

AUDITED RESULTS AND DIVIDEND ANNOUNCEMENT

for the year ended 31 December 2012



GRINDROD LIMITED

- ▲ Attributable income up 61% to R853,3 million (2011: R530,9 million)
- ▲ Headline earnings per share up 22% to 121,9 cents (2011: 99,6 cents)
- ▲ Cash generated from operations R1,4 billion
- ▲ Final ordinary dividend up 28% to 15,4 cents per share (2011: 12,0 cents)
- ▲ Conclusion of significant joint ventures and acquisitions across coal, fuel, seafreight, rail and agency service businesses



CONDENSED CONSOLIDATED INCOME STATEMENT

| | | Audited 31 December 2012 R000 | Audited 31 December 2011 R000 |
|-----------------------------------------------------------------------------------------|---------|----------------------------------------|----------------------------------------|
| Revenue | (24) | 27 262 223 | 35 885 258 |
| Earnings before interest, taxation, depreciation and amortisation | (5) | 953 825 | 1 005 537 |
| Depreciation and amortisation | | (412 430) | (362 979) |
| Operating profit before interest and taxation | | 541 395 | 642 558 |
| Non-trading items | | 199 689 | 60 152 |
| Interest received | | 206 941 | 169 709 |
| Interest paid | | (227 398) | (218 647) |
| Profit before share of associate and joint venture companies' profit | 10 | 720 627 | 653 772 |
| Share of associate companies' profit after taxation | | 9 385 | 4 291 |
| Share of joint venture companies' profit after taxation | | 340 029 | 114 024 |
| Profit before taxation | | 1 070 041 | 772 087 |
| Taxation | | (148 228) | (175 363) |
| Profit for the year | 54 | 921 813 | 596 724 |
| Attributable to: | | | |
| Ordinary shareholders | 61 | 853 266 | 530 905 |
| Preference shareholders | | 57 297 | 53 271 |
| Owners of the parent | | 910 563 | 584 176 |
| Non-controlling interests | | 11 250 | 12 548 |
| | | 921 813 | 596 724 |
| Exchange rates (R/US\$) | | | |
| Opening exchange rate | | 8,11 | 6,62 |
| Closing exchange rate | | 8,48 | 8,11 |
| Average exchange rate | | 8,22 | 7,27 |
| Reconciliation of headline earnings | | | |
| Profit attributable to ordinary shareholders | | 853 266 | 530 905 |
| Adjusted for: | | (133 759) | (54 543) |
| IAS 38 – Impairment of goodwill | | 21 045 | 9 168 |
| IAS 38 – Impairment of other investment | | 11 208 | 5 849 |
| IAS 16 – Impairment/(reversal of impairment) of ships, intangibles, plant and equipment | | 178 648 | (18 067) |
| IFRS 3 – Net profit on disposal of investments | | (312 887) | (48 180) |
| IAS 16 – Net loss/(profit) on disposal of plant and equipment | | 2 023 | (8 922) |
| IAS 21 – FCTR adjustment on disposal of investment | | (33 965) | – |
| Joint ventures: | | | |
| IAS 16 – Impairment of ships, plant, equipment and property | | 20 305 | – |
| Total taxation effects of adjustments | | (20 136) | 5 609 |
| Headline earnings | 51 | 719 507 | 476 362 |
| Ordinary share performance | | | |
| Number of shares in issue less treasury shares | (000's) | 590 486 | 589 536 |
| Weighted average number of shares on which earnings per share are based | (000's) | 590 097 | 478 234 |
| Diluted weighted average number of shares on which diluted earnings per share are based | (000's) | 592 728 | 479 192 |
| Earnings per share | (cents) | | |
| Basic | 30 | 144,6 | 111,0 |
| Diluted | 30 | 144,0 | 110,8 |
| Headline earnings per share | (cents) | | |
| Basic | 22 | 121,9 | 99,6 |
| Diluted | 22 | 121,4 | 99,4 |
| Dividends per share | (cents) | | |
| Interim | | 17,5 | 17,5 |
| Final | | 15,4 | 12,0 |
| Dividend cover | (times) | 4,4 | 3,8 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Audited 31 December 2012 R000 | Audited 31 December 2011 R000 |
|--------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Ships, property, terminals, vehicles and equipment | 5 443 757 | 5 267 565 |
| Investment property | 33 826 | 22 096 |
| Intangible assets | 679 643 | 547 931 |
| Investments in associates | 512 646 | 266 081 |
| Investments in joint ventures | 1 668 233 | 719 528 |
| Deferred taxation | 107 435 | 89 472 |
| Other investments and derivative financial assets | 325 888 | 129 478 |
| Recoverables on cancelled ships | 379 050 | 380 566 |
| Total non-current assets | 9 150 478 | 7 422 717 |
| Loans and advances to bank customers | 3 188 454 | 2 542 048 |
| Liquid assets and short-term negotiable securities | 626 378 | 190 259 |
| Short-term loans | 518 819 | 303 513 |
| Bank balances and cash | 4 226 367 | 15 133 |
| Other current assets | 4 089 390 | 6 580 161 |
| Non-current assets held for sale | 273 615 | 3 467 286 |
| Total current assets | 9 734 569 | 10 556 352 |
| Total assets | 22 073 501 | 20 521 117 |
| Shareholders' equity | 10 114 356 | 9 216 769 |
| Non-controlling interests | 126 533 | 94 336 |
| Total equity | 10 240 889 | 9 311 105 |
| Interest-bearing borrowings | 2 028 392 | 2 226 575 |
| Financial services funding instruments | 813 947 | – |
| Deferred taxation | 147 004 | 124 796 |
| Provision for post-retirement medical aid | 49 426 | 52 336 |
| Other non-current liabilities | 58 611 | 33 669 |
| Non-current liabilities | 3 097 380 | 2 437 376 |
| Deposits from bank customers | 4 661 346 | 2 910 945 |
| Current interest-bearing borrowings | 1 987 398 | 2 017 190 |
| Financial services funding instruments | 193 519 | 130 514 |
| Other liabilities | 1 741 914 | 1 297 037 |
| Non-current liabilities associated with assets held for sale | 151 055 | 2 416 951 |
| Total current liabilities | 4 073 887 | 5 861 692 |
| Total equity and liabilities | 22 073 501 | 20 521 117 |
| Net worth per ordinary share – at book value (cents) | 1 609 | 1 454 |
| Net debt:equity ratio | 0,07:1 | 0,10:1 |
| Capital expenditure | 1 209 563 | 1 166 228 |
| Capital commitments | 647 324 | 472 423 |
| Authorised by directors and contracted for | | |
| Due within one year | 185 857 | 199 190 |
| Due thereafter | – | 47 826 |
| Authorised by directors, not yet contracted for | 461 467 | 225 407 |

SEGMENTAL ANALYSIS

| | Audited 31 December 2012 R000 | Audited 31 December* 2011 R000 |
|--------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|
| Revenue | | |
| Freight Services | 3 929 411 | 3 190 083 |
| Trading | 27 074 222 | 29 756 780 |
| Shipping | 4 009 832 | 3 914 926 |
| Financial Services | 252 686 | 193 558 |
| Group | 911 | 433 |
| Segmental adjustments** | (8 004 839) | (1 170 521) |
| Earnings before interest, taxation, depreciation and amortisation | 27 262 223 | 35 885 258 |
| Freight Services | 729 753 | 680 726 |
| Trading | 258 660 | 218 474 |
| Shipping | 308 390 | 245 322 |
| Financial Services | 127 702 | 81 512 |
| Group | (10 340) | (1 312) |
| Segmental adjustments** | (1 414 165) | (1 224 722) |
| Operating profit before interest and taxation | (460 340) | (219 185) |
| Freight Services | 509 842 | 480 689 |
| Trading | 241 815 | 202 866 |
| Shipping | 65 154 | 53 729 |
| Financial Services | 126 380 | 80 462 |
| Group | (13 973) | (4 623) |
| Segmental adjustments** | (929 218) | (813 123) |
| Share of associate companies' profit after taxation | (387 823) | (170 565) |
| Freight Services | 50 196 | 4 291 |
| Trading | (815) | – |
| Segmental adjustments** | 49 381 | 4 291 |
| Profit/(loss) attributable to ordinary shareholders | (39 996) | – |
| Freight Services | 793 328 | 317 831 |
| Trading | 113 546 | 143 989 |
| Shipping | (169 710) | 6 801 |
| Financial Services | 65 145 | 58 398 |
| Group | 50 957 | 3 886 |
| Segmental adjustments** | 853 266 | 530 905 |

* Restated due to segmental adjustments in relation to IFRS and operating segments.
** Joint venture earnings are reviewed together with subsidiaries by the key decision maker. Segmental adjustments relate to joint ventures necessary to reconcile to IFRS presentation.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Ordinary share capital R000 | Preference share capital R000 | Share premium R000 | Equity compensation reserve R000 | Foreign currency translation reserve R000 | Business combination reserve R000 | Hedging reserve R000 | Other non-distributable reserve R000 | Accumulated profit R000 | Interest of owners of the parent R000 | Non-controlling interests R000 | Interest of all shareholders R000 |
|------------------------------------|--------------------------------|----------------------------------|-----------------------|-------------------------------------|----------------------------------------------|--------------------------------------|-------------------------|-----------------------------------------|----------------------------|------------------------------------------|-----------------------------------|--------------------------------------|
| Balance at 31 December 2010 | 9 | 2 | 28 671 | 37 300 | (160 461) | – | (152 706) | – | 6 104 046 | 5 856 861 | 113 854 | 5 970 715 |
| Share options exercised | | | 2 612 | | | | | | | 2 612 | | 2 612 |
| Share-based payments | | | | 647 | | | | | | 647 | | 647 |
| Share issue | 3 | | 1 999 997 | | | | | | | 2 000 000 | | 2 000 000 |
| Share issue expenses | | | (18 810) | | | | | | | (18 810) | | (18 810) |
| Treasury shares sold | | | 1 945 | | | | | | | 1 945 | | 1 945 |
| Non-controlling interest acquired | | | | | | (18 718) | | | | (18 718) | (26 277) | (44 995) |
| Profit for the year | | | | | | | | | 584 176 | 584 176 | 12 548 | 596 724 |
| Other comprehensive income | | | | | 904 559 | | 159 665 | | | 1 064 224 | (2 585) | 1 061 639 |
| Total comprehensive income | | | | | | | | | | 1 648 400 | 9 963 | 1 658 363 |
| Ordinary dividends paid | | | | | | | | | (202 897) | (202 897) | (3 204) | (206 101) |
| Preference dividends paid | | | | | | | | | (53 271) | (53 271) | – | (53 271) |
| Balance at 31 December 2011 | 12 | 2 | 2 014 415 | 37 947 | 744 098 | (18 718) | 6 959 | – | 6 432 054 | 9 216 769 | 94 336 | 9 311 105 |
| Share options exercised | | | | 7 839 | | | | | | 7 839 | | 7 839 |
| Share-based payments | | | | | 4 179 | | | | | 4 179 | | 4 179 |
| Treasury shares sold | | | 2 989 | | | | | | | 2 989 | | 2 989 |
| Business acquisitions/(disposals) | | | | | | | | (31 160) | | (31 160) | 23 397 | (7 763) |
| Non-controlling interest disposed | | | | | | | | | | – | 2 849 | 2 849 |
| Profit for the year | | | | | | | | | 910 563 | 910 563 | 11 250 | 921 813 |
| Other comprehensive income | | | | | 261 162 | 5 998 | (7 204) | (25 000) | | 234 956 | 2 588 | 237 544 |
| Total comprehensive income | | | | | | | | | | 1 145 519 | 13 838 | 1 159 357 |
| Ordinary dividends paid | | | | | | | | | (174 482) | (174 482) | (7 887) | (182 369) |
| Preference dividends paid | | | | | | | | | (57 297) | (57 297) | – | (57 297) |
| Balance at 31 December 2012 | 12 | 2 | 2 025 243 | 42 126 | 1 005 260 | (12 720) | (245) | (25 000) | 7 079 678 | 10 114 356 | 126 533 | 10 240 889 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Audited 31 December 2012 R000 | Audited 31 December 2011 R000 |
|---------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit for the year | 921 813 | 596 724 |
| Other comprehensive income | | |
| Exchange differences on translating foreign operations | | |
| Exchange differences arising during the year | 263 750 | 901 974 |
| Cash flow hedges | | |
| (Losses)/profits during the year | (6 345) | 161 735 |
| Reclassification adjustments for amounts recognised in assets | (859) | (2 070) |
| Business combination release | 5 998 | – |
| Fair value loss arising on available-for-sale investments | (25 000) | – |
| Total comprehensive income for the year | 1 159 357 | 1 658 363 |
| Total comprehensive income attributable to: | | |
| Owners of the parent | 1 145 519 | 1 648 400 |
| Non-controlling interests | 13 838 | 9 963 |
| | 1 159 357 | 1 658 363 |

CORPORATE INFORMATION

Directors
IAJ Clark (Chairman)*, AK Olivier (Chief Executive Officer), H Adams**, AC Brahdhe** (Norwegian), JJ Durand*, MR Faku*, WD Geach**, GG Gellink**, IM Groves** MJ Hankinson**, PJ Liddiard (Alternate)*, DA Polkinghorne, DA Rennie, 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 (Pty) Ltd;
70 Marshall Street, Johannesburg, 2001; PO Box 61051, Marshalltown, 2107
Sponsor
Grindrod Bank Limited, First Floor, Building 3, North Wing, Commerce Square
39 Rivonia Road, Sandhurst, Sandton, 2146; PO Box 78011, Sandton 2146
Registration number: 1966/009846/06
Incorporated in the Republic of South Africa
Share code: GND & GNDD
ISIN: ZAE000072328 & ZAE000071106
For more information, please refer to www.grindrod.co.za

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Audited 31 December 2012 R000 | Audited 31 December 2011 R000 |
|---------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Operating profit before working capital changes | 890 190 | 1 069 342 |
| Working capital changes | 532 465 | (1 264 377) |
| Cash generated from/(utilised in) operations | 1 422 655 | (195 035) |
| Net interest paid | (20 457) | (125 180) |
| Net dividends paid | (215 472) | (230 115) |
| Taxation paid | (101 985) | (63 004) |
| Net bank advances to customers and other short-term negotiables | 1 084 741 | (613 334) |
| Net cash flows generated from/(utilised in) operating activities before ships sales and purchases | 1 752 617 | (159 845) |
| Refund on ships under construction cancelled | 16 846 | – |
| Capital expenditure on ships and locomotives | (242 372) | (842 831) |
| Net cash flows generated from/(utilised in) operating activities | 1 527 091 | (1 002 676) |
| Acquisition of property, terminals, vehicles and equipment | (949 300) | (320 494) |
| Acquisition of other investments | (95 046) | (30 190) |
| Proceeds from disposal of property, terminals, vehicles and equipment and investments | 499 936 | 111 061 |
| Proceeds from repayment of share capital by joint venture | – | 262 235 |
| Intangible assets acquired | (17 891) | (2 903) |
| Loans advanced to joint venture and associate companies | (73 186) | (13 249) |
| Net cash flows (utilised in)/generated from investing activities | (635 487) | 6 461 |
| Net proceeds from issue of ordinary share capital | 7 839 | 1 983 803 |
| Proceeds from disposal of treasury shares | 2 989 | 1 945 |
| Long-term interest-bearing debt raised | 1 432 603 | 1 548 382 |
| Payment of capital portion of long-term interest-bearing debt | (834 015) | (708 718) |
| Short-term interest-bearing debt (repaid)/issued | (126 514) | 179 130 |
| Net cash flows from financing activities | 482 902 | 3 004 542 |
| Net increase in cash and cash equivalents | 1 374 506 | 2 008 327 |
| Cash and equivalents at beginning of the year | 2 901 050 | 903 846 |
| Difference arising on translation | (25 306) | (11 123) |
| Cash and cash equivalents at end of the year | 4 250 250 | 2 901 050 |



BUSINESS COMBINATIONS

Acquisition of subsidiaries, joint ventures and associates

During the year, the group acquired the following additional interests:

| Company acquired | Nature of business | Percentage acquired | Interest acquired 2012 | Purchase consideration R000 |
|----------------------------------------|--------------------|---------------------|------------------------|-----------------------------|
| Ocean Africa Container Lines (Pty) Ltd | Sea freight | 51,0 | 1 January | – |
| Petrologistics Botswana (Pty) Ltd | Logistics | 75,5 | 1 June | 28 891 |
| JFM Sturrock Holdings (Pty) Ltd | Ships agencies | 50,0 | 1 November | – |
| Grey Haven Riches 27 Limited (Plexus) | Financial | 95,1 | 31 July | 50 414 |
| Vitol Coal South Africa BV | Trading | 35,0 | 1 January | 156 643 |
| New Limpopo Bridge Projects Limited | Rail | 46,4 | 1 July | 388 478 |
| Russelstone Protein (Pty) Ltd | Soybean crushing | 30,0 | 1 September | 29 060 |
| Total purchase consideration | | | | 653 486 |

Reasons for acquisitions

The primary reasons for the business acquisitions were to acquire outstanding non-controlling interests to consolidate Grindrod's position and to expand Grindrod's presence into new markets and geographical areas.

Impact of the acquisitions on the results of the group

From the dates of their acquisition, the acquired businesses contributed attributable profit of R79 486 000.

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 | 54 707 |
| Interest in associate companies | 208 899 |
| Interest in joint venture companies | 156 643 |
| Investments | 4 304 |
| Taxation | 1 687 |
| Working capital | (90 320) |
| Cash and bank | 158 954 |
| Non-controlling interest | (8 037) |
| Long-term liabilities | (27 431) |
| Deferred taxation | (5 260) |
| Total | 454 146 |
| Goodwill and intangible assets arising on acquisition | 170 280 |
| Purchase consideration relating to associate | 29 060 |
| | 653 486 |

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

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 2012 | Disposal consideration R000 |
|----------------------------------------------------------------------|----------------------------|---------------------|------------------------|-----------------------------|
| Terminal De Carvo da Matola Limitada (Mozambique) | Terminals | 35,0 | 1 January | 444 379 |
| Röhlig-Grindrod (Pty) Ltd | Clearing and forwarding | 7,5 | 1 June | – |
| Grindrod Ships Agencies (Pty) Ltd | Ships agencies | 50,0 | 1 November | – |
| Grindrod Ships Agencies (Mozambique) Limited | Ships agencies | 50,0 | 1 November | – |
| Sinpor Trading (Pty) Ltd | Steel trading | 100,0 | 9 November | 456 |
| Cockett Holdings Limited | Marine fuel and lubricants | 50,0 | 30 June | 16 045 |
| Grindrod Trading and Bunkering Netherlands BV (Bunker trading) | Bunker trading | 50,0 | 30 June | 11 298 |
| Equus Investments Limited | Marine fuel and lubricants | 50,0 | 30 June | 132 608 |
| Cockett Marine Oil Asia, a division of Grindrod Trading Asia Pte Ltd | Marine fuel and lubricants | 50,0 | 30 June | 50 319 |
| Cockett Marine South Africa (Pty) Ltd | Marine fuel and lubricants | 50,0 | 30 June | 673 |
| Total disposal consideration | | | | 655 778 |

Reason for disposals

The primary reason for the disposals was to expand Grindrod's presence into new markets and geographics together with chosen partners.

| Net assets disposed | Fair value R000 |
|---------------------------------|-----------------|
| Property, plant and equipment | 5 975 |
| Intangible assets | 13 388 |
| Interest in associate companies | 28 862 |
| Investments | (98 775) |
| Working capital | (148 701) |
| Cash and bank | 199 223 |
| Non-controlling interest | (8 037) |
| Short-term liabilities | (1 476) |
| Deferred taxation | 3 666 |
| Non-current assets disposed | 622 460 |
| Total | 616 585 |
| Profit on disposal | 39 193 |
| | 655 778 |

Contingent assets/liabilities

The company has guaranteed loans and facilities of subsidiaries and joint ventures amounting to R6 422 946 000 (2011: R5 101 000 000) of which R3 104 728 000 (2011: R2 372 000 000) had been utilised at year-end.

The company has guaranteed charter hire payments and other guarantees of subsidiaries amounting to R1 524 356 000 (2011: R1 501 250 000). The charter hire payments are due by the subsidiaries in varying amounts from years 2012 to 2019.

On disposal of an interest in an entity, the acquirer has agreed to compensate the group if certain targets are met. At reporting date, the achievability of these targets was undetermined.

| | Audited 31 December 2012 R000 | Audited 31 December 2011 R000 |
|-------------------------------------------|-------------------------------|-------------------------------|
| Leases and shipcharters | | |
| Operating leases and ship charters | | |
| Income | 763 267 | 659 412 |
| Expenditure | 2 652 727 | 3 768 860 |
| Finance lease liabilities | 75 861 | 56 817 |

Preparer of consolidated annual financial statements

for the year ended 31 December 2012

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

AG Waller

Group Financial Director

26 February 2013

BUSINESS REVIEW

Overview

With Grindrod's businesses focused on offering end-to-end commodity supply chain solutions in the movement of liquid bulk, drybulk and containerised and vehicle commodities, a concerted effort was made during the year to remain focused on executing the strategy, managing risks and meeting financial targets.

Notable strategic initiatives to progress the strategy of delivering an integrated freight and logistics service and investing in infrastructure assets and opportunities with high barriers to entry, include:

- Developing infrastructure to expand the capacity of the Port of Maputo;
- Increasing the capacity of the Maputo coal terminal;
- Investing in rail through increasing the locomotive manufacturing capacity and investments in rail technology and concession businesses; and
- Partnering with Vitol, one of the world's largest energy trading businesses, in a number of Grindrod's coal and fuel related businesses to increase access to global markets.

These initiatives, along with a number of others, are positioning the group for further growth.

The group generated earnings of R853,3 million for the year ended 31 December 2012 (2011: R530,9 million), representing a 61% increase on the prior year. Earnings growth on the prior year was achieved in the Freight Services and Financial Services divisions. Trading was up 12% on a comparable basis when adjusting for the sale of 50% of the marine fuels business at the end of June 2012. Shipping continues to be impacted by the weak shipping markets which necessitated some impairments of the vessels.

Headline earnings per share increased by 22% to 121,9 cents (2011: 99,6 cents). The non-trading items include the profit on sale of a share in the Maputo coal terminal, loss on disposal of 50% of the marine fuels business and the impairment of ships, equipment and goodwill.

Earnings per share is calculated on a weighted average of 590 million shares, up 112 million from the previous year, primarily as a result of the specific issue in November 2011.

A total ordinary dividend of 32,9 cents per share (2011: 29,5 cents per share) has been declared.

The group's statement of financial position remains sound with total assets of R22,1 billion (2011: R20,4 billion). The net debt:equity ratio is 7% at 31 December 2012 (2011: 10%). Book net asset value per share is R16,09 (2011: R14,54).

Capital expenditure and commitments

Capital expenditure and investments, for the year ended 31 December 2012 amounted to R1 305 million (2011: R1 166 million), of which 85% was expansionary and the balance maintenance or replacement capital expenditure. The capital expenditure comprised payments on two drybulk ships, two tankers, the Maputo coal terminal Phase 3,5 expansion project, locomotives, a rail concession business and coal trading contracts.

| R million | Capital expenditure | | Capital commitments | | | Split as follows | |
|---------------------|---------------------|--------------|---------------------|-----------|--------------|-------------------------|-------------------------|
| | 2012 | 2013 | 2014 | 2015+ | Total | Approved not contracted | Approved and contracted |
| Freight Services | 982 | 597 | 84 | 18 | 699 | 442 | 257 |
| Logistics | 219 | 252 | 66 | – | 318 | 198 | 120 |
| Ports and Terminals | 189 | 329 | 18 | 18 | 365 | 244 | 121 |
| Rail | 574 | 16 | – | – | 16 | – | 16 |
| Trading | 203 | 32 | 1 | 1 | 34 | 10 | 24 |
| Shipping | 591 | 470 | 8 | – | 478 | 9 | 469 |
| Drybulk | 359 | 103 | 8 | – | 111 | 9 | 102 |
| Tankers | 232 | 367 | – | – | 367 | – | 367 |
| Financial Services | 66 | – | – | – | – | – | – |
| Group | 7 | 6 | 4 | 3 | 13 | 12 | 1 |
| | 1 849 | 1 105 | 97 | 22 | 1 224 | 473 | 751 |
| Split as follows: | | | | | | | |
| Subsidiaries | 1 370 | 537 | 89 | 22 | 648 | 461 | 187 |
| Joint ventures | 479 | 568 | 8 | – | 576 | 12 | 564 |

The group is confident that it has adequate funding for capital commitments through its cash resources and banking facilities.

Cash flow and borrowings

Operating profit before working capital adjustments was R890,2 million (2011: R1 069 million). The group's working capital position reflects a net inflow for the period of R532,5 million, largely due to the disposal of a 50% interest in the marine fuels business, now treated as a joint venture. Capital expenditure on ships, locomotives and terminals was offset by proceeds from the sale of a 35% interest in the Maputo coal terminal. These movements resulted in the net debt position at 31 December 2011 of R889,7 million decreasing to R745,5 million at 31 December 2012 and the net debt:equity ratio declined to 7% (2011: 10%).

Shareholders' equity

The total number of ordinary shares in issue is 599 665 314. The 9 179 348 ordinary shares repurchased in prior years continue to be held in treasury. Of these, 2 302 884 shares have been allocated to the group forfeitable share plan, as approved by shareholders at the Annual General Meeting on 30 May 2012.

Basis of preparation

The condensed consolidated financial information has been prepared and presented 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, the listing requirements of the JSE Limited, the information as required by IAS 34: Interim Financial Reporting and the requirements of the South African Companies Act 71 of 2008. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 31 December 2012.

These condensed consolidated annual financial statements were approved by the board of directors on 26 February 2013.

Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the condensed consolidated annual financial statements are in terms of IFRS and are consistent with those of the consolidated annual financial statements for the year ended 31 December 2011.

Audit opinion

The auditors, Deloitte & Touche have issued their opinion on the group's financial statements for the year ended 31 December 2012.

The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These condensed consolidated annual financial statements have been derived from the group financial statements and are consistent in all material respects with the group financial statements. A copy of their audit report is available for inspection at the company's registered office.

Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

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.

Directorate/executive

Messrs JJ Durand and PJ Liddiard (as alternate) were appointed to the board with effect from 9 May 2012 due to the tragic loss of Mr MH Visser on 26 April 2012. Mr Visser's contribution will be missed by the group.

Messrs AC Brahe and GG Gelink were appointed to the board with effect from 1 January 2013.

Mr WP Hartmann, responsible for the Trading division, was appointed to the executive committee on 1 June 2012 following the resignation of Mr AF Stewart from the board on 31 May 2012. The board of directors express appreciation for Mr Stewart's contribution.

Ms B Ntuli was appointed to the executive committee in the position of Executive of Corporate Services on 1 December 2012.

Mr CAS Robertson resigned as Company Secretary on 1 February 2013 and was replaced by Mrs CI Lewis.

Post balance sheet events

There are no material post balance sheet events to report.

Prospects

Grindrod is well positioned for growth, however drybulk shipping markets are likely to remain under pressure which will continue to impact the shipping earnings.

For and on behalf of the board

IAJ Clark

Chairman

AK Olivier

Chief Executive Officer

DECLARATION OF FINAL DIVIDEND

Preference dividend

Notice is hereby given that a gross final dividend of 379,0 cents per cumulative, non-redeemable, non-participating and non-convertible preference share (2011: 363,0 cents) has been declared for the year ended 31 December 2012, payable to preference shareholders in accordance with the timetable.

In terms of the dividend tax effective 1 April 2012, the following additional information is disclosed:

- The local dividend tax rate is 15%;
- No secondary tax on companies (STC) credits will be utilised for the final preference dividend;
- 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares are in issue;
- The net preference dividend is 322,15000 cents per share for preference shareholders who are not exempt from dividends tax; and
- Grindrod Limited's tax reference number is 9435/490/71/0.

Ordinary dividend

Notice is hereby given that a gross final dividend of 15,4 cents per ordinary share (2011: 12,0 cents) has been declared for the year ended 31 December 2012, payable to ordinary shareholders in accordance with the timetable.

In terms of the dividend tax effective 1 April 2012, the following additional information is disclosed:

- The local dividend tax rate is 15%;
- STC credits of 1,48784 cents per share will be utilised for the final ordinary dividend;
- 599 665 314 ordinary shares are in issue;
- The net ordinary dividend is 13,31318 cents per share for ordinary shareholders who are not exempt from dividends tax; and
- Grindrod Limited's tax reference number is 9435/490/71/0.

Timetable

Last day to trade cum-dividend
Shares commence trading ex-dividend
Record date
Dividend payment date

Thursday, 14 March 2013
Friday, 15 March 2013
Friday, 22 March 2013
Monday, 25 March 2013

No dematerialisation or rematerialisation of shares will be allowed for the period Friday, 15 March 2013 to Friday, 22 March 2013, both days inclusive.

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

By order of the board

CI Lewis
Group Company Secretary

26 February 2013

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