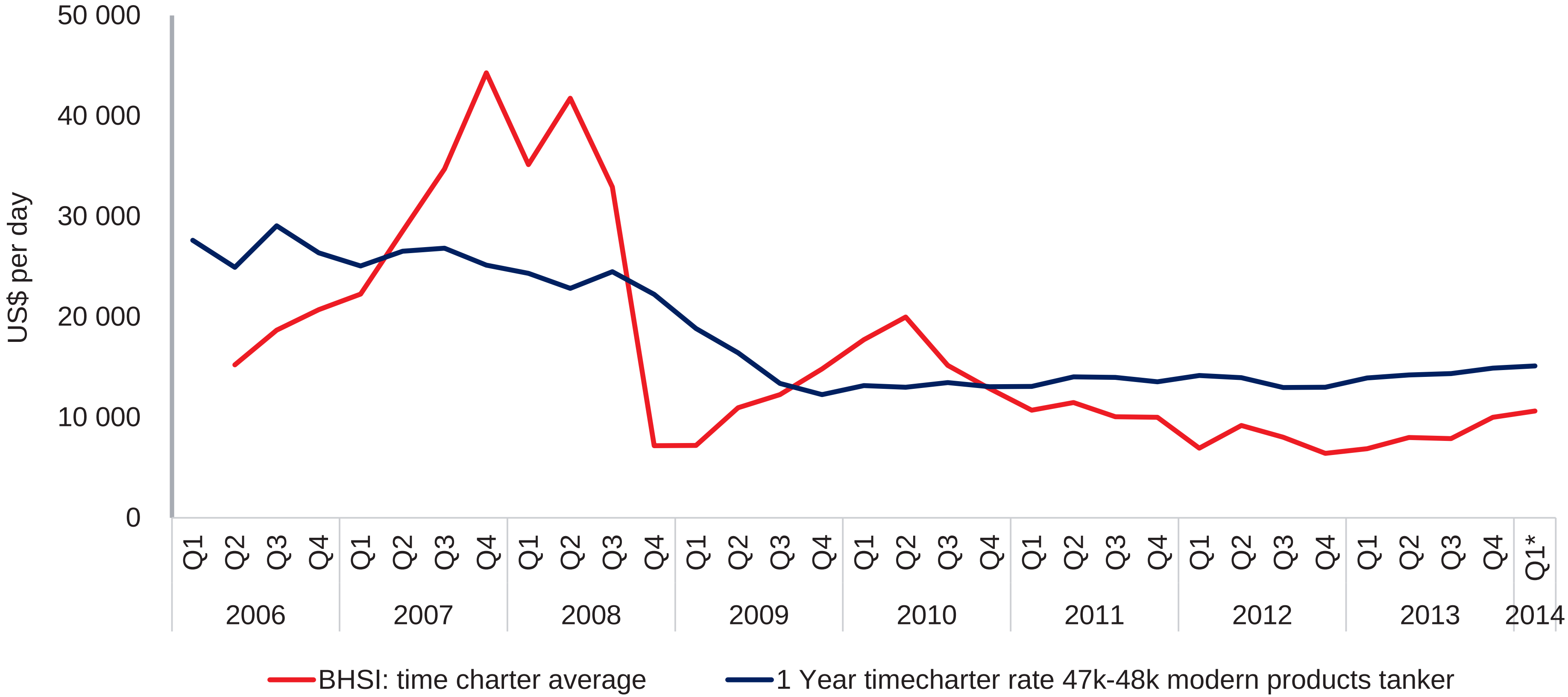
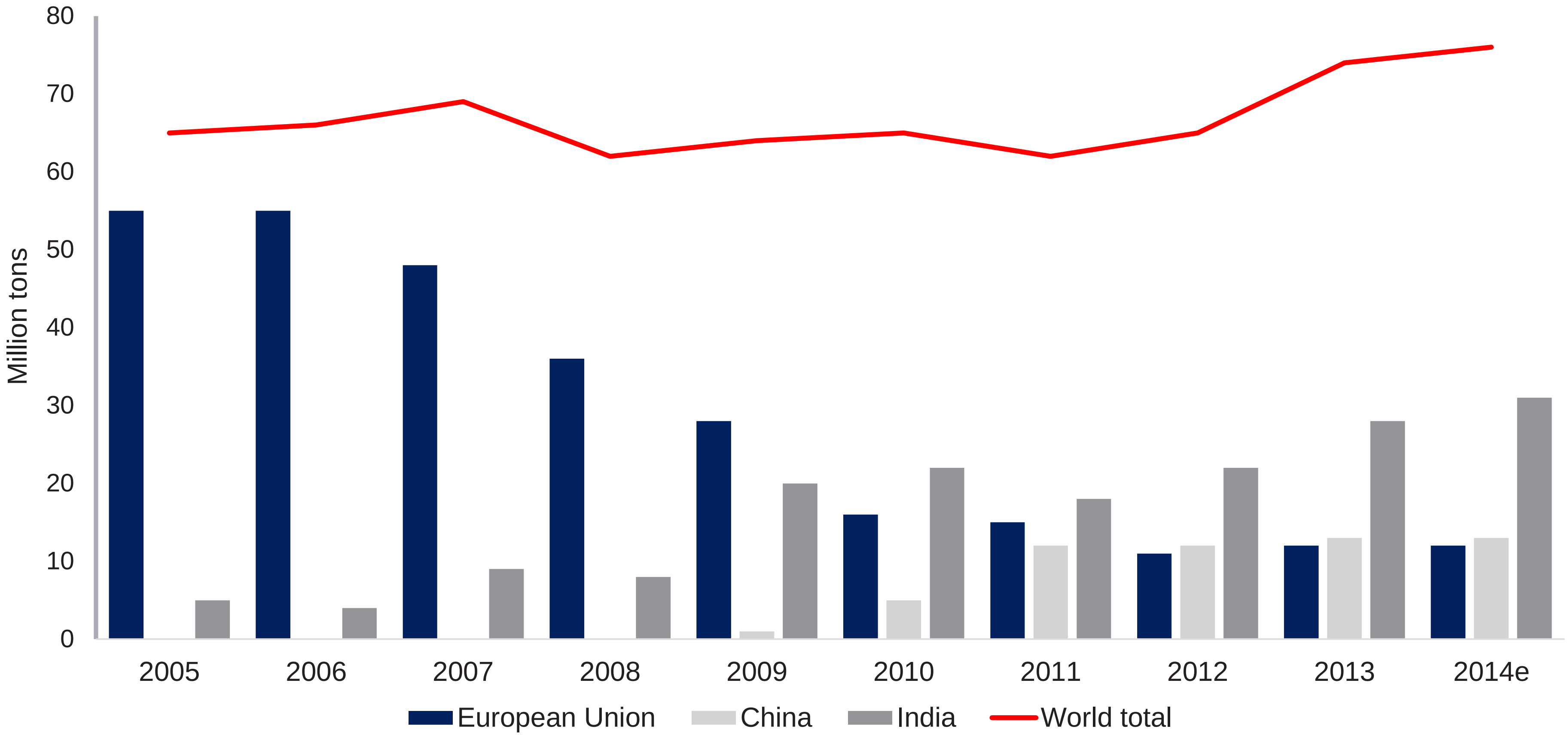


Source: Clarksons Research (Shipping Intelligence Network), January 2014

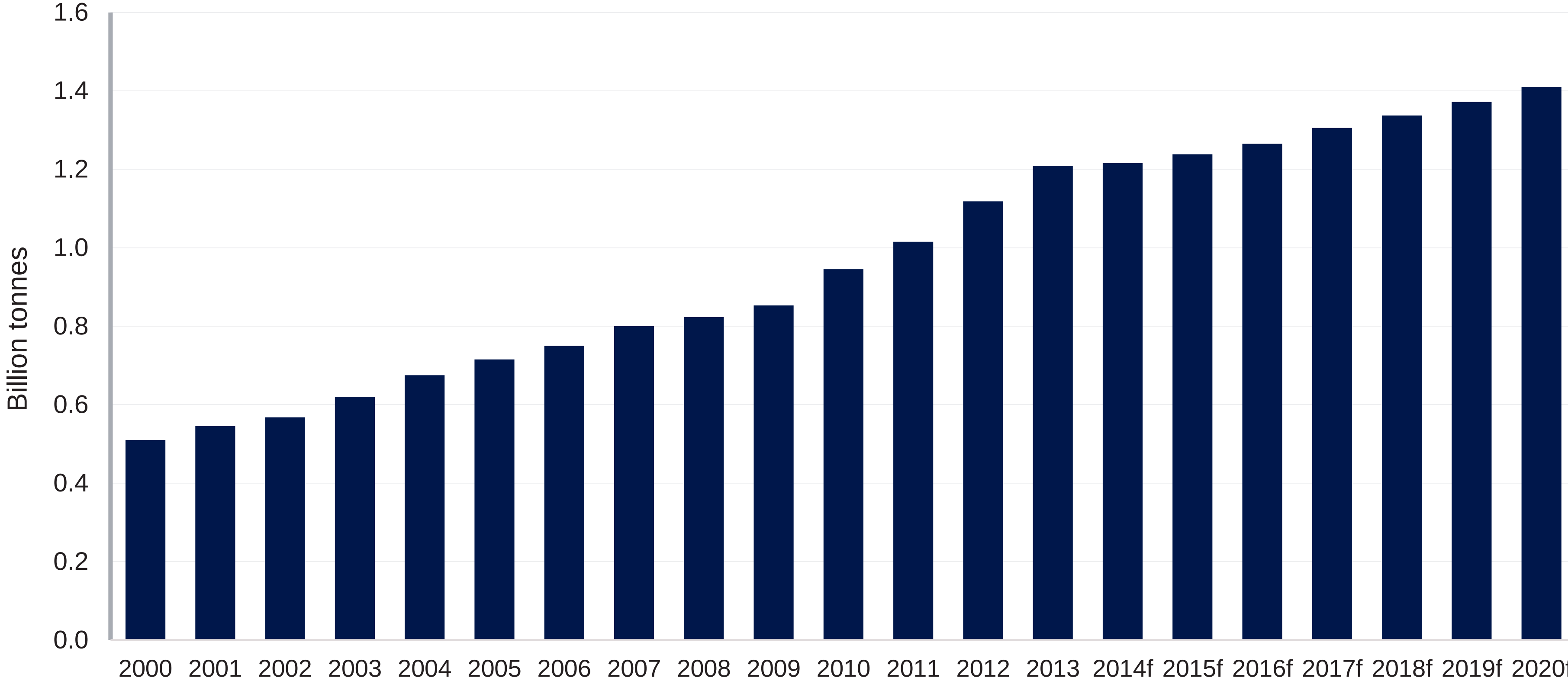
* Q1 2014 from 1 January to 15 January 2014

SOUTHERN AFRICAN COAL EXPORTS



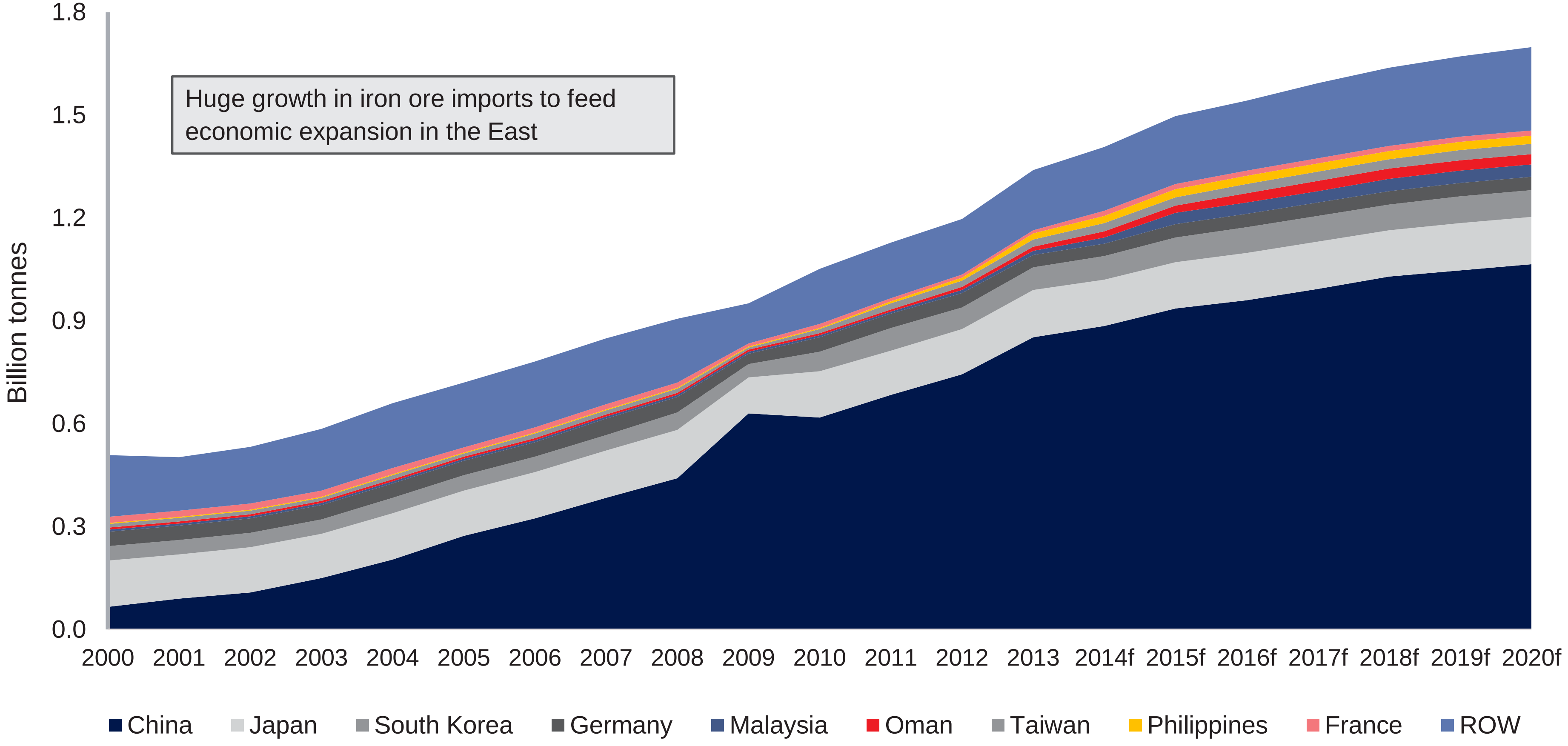
Southern Africa: Botswana, Lesotho, Namibia, South Africa, Swaziland
Source: Maersk Broker, January 2014

GLOBAL SEABORNE COAL TRADE



Source: Braemar Seascope, January 2014

GLOBAL IRON ORE IMPORTERS



Source: Braemar Seascope, January 2014

GLOBAL IRON ORE EXPORTERS

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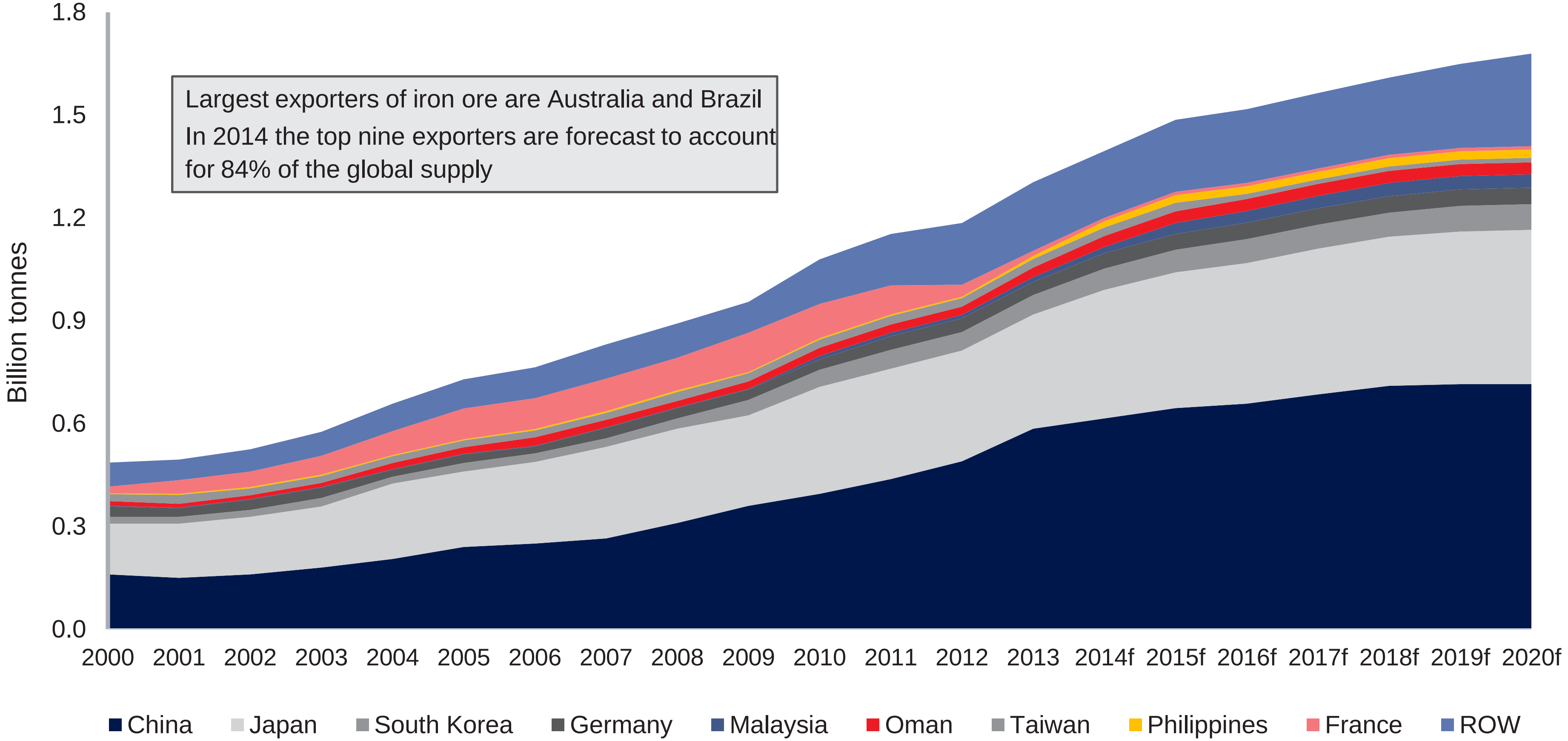

Source: Braemar Seascope, January 2014

SCRAPPING

dwt '000	Handysize bulker	Handymax bulker	Panamax bulker	Capesize bulker	Handy* products tanker	Handy* chemical tanker	**Total**	All other types	**Total scrapping**
2010	2 700	400	700	2 700	3 200	1 400	**11 100**	16 900	**28 000**
2011	5 300	2 200	5 200	10 500	1 400	700	**25 300**	17 200	**42 500**
2012	8 200	4 600	8 700	11 900	1 300	600	**35 300**	22 900	**58 200**
2013	6 200	3 100	4 300	8 000	1 400	200	**23 200**	22 100	**45 300**

* Handy tankers cover 10 000-60 000 dwt range
Source: Clarkson Research (Shipping Intelligence Weekly and Shipping Intelligence Network, January 2014)

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