



an integrated business

**UNAUDITED INTERIM RESULTS
AND DIVIDEND ANNOUNCEMENT**
for the six months ended 30 June 2013

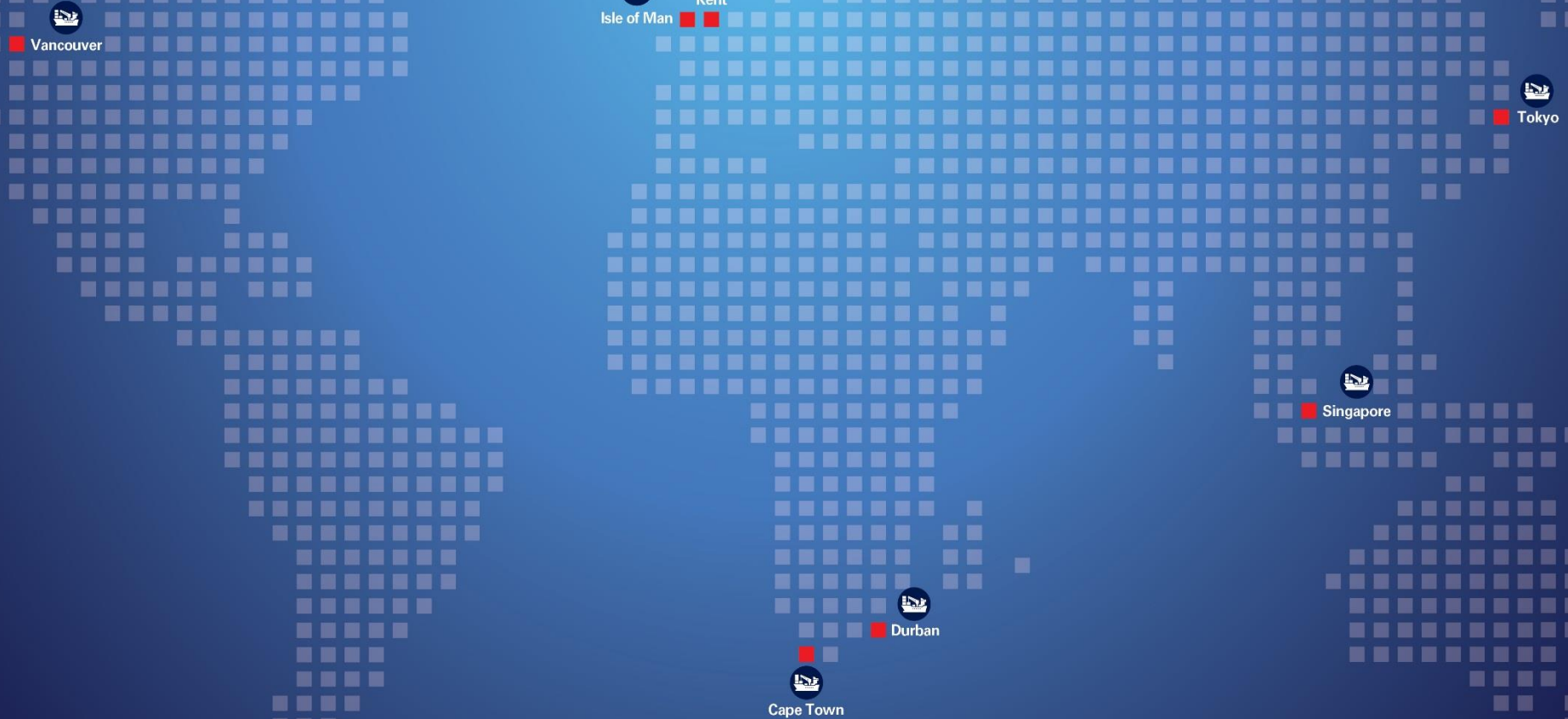
GEOGRAPHICAL PROFILE: FREIGHT SERVICES



GEOGRAPHICAL PROFILE: TRADING



GEOGRAPHICAL PROFILE: SHIPPING



an integrated business

OPERATIONAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS



Headline earnings per share

▲ **29%**

to 76,2 cents

(H1 2012: 58,9 cents)

Gross interim ordinary dividend per share

▲ **14%**

to 20,0 cents

(H1 2012: 17,5 cents)

Financial Services earnings

▲ **120%**

to R47,8 million

(H1 2012: R21,7 million)

Freight Services earnings from trading activities

▲ **75%**

to R299,9 million

(H1 2012: R171,7 million)

Earnings per share

▼ **12%**

to 90,2 cents

(H1 2012: 103,1 cents)

(largely due to profit of R414,9 million on sale of
35% of the Maputo coal terminal in the prior year)



STRATEGIC HIGHLIGHTS



- Good progress on terminal and rail expansions
- Ship purchases and charters at market lows
- Empowered the South African Industrial commodity business
- Completed South African Social Security Agency (SASSA) debit card rollout




BUSINESS ENVIRONMENT



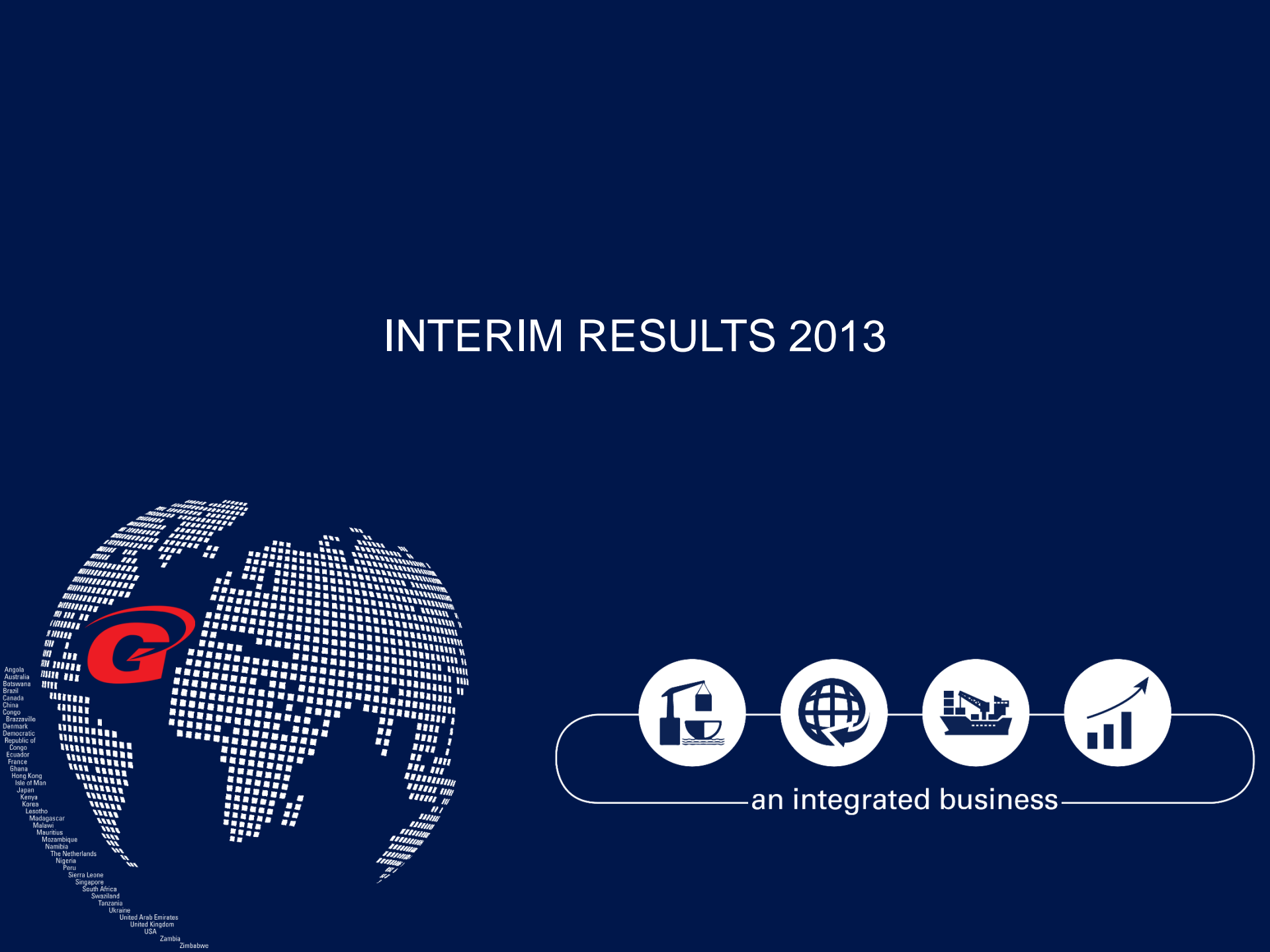
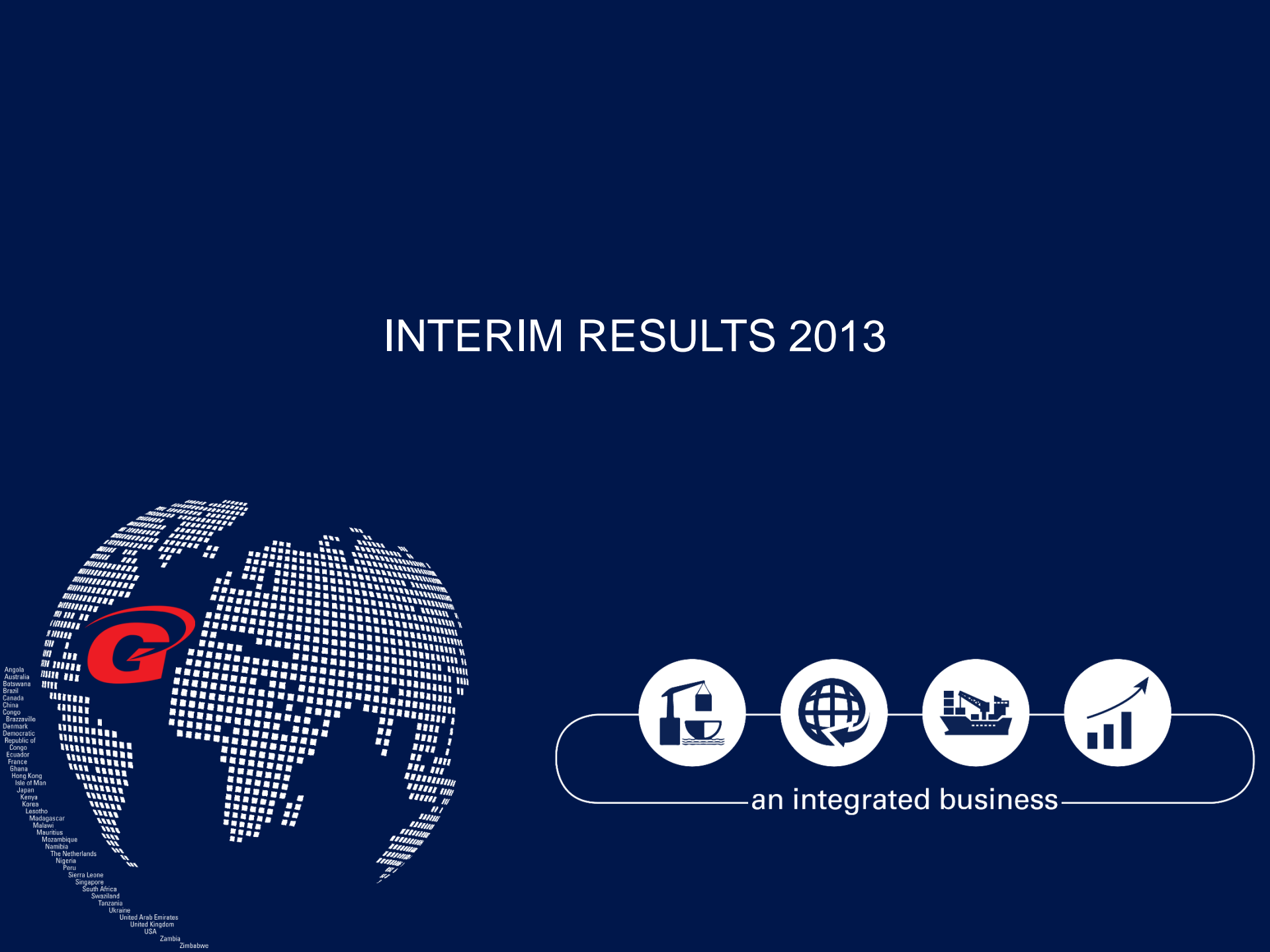
- Industrial commodity demand continues
- Agricultural commodity competition in the local market and pricing volatility
- Ship newbuilding prices rising
- Drybulk freight rates fall while tanker freight rates improve
- Africa infrastructure development continues
- Currency volatility
- Labour unrest



INTERIM RESULTS 2013



an integrated business



MANAGEMENT INCOME STATEMENT – H1 2013



R million	H1 2013	H1 2012	Growth %	Comments
Revenue	14 711	19 658	(25)	Sale of 50% of Cockett
Trading profit	952	782	22	Increased volumes in terminals offset by decline in the trading business
Depreciation and amortisation	(276)	(228)	21	Increased capital expenditure in ships and terminals and weakening exchange rates
Non-trading items	90	262	(66)	Business disposals/acquisitions
Net interest paid	(70)	(41)	70	Decreased interest received due to utilisation of funds
Taxation	(136)	(138)		
Preference dividends	(27)	(29)		
Profit attributable to ordinary shareholders	533	608	(12)	
Average rate of exchange	ZAR/USD	9,23	7,95	



HEADLINE EARNINGS – H1 2013



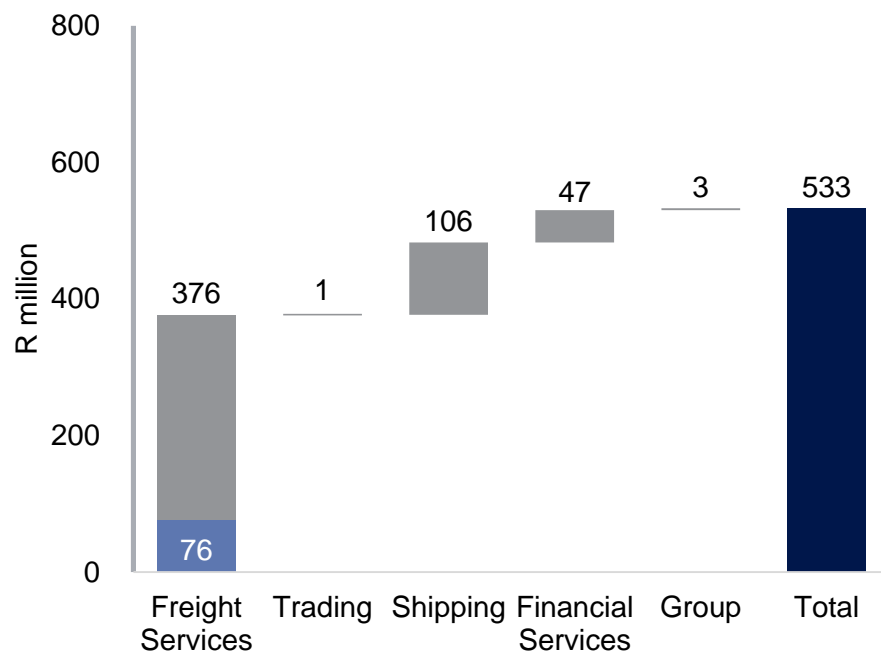
R million	H1 2013	H1 2012	Growth %	2012
Profit attributable to ordinary shareholders	533	608	(12)	837
Adjusted for:				
Net profit on disposals	(83)	(261)		(231)
Impairment	(77)	(400)		(455)
Negative goodwill	—	139		224
	(6)	—		—
Headline earnings	450	347	29	606



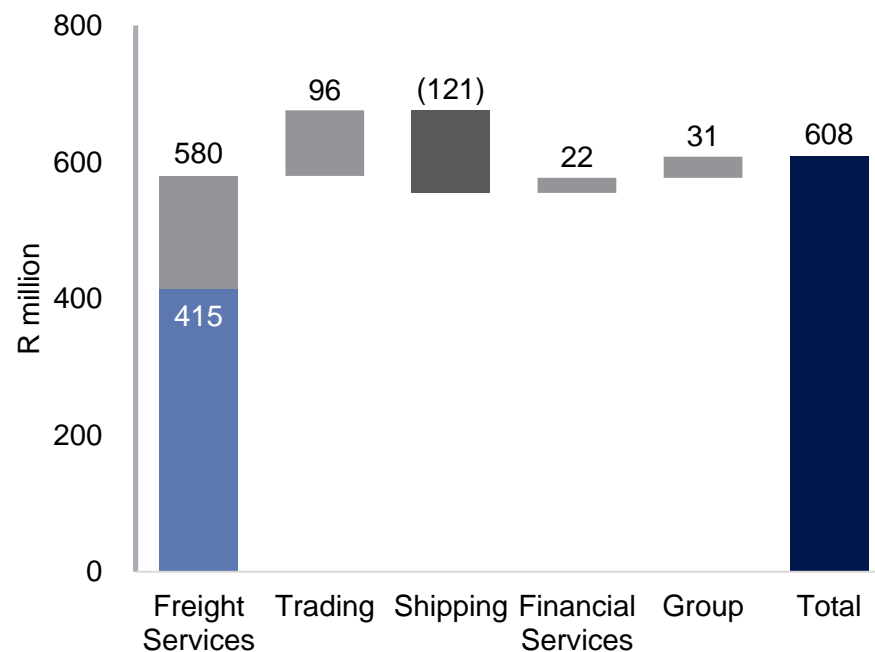
ATTRIBUTABLE INCOME BY DIVISION



H1 2013



H1 2012



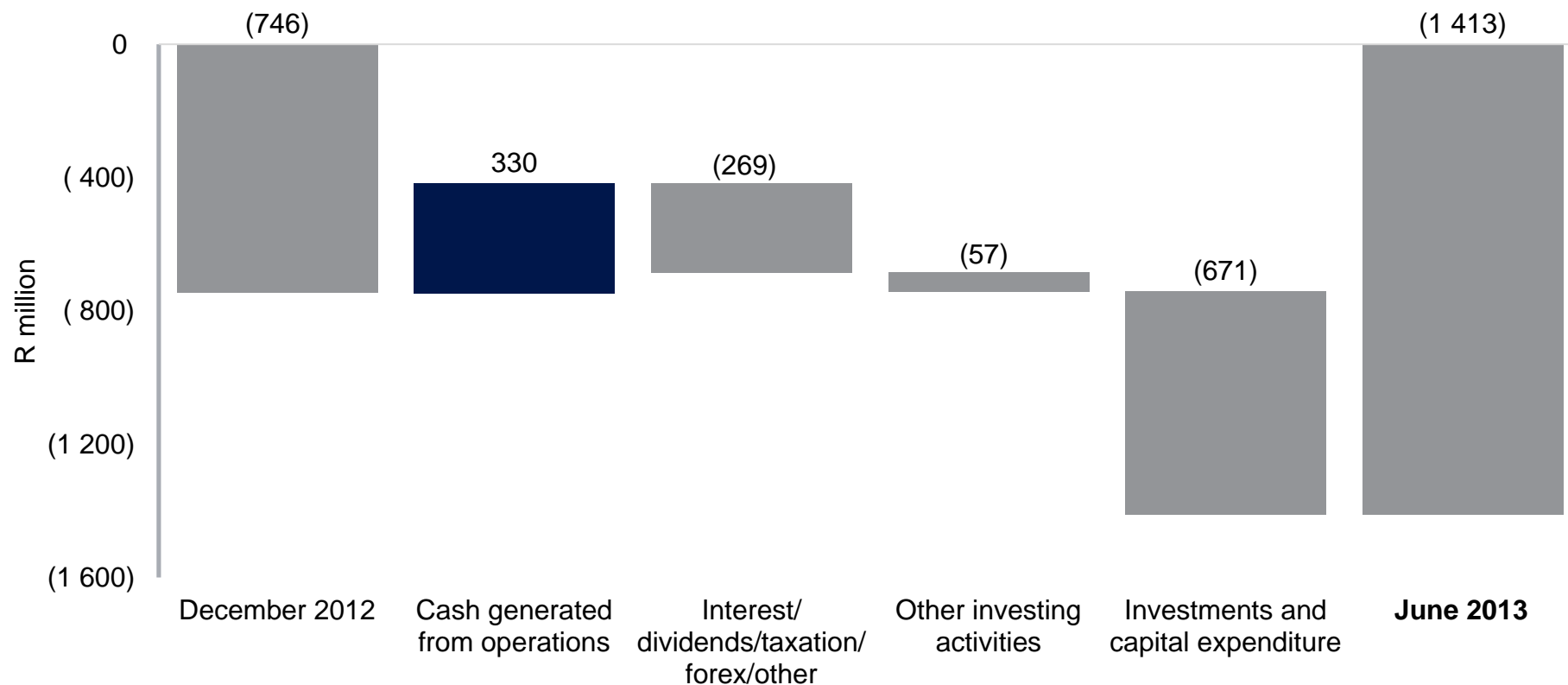
BALANCE SHEET



R million	30 June 2013	Dec 2012	Growth %	Comments
Ships	4 578	3 865	18	Increase due to additions and translation
Terminal infrastructure, vehicles and equipment	1 254	1 052	19	
Investments in joint ventures and associates	2 801	2 181	28	Increase due to profits and translation
Other non-current assets and investments	2 136	2 053	4	
Loans and advances to bank customers	3 606	3 188	13	
Other assets	293	311	(6)	
Current assets	8 780	9 424	(7)	
Total assets	23 448	22 074	6	
Shareholders' equity	11 857	10 241	16	Increased earnings and weakening exchange rate
Interest-bearing borrowings	4 520	4 016	13	Increased short-term borrowings
Bank deposits and debt financial instruments	4 940	5 669	(13)	Lower level of month-end SASSA deposits
Other liabilities	2 131	2 148	(1)	
Total equity and liabilities	23 448	22 074	6	
Net debt:equity (%)	12,0	7,3		
Closing rate of exchange ZAR/USD	9,93	8,48		



CASH FLOW



CAPITAL COMMITMENTS AND EXPENDITURE



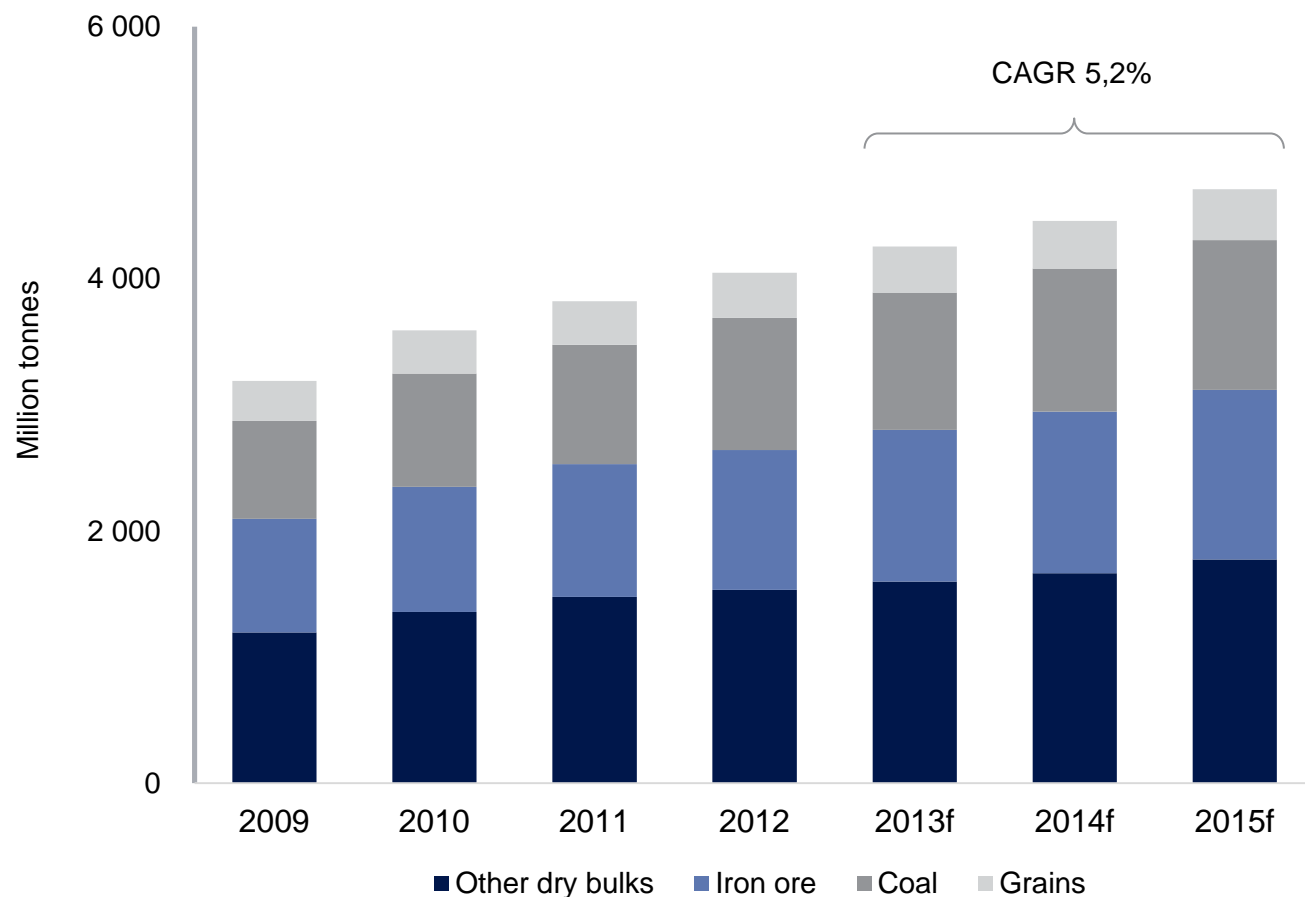
(R million)	Capital expenditure		Capital commitments				Split as follows	
	H1 2013	H2 2013	2014	2015	2016+	Total	Approved not contracted	Approved and contracted
Freight Services	431	786	83	20	7	896	397	499
Ports and Terminals	188	368	20	20	-	408	391	17
Rail	85	146	23	-	-	169	-	169
Logistics	158	272	40	-	7	319	6	313
Trading	38	64	1	1	2	68	42	26
Shipping	422	258	202	312	-	772	-	772
Financial Services	105	28	-	-	-	28	-	28
Group	37	3	-	-	-	3	3	-
	1 033	1 139	286	333	9	1 767	442	1 325
Split as follows:								
Subsidiary	671	802	284	333	2	1 421	407	1 014
Joint venture	362	337	2	-	7	346	35	311



MARKETS



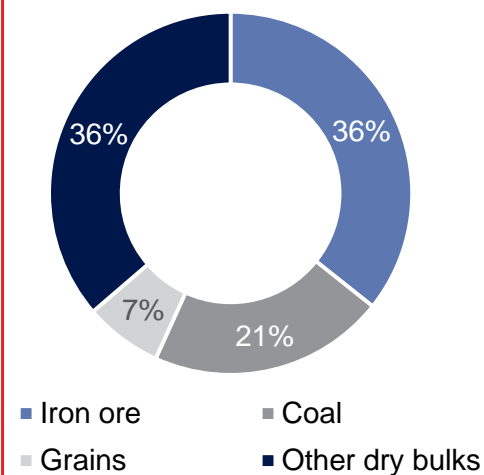
DRYBULK SEABORNE TRADE GROWTH



Global seaborne trade exceeded 4bn tonnes in 2012

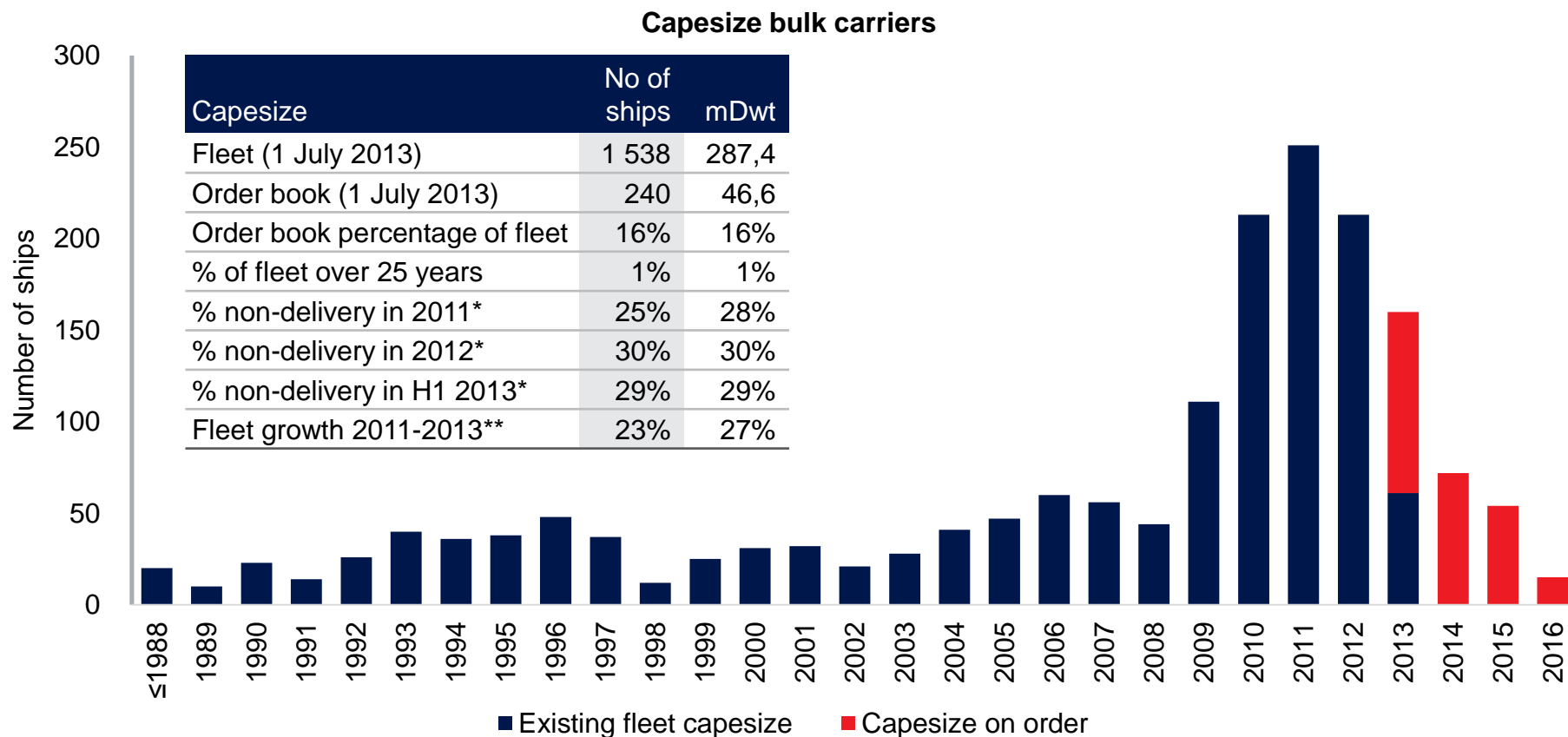
Seaborne trade will continue to grow by an average of 5,2% annually between 2012 and 2015

Contribution to growth
by commodity



f = forecast
Source: Hartland Shipping Services Ltd, August 2013



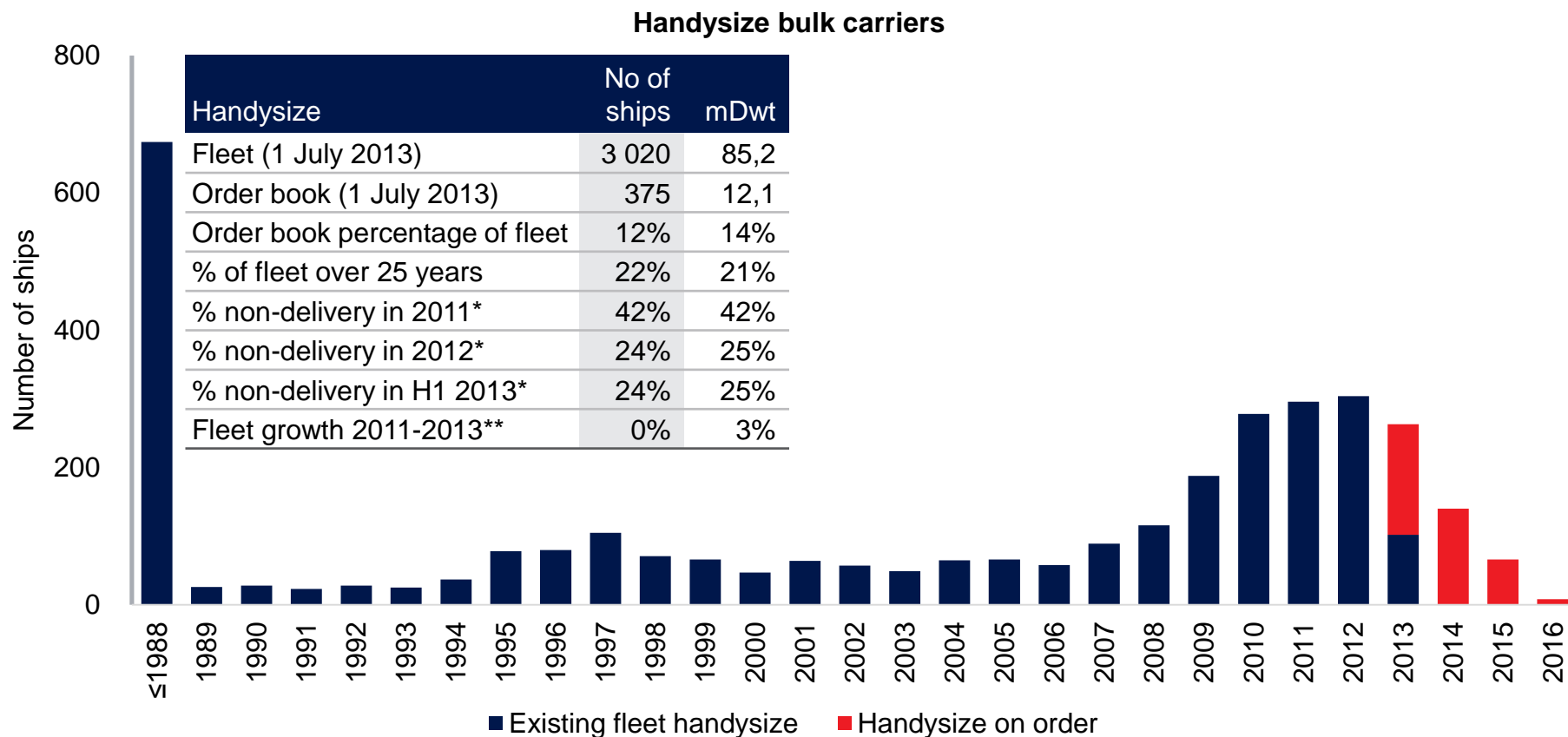


* Non-deliveries are estimates based on vessels that were scheduled to be delivered according to the opening order book, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2011 until 1 July 2013

Source: Clarksons Research, July 2013





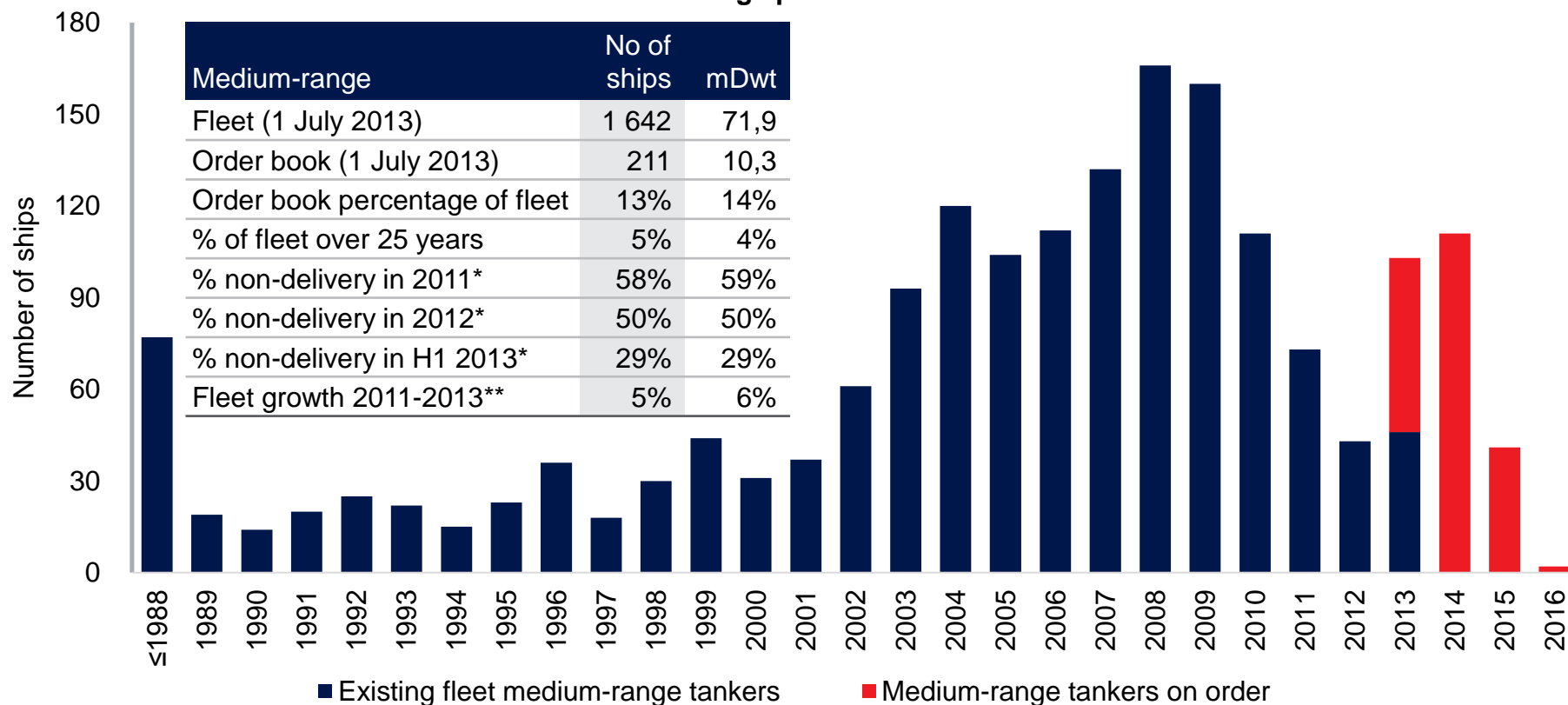
* Non-deliveries are estimates based on vessels that were scheduled to be delivered according to the opening order book, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2011 until 1 July 2013

Source: Clarksons Research, July 2013



Medium-range products tankers



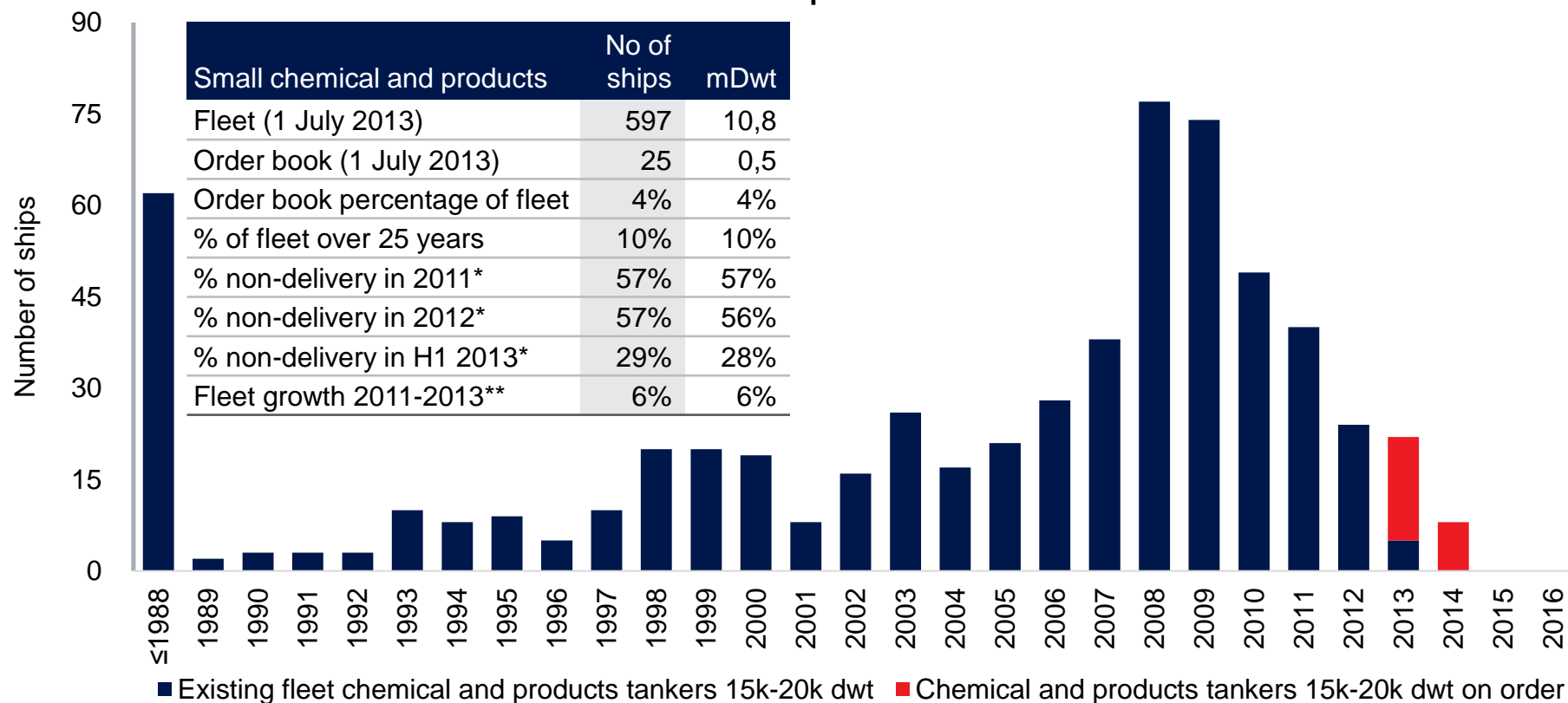
* Non-deliveries are estimates based on vessels that were scheduled to be delivered according to the opening order book, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2011 until 1 July 2013

Source: Clarksons Research, July 2013



Small chemical and products tankers



* 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 July 2013

Source: Clarksons Research, July 2013



DIVISIONAL OVERVIEW

FREIGHT SERVICES



FREIGHT SERVICES



- Earnings from trading activities increased by 75% to R299,9 million (H1 2012: R171,7 million)
- Ports, Terminals and Rail earnings from trading activities up 81% to R250,5 million (H1 2012: R138,8 million)
- Logistics earnings from trading activities up 50% to R49,4 million (H1 2012: R32,9 million)

Freight Services	R million	Change from H1 2012 %
Revenue	2 376	28
EBITDA	578	61
Operating income	463	83
Operating margin	19%	43



OPERATIONAL HIGHLIGHTS – PORTS, TERMINALS AND RAIL



- Maputo coal terminal Phase 3,5 expansion project commissioned in July 2013 increasing capacity by additional 1,3 million tonnes
- Maputo drybulk terminals impacted by a 60-day closure on the Ressano Garcia line, resulting in 1,2 million tonnes lost tonnage; partially offset by insurance proceeds
- Maputo port volumes up 5% despite Ressano Garcia line outage
- Maputo car terminal volume up 91%. Phase 2 expansion increasing capacity to 121 000 units annually, commissioned in July 2013
- Disposal of Grindrod Tank Terminals to Oiltanking Grindrod Calulo Holdings effective 1 June 2013; Coega tank terminal expected to commence construction Q4 2014
- 23 locomotives were manufactured and sold by RRL Grindrod Locomotives; production capacity increased to 100 locomotives per annum; at 30 June, 60 locomotives were on lease
- An offer was made to acquire 74,9% of the shares in RACEC Limited in July 2013



OPERATIONAL HIGHLIGHTS – LOGISTICS



- Mineral volumes handled at Intermodal increased by 30% to 434 867 tonnes
- Strong operating margins from the Clearing and Forwarding business, with volumes substantially up on prior year
- Petrologistics performance in Botswana exceeded expectations
- Restructuring of Fuelogic completed in June 2013, following commissioning of the pipeline
- Development of intermodal container depot in Maputo, in partnership with Dubai Ports World, due for completion Q1 2014



STRATEGY

- Driving product mix in the Maputo terminals in favour of magnetite, supported by iron ore market fundamentals
- Execution of the Maputo port master plan, and expansion of capacity at Maputo terminal and Richards Bay drybulk terminal, in conjunction with RBT Resources, are strategic imperatives
- Construction of the Coega tank terminal and expansions at Durban and Cape Town tank terminal facilities by Oiltanking Grindrod Calulo Holdings
- Continue to expand the footprint into Africa for the Terminals, Rail and Logistics businesses to capitalise on growth opportunities on the continent



OUTLOOK

- Port and Terminals volumes are expected to increase, sustained by continued seaborne demand
- Rail business to benefit from initiatives targeted at the strong growth within the sector showing exciting growth opportunities
- Robust demand in Botswana, Mozambique and Namibia will underpin fuel transportation performance, offsetting a decline in petrochemical transport in South Africa following commissioning of the Transnet pipeline
- Solid results in the Clearing and Forwarding business and increasing volumes at Intermodal are expected to continue, resulting in continued support to the Logistics business



DIVISIONAL OVERVIEW

TRADING



TRADING



- H1 2013 revenue and earnings generated R10,3 billion and R0,7 million respectively (H1 2012: R15,5 billion and R96,2 million respectively)
- Good results from the Marine Fuels, Industrial commodity and Coal trading businesses
- Poor result from the Agricultural businesses

Trading	R million	Change from H1 2012 %
Revenue	10 263	(34)
EBITDA	33	(83)
Operating income	25	(87)
Operating margin	0,24%	(80)



OPERATIONAL HIGHLIGHTS



- Volume growth in the Marine Fuels business
- Additional barge and physical storage added to the Thames Marine Fuels business
- Sold 75% of the Industrial commodities business to a black-owned company represented by Mr Moyikwa Sisulu
- Acquisition of agriprocessing assets in Zimbabwe



STRATEGY

- Focus on utilisation of group assets, services and resources providing an integrated service offering
- Investment in strategic assets in the supply chain

OUTLOOK

- The Marine Fuels business is expected to perform reasonably well as it grows its business in difficult market conditions
- The black-owned Industrial commodities business will unlock opportunities for growth
- The restructure of the Agricultural business to reposition the business will continue



DIVISIONAL OVERVIEW

SHIPPING



SHIPPING



- Profit of R106,2 million is a significant improvement on the R121,1 million loss in the first half of 2012
- Average earnings per day outperformed average spot market rates for the period across all sectors

Shipping	R million	Change from H1 2012 %
Revenue	1 914	(14)
EBITDA	287	82
Operating income	137	193
Operating margin	7%	238



OPERATIONAL HIGHLIGHTS



- Commenced commercial and technical management of handysize bulk carriers fleet
- Exit from panamax drybulk sector
- Settlement negotiated for cancellation of long-term chartered chemical tankers
- Drybulk and Tanker operations performed well
- Orders placed for the acquisition of three eco fuel efficient Japanese built handysize bulk carriers and contracted four long-term charter eco fuel efficient Japanese built supramax bulk carriers
- Took delivery of one handysize bulk carrier
- Took delivery of an eco fuel efficient MR products tanker in a joint venture and two long-term chartered eco fuel efficient MR products tankers



STRATEGY

- Carefully timed expansion through purchase or long-term charter of eco fuel efficient vessels
- Expand fleet under commercial management

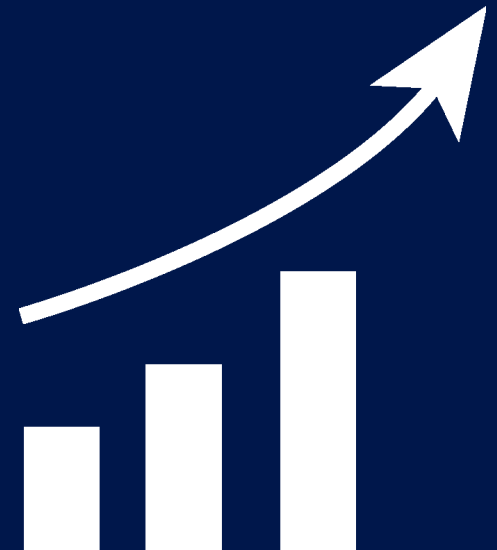
OUTLOOK

- Owned and long-term chartered fleet has a reasonable level of cover
- Newbuilding prices and rates show signs of increasing
- Drybulk
 - › Order book reducing
 - › Scrapping continues at high levels
 - › Seaborne trade continues to grow
- Tankers
 - › Growth in demand
 - › Improved freight rates
 - › Closure of older inefficient refinery capacity bullish for the tonne/sea mile equation



DIVISIONAL OVERVIEW

FINANCIAL SERVICES



FINANCIAL SERVICES



- Earnings increased 120% to R47,8 million (H1 2012: R21,7 million)
- Assets under management up 12% to R12,3 billion (December 2012: R11,0 billion)
- Total funding (excluding SASSA deposits) at R4,1 billion (December 2012: R3,6 billion)
- Bank advances grew 13,1% to R3,6 billion (December 2012: R3,2 billion)

Financial Services	R million	Change from H1 2012 %
Revenue	156	65
EBITDA	80	82
Operating income	79	82
Operating margin	51%	11



OPERATIONAL HIGHLIGHTS



- Rollout of South African Social Security Agency (SASSA) bank debit cards which commenced in April 2012 with 9,7 million cards in issue as at June 2013
- 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

- Continue with focused expansion
- Develop business around the retail card offering
- Pursue growth in assets under management on the back of good investment performance
- Focus on well secured loans with low risk of default and maintaining a good interest margin

OUTLOOK

- Fee income from increased card base is expected to be significant
- Low levels of corporate activity place pressure on corporate finance fees
- Strong fund performance is expected to continue attracting new assets under management
- Anticipated growth in Exchange Traded Fund market



TRANSFORMATION



- Grindrod South Africa has a level 2 B-BBEE certification
 - › Mkhuseli Faku through the Calulo Group is invested in the South African Terminal, Logistics and Shipping businesses
 - › Ted Zulu through Solethu is invested in the Rail businesses
- Adopt-a-School Foundation is an equity owner of Grindrod South Africa
- Grindrod plans to invest in excess of **R6,5 million** in corporate social investment (CSI) in 2013 (2012: R5,6 million)
- The CSI main objective is to **invest in** and **improve education**
- Grindrod “adopted” King Shaka High School in 2009 together with Adopt-a-School Foundation and notable successes include:
 - › A Matric pass rate of over 60% for 2012 (2009: 38%)
 - › Mandisa Mitwa achieved five distinctions in her Matric (2012)



[illegible]

STRATEGY

- To deliver on the integrated freight, trading and shipping strategy and invest in infrastructure opportunities with high barriers to entry

OUTLOOK

- Well positioned to take advantage of an improvement in the global economy
- Well developed pipeline of strategic projects
- Execution on major projects will increase balance sheet gearing



ANNEXURES



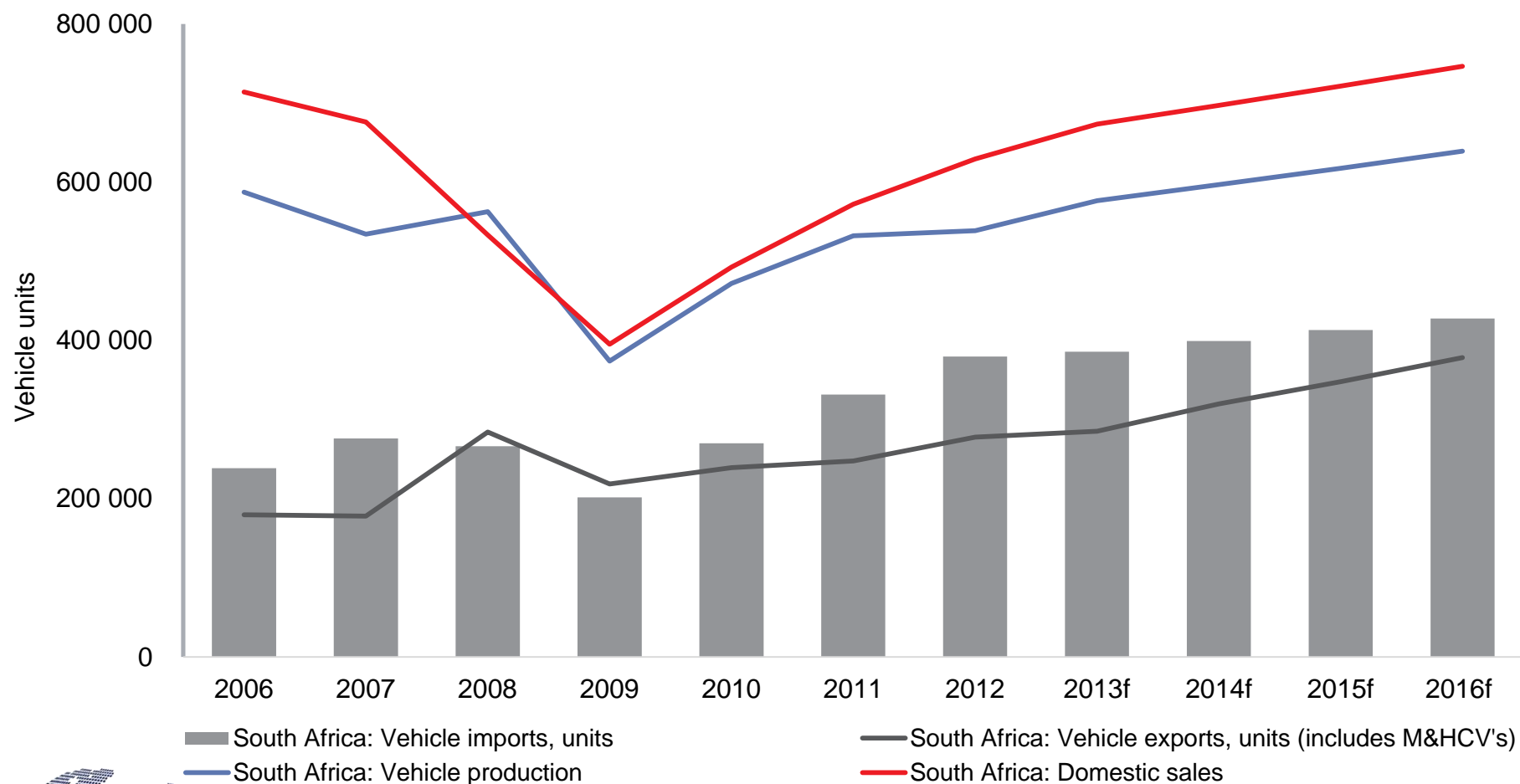
TERMINAL CAPACITY



Terminals	Utilisation		% change	Annual capacity 2013	Annual plus capacity under construction	Annual capacity 2012
	H1 2013	H1 2012				
Drybulk (tonnes)	5 188 829	5 490 011	(5)	15 850 000	18 100 000	15 350 000
Maputo coal terminal	1 452 092	2 115 347	(31)	6 000 000	7 300 000	6 000 000
Richards Bay	1 881 624	1 632 283	15	6 100 000	6 100 000	6 100 000
Maydon Wharf (Durban)	371 715	334 241	11	700 000	1 200 000	700 000
Walvis Bay (Namibia)	181 710	223 950	(19)	550 000	550 000	550 000
Maputo sized coal terminal	1 301 688	1 184 190	10	2 500 000	2 950 000	2 000 000
Port of Maputo ('000)	6 728 865	6 436 797	5	N/A	N/A	N/A
Maputo automotive (number of vehicles)	37 155	19 424	91	52 000	121 000	52 000



AUTO INDUSTRY SECTOR – SOUTH AFRICA

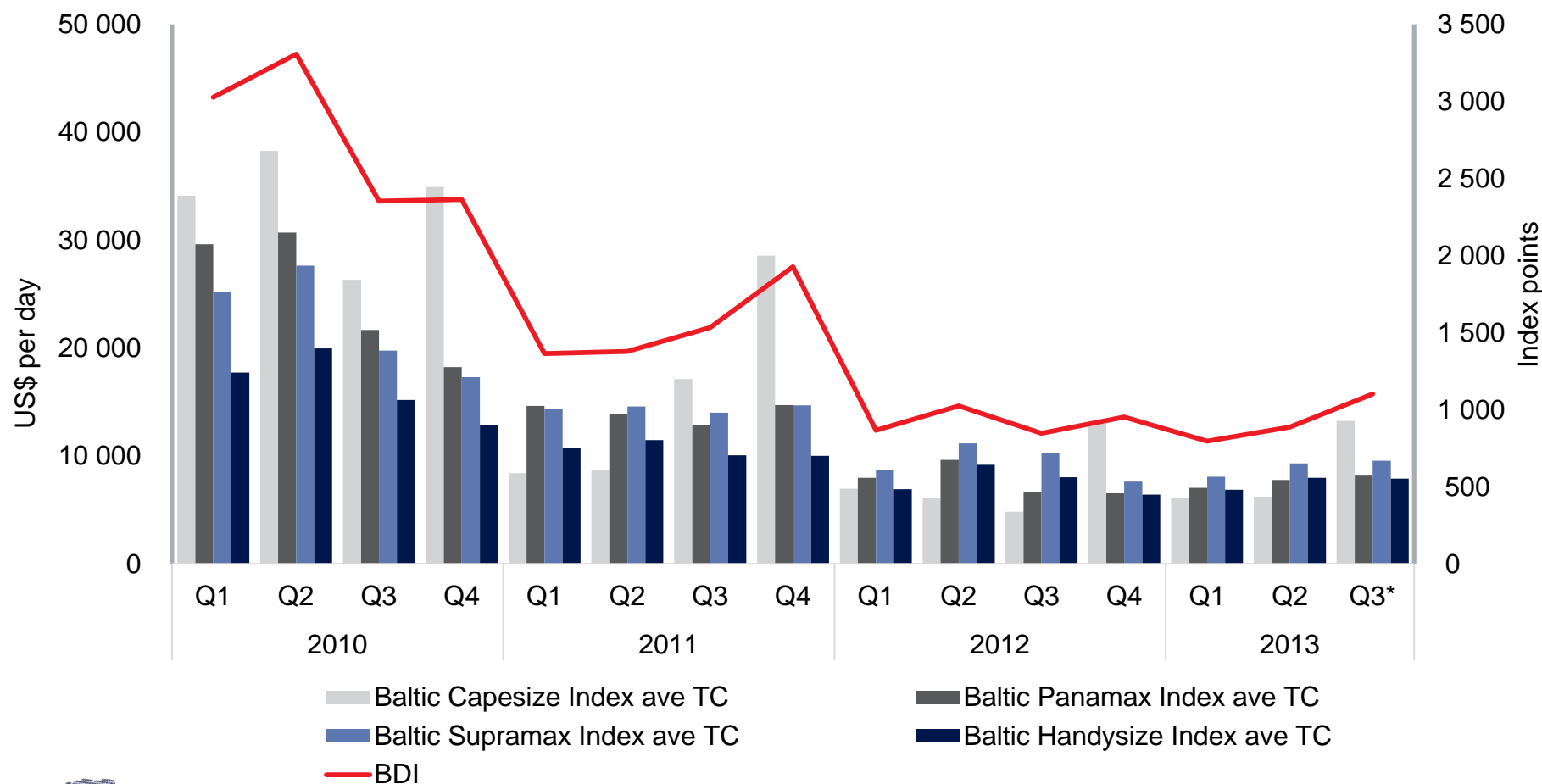


f = forecast

Source: Automotive News Europe, NAAMSA, BMI estimates, July 2013



DRYBULK DAILY SPOT RATES (BALTIC INDICES)

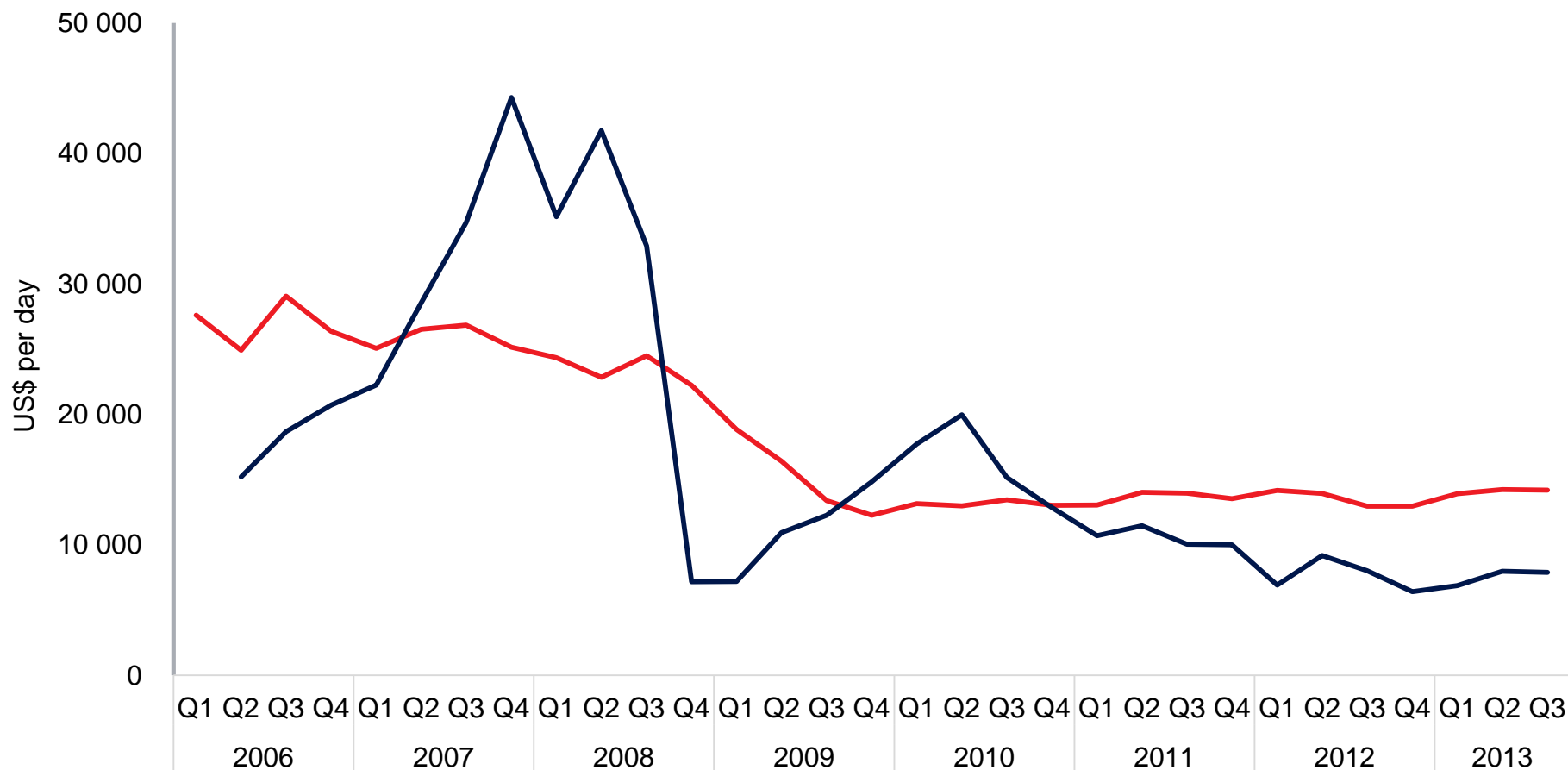


* Q3 2013: 1 July to 27 August 2013

Source: Clarksons Research (Shipping Intelligence Network), August 2013



HANDYSIZE BULK CARRIER AND PRODUCTS TANKER TIME CHARTER RATES

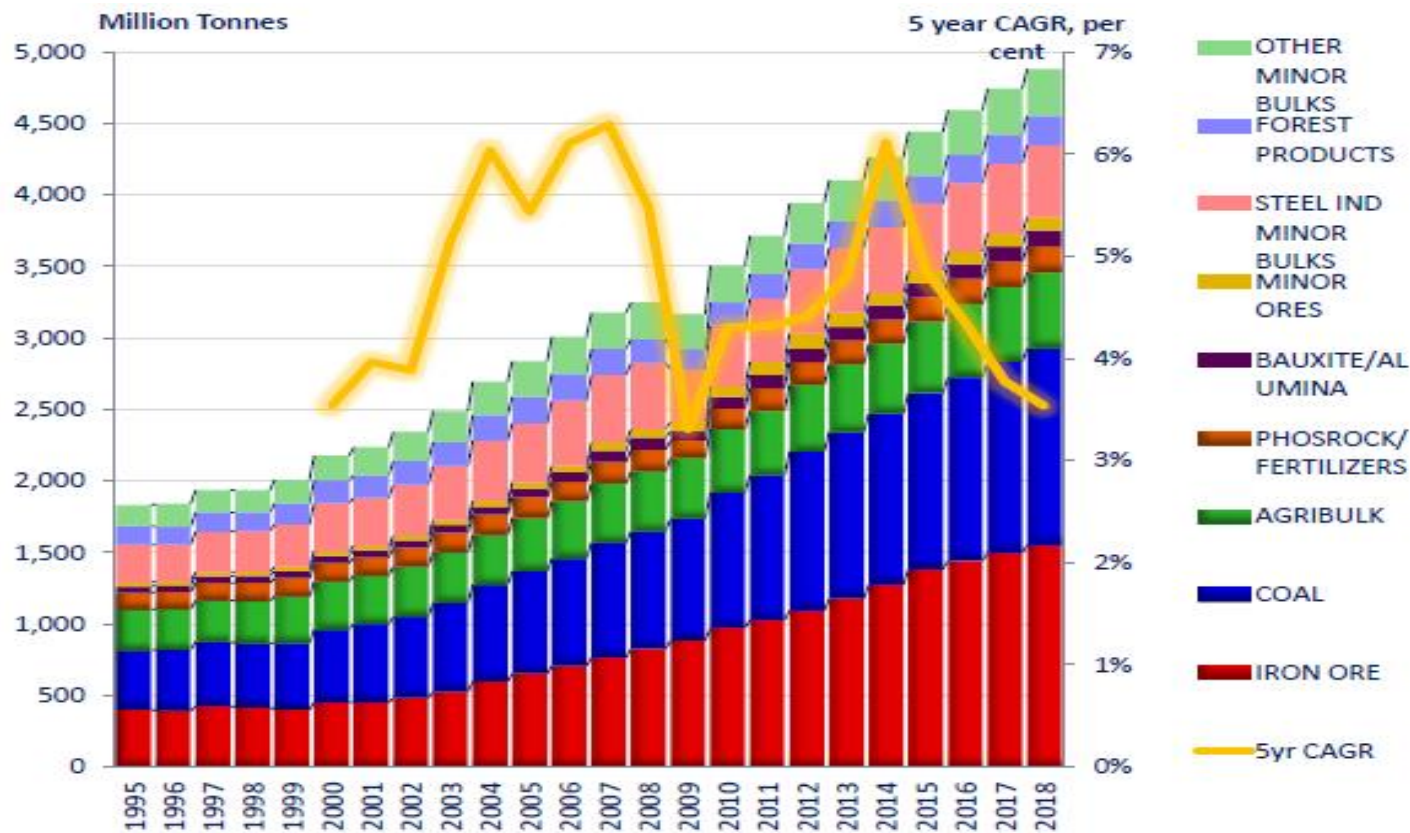


— One year time charter rate 47k-48k modern products tanker — BHSI: time charter average

Source: Clarksons Research (Shipping Intelligence Network), 27 August 2013

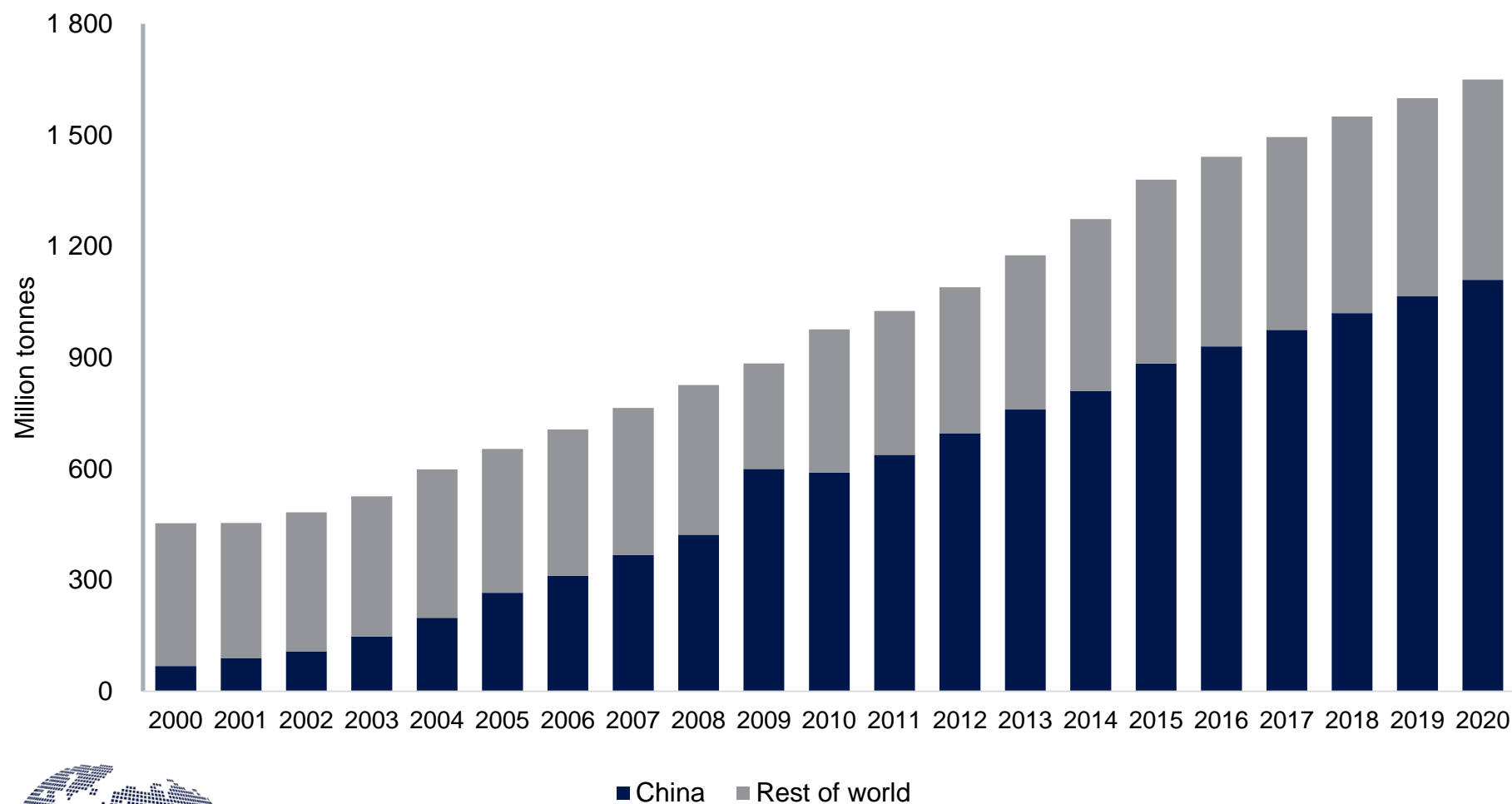


SEABORNE BULK TRADE



Source: Braemar Seascope, 19 July 2013

SEABORNE IRON ORE IMPORTS (LONG-TERM OUTLOOK)



Source: Braemar Seascope, 17 July 2013



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	2 600	3 200	1 300	10 900	17 100	28 000
2011	5 300	2 200	5 200	10 500	1 400	800	25 400	17 200	42 600
2012	8 100	4 600	8 700	12 100	1 300	600	35 400	22 900	58 300
H1 2013	3 500	1 700	3 100	5 000	400	0	13 700	9 900	23 600



* Handy tankers cover 10 000-60 000 dwt range

Source: Clarkson Research (Shipping Intelligence Weekly, 5 July 2013 and Shipping Intelligence Network, August 2013)

RESEARCH DISCLAIMER



The information supplied herewith is believed to be correct but the accuracy thereof is not guaranteed and the company and its employees and information sources cannot accept liability for loss suffered in consequence of reliance on the information provided. Provision of this data does not obviate the need to make further appropriate enquiries and inspections. The information is for the use of the recipient only and is not to be used in any document for the purposes of raising finance without the written permission of Clarkson Research Services Limited (“CRSL”) and/or Hartland Shipping Services Limited and/or NAAMSA and/or and/or Braemar Seascope (“the Information Sources”).

For the statistical and graphical information drawn from the Information Sources databases, it is advised that:

- (i) some information on the Information Sources’ databases are derived from estimates or subjective judgements;*
- (ii) the information in the databases of other maritime data collection agencies may differ from the information in the Information Sources’ databases*
- (iii) whilst the Information Sources’ have taken reasonable care in the compilation of the statistical and graphical information and believe it to be accurate and correct, data compilation is subject to limited audit and validation procedures and may accordingly contain errors;*
- (iv) the Information Sources’, their agents, officers and employees do not accept liability for any loss suffered in consequence of reliance on such information or in any other manner;*
- (v) the provision of such information does not obviate any need to make appropriate further enquiries;*
- (vi) the provision of such information is not an endorsement of any commercial policies and/or any conclusions by any of the Information Sources; and*
- (vii) shipping is a variable and cyclical business and any forecasting concerning it cannot be very accurate.*

