



GRINDROD
LIMITED

AUDITED RESULTS AND DIVIDEND ANNOUNCEMENT
for the year ended 31 December 2014



an integrated business



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HIGHLIGHTS

The group continued to position itself for long-term growth through further investments and expanding its integrated source-to-destination logistics services, in both commodity spread and geographic reach.

- Successful capital raise of R2.4 billion secures equity for growth plan
- Successful B-BBEE consortium transaction of R1.6 billion
- Revenue increased by 2% to R32 717 million inclusive of joint ventures (2013: R32 135 million)
- EBITDA increased by 4% to R1 825 million inclusive of joint ventures (2013: R1 761 million)
- Headline earnings up 4% to R729.4 million (2013: R701.8 million)
- Increase in weighted average number of issued shares 15% to 678.3 million (2013: 591.1 million)
- Headline earnings per share down 9% to 107.5 cents (2013: 118.7 cents)
- Earnings per share down 26% to 147.6 cents (2013: 199.1 cents)
- Net asset value per share up 16% to 2 227 cents (2013: 1 926 cents)
- Final ordinary dividend per share up 17% to 20.0 cents per share (2013: 17.1 cents)
- Net cash R0.5 billion (2013: net debt:equity of 21%)



SUMMARISED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Audited 31 December 2014 R000	Audited 31 December 2013 R000
Revenue	13 912 482	15 662 026
Earnings before interest, taxation, depreciation and amortisation	1 166 011	886 690
Depreciation and amortisation	(547 143)	(463 112)
Operating profit before interest and taxation	618 868	423 578
Non-trading items	235 256	479 460
Interest received	234 687	129 961
Interest paid	(216 621)	(222 891)
Profit before share of joint venture and associate companies' profit	872 190	810 108
Share of joint venture companies' profit after taxation	314 265	545 132
Share of associate companies' profit after taxation	83 145	23 350
Profit before taxation	1 269 600	1 378 590
Taxation	(193 623)	(116 540)
Net profit for the year	1 075 977	1 262 050
Attributable to:		
Ordinary shareholders	1 001 191	1 177 172
Preference shareholders	59 094	55 354
Owners of the parent	1 060 285	1 232 526
Non-controlling interests	15 692	29 524
	1 075 977	1 262 050
Exchange rates (R/US\$)		
Opening exchange rate	10.55	8.48
Closing exchange rate	11.57	10.55
Average exchange rate	10.88	9.67



	Audited 31 December 2014 R000	Audited 31 December 2013 R000
Reconciliation of headline earnings		
Profit attributable to ordinary shareholders	1 001 191	1 177 172
Adjusted for:	(271 804)	(475 356)
Impairment of goodwill	20 000	186 447
Impairment of other investments	64 759	64 530
Impairment of ships, intangibles, plant and equipment	233 396	58 992
Net profit on disposal of investments	(436 169)	(87 655)
Net loss on disposal of plant and equipment	6 023	190
Negative goodwill realised	(23 521)	(3 937)
Foreign currency translation reserve recycled on cessation of operations following restructure	(99 744)	(698 028)
Joint Ventures:		
Negative goodwill realised	–	(4 642)
Net loss on disposal of plant and equipment	162	–
Impairment of ships, plant and equipment	3 698	–
Total taxation effects of adjustments	(40 408)	8 747
Headline earnings	729 387	701 816
Ordinary share performance		
Number of shares in issue less treasury shares	(000s) 751 619	591 586
Weighted average number of shares (basic)	(000s) 678 348	591 109
Diluted weighted average number of shares	(000s) 681 330	593 665
Earnings per share:	(cents)	
Basic	147.6	199.1
Diluted	146.9	198.3
Headline earnings per share:	(cents)	
Basic	107.5	118.7
Diluted	107.1	118.2
Dividends per share:	(cents)	
Interim	13.6	20.0
Final	20.0	17.1
Dividend cover (headline)	(times) 3.2	3.2

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Audited 31 December 2014 R000	Audited 31 December 2013 R000
Profit for the year	1 075 977	1 262 050
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translating foreign operations		
Exchange differences arising during the year	844 873	1 618 579
Cash flow hedges	(77 368)	(1 038)
Business combination acquisition	(1 455)	(9 148)
Fair value loss arising on available-for-sale instruments	-	(25 029)
Reclassification of available-for-sale financial instruments	-	50 029
Items that will not be reclassified subsequently to profit and loss		
Actuarial gains	1 147	8 579
Total comprehensive income for the year	1 843 174	2 904 022
Total comprehensive income attributable to:		
Owners of the parent	1 827 181	2 865 201
Non-controlling interest	15 993	38 821
	1 843 174	2 904 022



SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Audited 31 December 2014 R000	Audited 31 December 2013 R000
Ships, property, terminals, vehicles and equipment	7 328 376	6 698 871
Intangible assets	1 552 439	559 763
Investments in joint ventures	3 883 263	3 616 166
Investments in associates	849 303	788 118
Deferred taxation	191 704	99 772
Other investments and derivative financial assets	1 175 380	493 161
Recoverables on cancelled ships	300 723	236 440
Total non-current assets	15 281 188	12 492 291
Loans and advances to bank customers	4 306 693	3 674 567
Liquid assets and short-term negotiable securities	990 024	1 044 432
Bank balances and cash	7 404 912	6 076 314
Other current assets	4 303 617	2 718 056
Non-current assets held for sale	513 586	2 416 467
Total assets	32 800 020	28 422 127
Shareholders' equity	17 432 296	12 036 428
Non-controlling interests	48 185	96 239
Total equity	17 480 481	12 132 667
Interest-bearing borrowings	2 263 292	1 973 390
Financial services funding instruments	362 717	1 082 986
Deferred taxation	131 643	144 426
Other non-current liabilities	156 665	110 810
Non-current liabilities	2 914 317	3 311 612
Deposits from bank customers	7 809 523	8 014 890
Current interest-bearing borrowings	1 232 421	1 127 074
Financial services funding instruments	922 550	160 253
Other liabilities	2 322 993	1 460 392
Non-current liabilities associated with assets held for sale	117 735	2 215 239
Total equity and liabilities	32 800 020	28 422 127
Net worth per ordinary share – at book value (cents)	2 227	1 926
Net debt:equity ratio	(0.03):1	0.21:1
Capital expenditure	1 645 526	2 020 953

	Audited 31 December 2014 R000	Audited 31 December 2014 US\$000	Audited 31 December 2013 R000	Audited 31 December 2013 US\$000
Capital commitments	82 500	15 561	184 978	57 711
Authorised by directors and contracted for	81 290	15 561	116 640	25 427
Due within one year	79 974	517	116 140	23 590
Due thereafter	1 316	15 044	500	1 837
Authorised by directors not yet contracted for	1 210	–	68 338	32 284

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Audited 31 December 2014 R000	Audited 31 December 2013 R000
Operating profit before working capital changes	1 222 860	734 765
Working capital changes	262 905	(86 937)
Cash generated from operations	1 485 765	647 828
Net interest paid	(34 563)	(92 930)
Net dividends paid	(170 107)	(173 870)
Taxation paid	(223 789)	(219 585)
	1 057 306	161 443
Net bank advances to customers and other short-term negotiables	(783 085)	2 465 696
Deposits – Retail Banking	(768 862)	2 196 780
Other	(14 223)	268 916
Net cash flows generated from operating activities before ship sales and purchases	274 221	2 627 139
Refund on ships under construction cancelled	–	197 248
Proceeds on disposal of ships	234 317	306 061
Cash payments on ship options exercised	(116 221)	–
Capital expenditure on ships	(192 694)	(406 251)
Net cash flows generated from operating activities	199 623	2 724 197
Acquisition of investments, subsidiaries, property, terminals, vehicles and equipment	(955 954)	(1 634 688)
Proceeds from disposal of property, terminals, vehicles, equipment and investments	383 273	160 889
Net payments made to acquire financial assets and finance lease receivables	(4 834)	–
Intangible assets acquired	(58 248)	(63 162)
Proceeds from disposal of intangible assets	–	175
Loans advanced to joint ventures and associate companies	28 773	100 074
Acquisition of preference share investment	(400 000)	–
Acquisition of additional investments in subsidiaries, joint ventures and associates	(183 634)	(107 451)
Net cash flows utilised in investing activities	(1 190 624)	(1 544 163)
Net proceeds from issue of ordinary share capital	3 978 573	11 737
Acquisition of treasury shares	(37 563)	–
Proceeds from disposal of treasury shares	144	–
Long-term interest-bearing debt raised	726 945	811 560
Payment of capital portion of long-term interest-bearing debt	(1 080 843)	(720 807)
Short-term interest-bearing debt (repaid)/raised	(1 588 273)	571 560
Net cash flows generated from financing activities	1 998 983	674 050
Net increase in cash and cash equivalents	1 007 982	1 854 084
Cash and cash equivalents at beginning of the year	6 131 503	4 250 250
Difference arising on translation	49 141	27 169
Cash and cash equivalents at end of the year	7 188 626	6 131 503



SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Audited 31 December 2014 R000	Audited 31 December 2013 R000
Share capital and share premium	5 982 924	2 036 992
Balance at beginning of the year	2 036 992	2 025 255
Share options exercised	4 778	11 737
Share issue	3 978 573	–
Treasury shares acquired	(37 563)	–
Treasury shares sold	144	–
Preference share capital	2	2
Balance at beginning of the year	2	2
Equity compensation reserve	57 566	50 551
Balance at beginning of the year	50 551	42 126
Share-based payments	11 793	8 425
Share options exercised	(4 778)	–
Foreign currency translation reserve	2 661 342	1 916 514
Balance at beginning of the year	1 916 514	1 005 260
Foreign currency translation realised	(99 744)	(698 028)
Foreign currency translation adjustments	844 572	1 609 282
Other non-distributable statutory reserves	(123 092)	(23 151)
Balance at beginning of the year	(23 151)	(37 965)
Fair value adjustment of available-for-sale financial instrument	–	(25 029)
Reclassification of available-for-sale investments	–	50 029
Foreign currency translation adjustments	(1 455)	(9 148)
Cash flow hedge	(76 975)	(1 038)
Deferred tax effect on cash flow hedge	(393)	–
Net business combination acquisition	(21 118)	–
Movement in accumulated profit	8 853 554	8 055 520
Balance at beginning of the year	8 055 520	7 079 678
Actuarial gains recognised	1 147	8 579
Profit for the year	1 060 285	1 232 526
Ordinary dividends paid	(204 304)	(209 909)
Preference dividends paid	(59 094)	(55 354)
Total interest of shareholders of the company	17 432 296	12 036 428
Equity attributable to non-controlling interests of the company	48 185	96 239
Balance at beginning of the year	96 239	126 533
Foreign currency translation adjustments	301	9 297
Business acquisitions/(disposals)	21 548	(54 502)
Non-controlling interest disposed	(78 685)	–
Profit for the period	15 692	29 524
Dividends paid	(6 910)	(14 613)
Total equity attributable to shareholders of the company	17 480 481	12 132 667

SEGMENTAL ANALYSIS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Audited 31 December 2014 [^] R000	Audited 31 December 2013 [^] R000
Revenue		
Freight Services	5 653 512	5 853 538
Shipping	22 106 063	18 472 198
Financial Services	376 912	370 790
Group	4 580 465	7 438 466
	32 716 952	32 134 992
Segmental adjustments **	(18 804 470)	(16 472 966)
	13 912 482	15 662 026
Earnings before interest, taxation, depreciation and amortisation		
Freight Services	1 053 611	1 175 217
Shipping	638 913	690 455
Financial Services	175 210	156 138
Group	(42 750)	(260 695)
	1 824 984	1 761 115
Segmental adjustments **	(658 973)	(874 425)
	1 166 011	886 690
Operating profit/(loss) before interest and taxation		
Freight Services	732 073	912 499
Shipping	227 421	346 219
Financial Services	171 401	154 456
Group	(58 597)	(270 383)
	1 072 298	1 142 791
Segmental adjustments **	(453 430)	(719 213)
	618 868	423 578
Share of associate companies' profit/(loss) after taxation		
Freight Services	79 538	30 625
Group	3 607	(7 275)
	83 145	23 350
Profit/(loss) attributable to ordinary shareholders		
Freight Services	613 269	659 083
Shipping	223 765	852 384
Financial Services	111 979	92 254
Group	52 178	(426 549)
	1 001 191	1 177 172

[^] Trading businesses have now been included in the Freight Services and Shipping divisions.

** Joint venture earnings are reviewed together with subsidiaries by the key decision maker. Segmental adjustments relating to joint ventures are necessary to reconcile to IFRS presentation.



BUSINESS COMBINATIONS

FOR THE YEAR ENDED 31 DECEMBER 2014

Acquisition of subsidiaries, joint ventures and associates

During the year, the group acquired the following interests:

Company acquired	Nature of business	Percentage acquired	Interest acquired 2014	Purchase consideration R000
RRL Grindrod Locomotives Proprietary Limited	Rail	49	30 June	264 110
RRL Grindrod Proprietary Limited	Rail	50	30 June	37 500
Unicorn Calulo Shipping Services Proprietary Limited	Shipping Services	50	30 June	26 800
Unicorn Calulo Bunker Services Proprietary Limited	Bunker Services	25	30 June	127 400
Sturrock Grindrod Maritime Holdings Proprietary Limited	Ships Agencies	50	30 June	190 400
Grindrod South Africa Proprietary Limited	Freight Services	25	30 June	30 022
Grindrod Rail Construction Proprietary Limited	Rail	25	30 June	9 000
Grindrod Corridor Management Proprietary Limited	Terminals	30	30 June	7 900
Grindrod Locomotives Technology Proprietary Limited	Rail	100	1 October	15 000
North West Rail Limited	Rail	89.5	1 October	6 669
Total purchase consideration				714 801

Disposal of subsidiaries, joint ventures and associates

During the year, the group disposed of the following interests:

Company disposed	Nature of business	Percentage disposed	Interest disposed 2014	Disposal consideration R000
Russelstone Protein Proprietary Limited	Trading	30	31 December	(17 419)
Oiltanking Grindrod Calulo Holdings Proprietary Limited	Liquid-bulk storage and trading	7.5	30 June	(5 022)
Total disposal consideration				(22 441)

Reasons for acquisitions

The primary reasons for acquisitions were to enable Grindrod to create greater alignment between subsidiary companies and the group, eliminate any conflicts of interest which might exist, enable more efficient management of the businesses, appropriately capitalise the businesses and leverage the group's statement of financial position in raising debt facilities.

BUSINESS COMBINATIONS *(continued)*
 FOR THE YEAR ENDED 31 DECEMBER 2014

Impact of the acquisitions on the results of the group

From the dates of their acquisition, the acquired businesses contributed additional profit of R26.2 million.

Net assets acquired in the subsidiaries' transactions and the goodwill/intangible assets arising, are as follows:

Net assets acquired	Acquirees' carrying amount before combination at fair value R000
Property, plant and equipment	487 498
Intangibles	132 998
Interest in associate companies	(213)
Taxation	(21 671)
Working capital	83 824
Cash and bank	230 982
Non-controlling interest	47 249
Business combination reserve	13 186
Long-term liabilities	(333 053)
Post-retirement medical aid	(1 979)
Short-term borrowings	(122 595)
Bank overdraft	(1 082)
Deferred taxation	19 891
Total	535 035
Earnout	(71 300)
Less: disposal of investment in joint ventures	(219 621)
Less: profit on sale on disposal of investment in joint ventures	(421 278)
Goodwill and intangible assets arising on acquisition	891 965
Total purchase consideration	714 801
Cash acquired	(229 900)
Net assets acquired	484 901
Interest in associate and joint venture companies disposed	(14 885)
Add: profit on sale on disposal of associates	(7 556)
Net assets disposed	(22 441)
Net assets acquired and disposed	462 460

The goodwill arising on the acquisition of these businesses is attributable to the anticipated profitability of these businesses.



LEASES AND SHIP CHARTERS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Audited 31 December 2014 R000	Audited 31 December 2013 R000
Operating leases and ship charters		
Income	1 134 933	486 911
Expenditure	4 522 157	3 788 193
Finance lease liabilities	41 969	54 478

FAIR VALUE OF FINANCIAL INSTRUMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Audited 31 December 2014 R000	Audited 31 December 2014 R000	Audited 31 December 2014 R000	Audited 31 December 2014 R000
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets designated at fair value through profit or loss	23 762	252 999	435 392	712 153
Total	23 762	252 999	435 392	712 153
Financial liabilities				
Derivative financial instruments	–	(88 540)	–	(88 540)
Total	–	(88 540)	–	(88 540)

FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2014

	Audited 31 December 2013 R000	Audited 31 December 2013 R000	Audited 31 December 2013 R000	Audited 31 December 2013 R000
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	35 613	6 583	–	42 196
Other financial assets held-for-trading	–	23 769	–	23 769
Financial assets designated at fair value through profit or loss	25 532	175 604	342 501	543 637
Total	61 145	205 956	342 501	609 602
Financial liabilities				
Derivative financial instruments	(9 199)	(10 484)	–	(19 683)
Other financial liabilities held-for-trading	–	(45 193)	–	(45 193)
Total	(9 199)	(55 677)	–	(64 876)

Fair value gains recognised in the statement of comprehensive income for Level 3 financial instruments were R61.3 million (2013: R13.3 million).

Reconciliation of Level 3 fair value measurements of financial assets

	Audited 31 December 2014 R000	Audited 31 December 2013 R000
Opening balance	342 501	180 405
Additions	51 402	186 520
Disposals	(19 803)	(12 740)
Total movement recognised		
– in other comprehensive income	–	25 000
Reclassified to profit or loss	–	(50 029)
Profit and loss	61 292	13 345
Closing balance	435 392	342 501

CONTINGENT ASSETS/LIABILITIES

FOR THE YEAR ENDED 31 DECEMBER 2014

The company guaranteed loans and facilities of subsidiaries and joint ventures amounting to R6 263 550 000 (2013: R7 941 355 000) of which R2 231 427 000 (2013: R4 629 690 000) had been utilised at year-end.

The company guaranteed charter-hire payments of subsidiaries amounting to R1 137 690 000 (2013: R1 194 376 000). The charter-hire payments are due by the subsidiaries in varying amounts from 2015 to 2022.



PREPARER OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

These summarised consolidated financial statements have been prepared under the supervision of AG Waller, CA(SA).

AG Waller

Group Financial Director
24 February 2015

BUSINESS REVIEW

Overview

In 2014 Grindrod continued to make progress in optimising operational assets in line with its vision to create sustainable returns and long-term value for its stakeholders. The Maputo businesses continued to reflect good contributions despite adverse market conditions. Performance of the Shipping division was impacted by continued weakness in global shipping markets. Financial Services continued to grow and improve performance.

The Atlas operation was discontinued, wound down and sold according to plan. In order to optimise synergies, the remaining Trading operations, coal, agricultural and mineral logistics and marine-fuels businesses, have been incorporated in the Freight Services and Shipping divisions.

Financial Services is accounted for as a continued operation and has received further capital following the withdrawal of the Bidvest offer.

The group continues to focus on the further development and execution of various infrastructure projects, with specific focus on terminals and rail.

Grindrod successfully raised equity capital of R2.4 billion (the Bookbuild Placement). Business alignment and efficiency improvements were achieved through the acquisition of the interests held by the group's long-term B-BBEE partners, Calulo Investments and Solethu Investments, in certain operating subsidiaries and joint ventures (the Acquisition). In conjunction with this, a consortium including Calulo Investments, Solethu Investments, Safika Holdings, Adopt-a-School Foundation and Brimstone Investment Corporation invested R1.6 billion in Grindrod at a holding level, providing for 8.4 per cent B-BBEE ownership (the Consortium Placement).

Attributable earnings decreased by 15 per cent to R1 001.2 million (2013: R1 177.2 million). Non-trading items include the required raising of R430.6 million in earnings as a consequence of the change in control through the Acquisition. In addition, impairment charges of R105.8 million were made against the carrying value of the transport fleet, R89.8 million on the carrying value of vessels and R80.0 million on the carrying value of mineral logistic investments. Earnings from non-trading items in the prior year of R475.3 million, included the realisation of a material foreign currency translation reserve.

Headline earnings increased by four per cent to R729.4 million (2013: R701.8 million), with headline earnings per share decreasing by nine per cent to 107.5 cents (2013: 118.7 cents).

Earnings per share is calculated on a weighted average of 678.3 million shares, up from 591.1 million in 2013 primarily as a result of the Acquisition and Consortium Placement.

Ordinary dividends for the year totalled 33.6 cents per share (2013: 37.1 cents per share). A final dividend of 20.0 cents per share (2013: 17.1 cents per share) has been declared.

BUSINESS REVIEW *(continued)*

Capital expenditure and commitments

R million	Capital expenditure		Capital commitments			Split as follows	
	2014	2015	2016	2017+	Total	Approved not contracted	Approved and contracted
Freight Services	1 354	90	22	7	119	1	118
Port and Terminals	120	53	18	6	77	1	76
Rail	648	1	1	1	3	–	3
Carrier Logistics	97	3	3	–	6	–	6
Integrated Logistics	489	33	–	–	33	–	33
Shipping	981	430	285	121	836	–	836
Dry-bulk	795	430	269	121	820	–	820
Tankers	186	–	16	–	16	–	16
Financial Services	15	–	–	–	–	–	–
Group	98	–	–	–	–	–	–
	2 448	520	307	128	955	1	954
Split as follows:							
Subsidiaries	1 646	87	35	124	246	1	245
Joint ventures	802	433	272	4	709	–	709

The above represents board approved capital commitments. These commitments exclude planned expenditure which is subject to final board consideration.

Capital continues to be committed to the strategic investment areas of port, terminal and rail infrastructure as well as the dry-bulk shipping fleet.

Total capital and investment expenditure was R2.4 billion (2013: R2.9 billion), of which 73 per cent was expansionary and the balance maintenance or replacement capital expenditure. The capital expenditure mainly comprised payments on the acquisition of 12 dry-bulk ships in the tripartite joint venture, the Acquisition, increased investment into the rail concession business, locomotives and expansion in the intermodal business.

Future capital continues to be committed to the expansion of terminal capacity, rail infrastructure, locomotives and ships.

Cash flow and borrowings

The financial position reflects net cash of R0.5 billion (2013 net debt: R2.6 billion), following the large contribution from the inflow of equity funds raised over the period. Operating profit before working capital adjustments was R1 222.9 million (2013: R734.8 million). Working capital contributed to a net inflow of R262.9 million (2013: R86.9 million outflow).

Statement of financial position

With total assets of R32.8 billion (December 2013: R28.4 billion) and no net debt (net debt:equity December 2013: 21 per cent), the group's financial position is strong. Book net asset value per share is R22.27 (December 2013: R19.26).



Shareholders' equity increased to 762 053 314 shares in issue (December 2013: 600 765 314). The increase is attributable to the successful completion of the Bookbuild Placement of 96 000 000 shares in May 2014, the issue of 1 288 000 shares as part of the Acquisition and the Consortium Placement of 64 000 000 shares in July 2014.

Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the Listings Requirements of the JSE Limited for summarised financial statements and the requirements of the South African Companies Act, 71 of 2008 applicable for summarised financial statements. The Listings Requirements of the JSE Limited for the preliminary reports require them to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council, and also, as a minimum, to contain the information required by IAS 34 Interim Financial Reporting.

The accounting for the acquisitions and disposals made by the group has been determined as at 31 December 2014. At the date of finalisation of these results, the necessary market values and other calculations had not been finalised and they have therefore been provisionally determined based on the directors' best estimate of the likely values.

Following the board's decision to retain the Financial Services business, the business has been re-instated as a segment in continuing operations. The repositioning of the commodity businesses within logistics and the closure and sale of the wholly owned agri-commodity desks has been accounted for in continuing operations. Despite the significant re-organisation the commodity logistics businesses are continuing operations. In the Interim Results at June 2014 these items had been disclosed as discontinued items. There is no impact on comparative information, as these businesses were disclosed as continuing operations for the year ended 31 December 2013.

The audited summarised consolidated financial statements have been prepared under the supervision of the group financial director, AG Waller, CA(SA).

The summarised consolidated financial statements were approved by the board of directors on 24 February 2015.

The full consolidated annual financial statements from which these summarised consolidated financial statements were derived are electronically available on the group's website www.grindrod.co.za.

Accounting policies

The accounting policies applied in the preparation of the full consolidated annual financial statements from which the summarised consolidated financial statements were derived are in terms of IFRS and are consistent with those of the previous full consolidated annual financial statements.

Audit opinion

These summarised consolidated financial statements for the year ended 31 December 2014 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the full consolidated financial statements for the year ended 31 December 2014, from which these summarised consolidated financial statements were derived. A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report on the full consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports.

BUSINESS REVIEW *(continued)*

Deloitte & Touche has not audited future financial performance and expectations expressed by management included in the commentary in the accompanying preliminary report and accordingly do not express an opinion thereon. The auditor's report does not necessarily report on all of the information contained in this preliminary report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Post balance sheet events

There are no material post balance sheet events to report.

Prospects

Grindrod is well positioned to further capitalise on opportunities using its extensive experience in the logistics value chain, respected brand and shareholder support. Current depressed commodity prices and shipping rates will continue to put pressure on earnings in the near term.

For and on behalf of the board

MJ Hankinson

Chairman
24 February 2015

AK Olivier

Chief Executive Officer
24 February 2015



DECLARATION OF FINAL DIVIDEND

Preference dividend

Notice is hereby given that a gross final dividend of 409.0 cents per cumulative, non-redeemable, non-participating and non-convertible preference share (2013: 377.0 cents) has been declared out of income reserves for the year ended 31 December 2014, payable to preference shareholders in accordance with the timetable below.

At 31 December 2014, there were 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares in issue. The final net preference dividend is 347.65000 cents per share for preference shareholders who are not exempt from dividends tax.

Ordinary dividend

Notice is hereby given that a gross final dividend of 20.0 cents per ordinary share (2013: 17.1 cents) has been declared out of income reserves for the year ended 31 December 2014, payable to ordinary shareholders in accordance with the timetable below.

At 31 December 2014, there were 762 053 314 ordinary shares in issue. The final net ordinary dividend is 17.00000 cents per share for ordinary shareholders who are not exempt from dividends tax.

With respect to the preference and ordinary dividends, in terms of the dividends tax effective since 1 April 2012, the following additional information is disclosed:

- The local dividends tax rate is 15 per cent;
- No STC credits will be utilised for the final ordinary or preference dividend; and
- Grindrod Limited's tax reference number is 9435/490/71/0.

Timetable

Declaration and finalisation date	Wednesday, 25 February 2015
Last day to trade cum-dividend	Friday, 13 March 2015
Shares commence trading ex-dividend	Monday, 16 March 2015
Record date	Friday, 20 March 2015
Dividend payment date	Monday, 23 March 2015

No dematerialisation or rematerialisation of shares will be allowed for the period Monday, 16 March 2015, to Friday, 20 March 2015, both days inclusive.

The dividends are declared in the currency of the Republic of South Africa.

By order of the board

Mrs Cl Lewis

Group Company Secretary
24 February 2015

CORPORATE INFORMATION

Directors

MJ Hankinson (Chairman)**, AK Olivier (Chief Executive Officer), H Adams**, AC Brahe** (Norwegian), JJ Durand*, MR Faku**, T Fubu**, WD Geach**, GG Gelink**, DA Polkinghorne, NL Sowazi**, PJ Uys (Alternate)*, MR Wade (British), AG Waller (Group Financial Director), SDM Zungu**

* Non-executive, ** Independent non-executive

Registered office

Quadrant House
115 Margaret Mncadi Avenue Durban
4001
PO Box 1, Durban 4000

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg
2001
PO Box 61051, Marshalltown 2107

Auditors

Deloitte & Touche
Designated Audit Partner: Craig Sagar CA(SA)

Sponsor

Grindrod Bank Limited
Fourth Floor
Grindrod Tower
8A Protea Place Sandton
2196
PO Box 78011, Sandton 2146

Registration number: 1966/009846/06

Incorporated in the Republic of South Africa

Share code: GND & GNDP

ISIN: ZAE000072328 and ZAE000071106

For more information, please refer to www.grindrod.co.za

