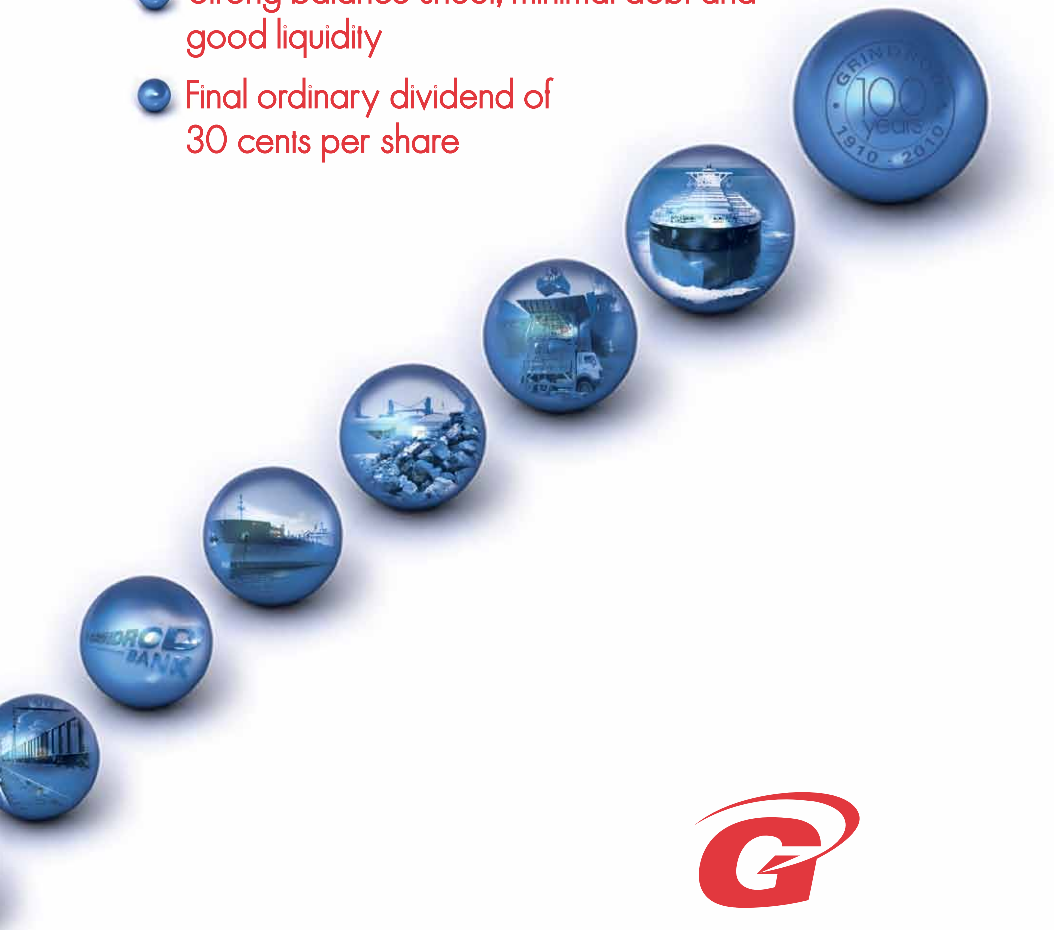
Audited results
for the year ended 31 December 2009

- Attributable income of R873 million
- Headline earnings per share of 190 cents
- Strong balance sheet, minimal debt and good liquidity
- Final ordinary dividend of 30 cents per share



GRINDROD
LIMITED

Features

Group:

- Attributable income of R873 million
- Headline earnings per share of 190 cents
- Difficult global and local trading conditions and substantially lower shipping markets
- Capital expenditure of R1,4 billion down from R2,2 billion in the prior year
  - capital commitments of R2,3 billion and further planned capital expenditure of R2,7 billion over the next three years
  - balance sheet capacity for an additional R4 billion capital expenditure over the next three years
- Strong balance sheet, minimal debt, good liquidity and large cash resources
- Final ordinary dividend declared of 30 cents per share, totaling 60 cents per share for the year. Dividend cover reduced to 3,2 times earnings

Shipping:

- Average earnings per day outperformed average spot market rates for the year
- Further reduced fleet and expanded contract cover
- Took delivery of three ships and sold six ships during the year (2008: sold five ships)

Trading:

- Increased volumes and operating margins
- Opened an office in Singapore to service increasing Asian market
- Significant interest cost savings

Freight Services:

- Challenging market conditions with a contraction in cargo volumes across most businesses
- Additional terminal capacity starting to contribute significant profits
- Level 3 BEE contributor status achieved for majority of South African operations on conclusion of empowerment transaction
- New investment into the rail sector

Financial Services:

- Deposits at record levels
- Growth in earnings
- No bad debt

Condensed income statement
for the year ended 31 December 2009

	31 December Audited 2009 R000	Change %	31 December Audited 2008 R000
Revenue	27 692 041	(18)	33 736 910
Trading profit	1 434 922	(53)	3 026 017
Depreciation and amortisation	(292 400)		(240 942)
Operating profit before interest and taxation	1 142 522	(59)	2 785 075
Non-trading items	13 881		(163 567)
Interest received	161 328		138 711
Interest paid	(252 695)		(314 071)
Profit before share of associates' profit	1 065 036		2 446 148
Share of associate companies' profit before taxation	76 465		66 076
Profit before taxation	1 141 501		2 512 224
Taxation	(188 075)		(243 030)
Profit for the year	953 426		2 269 194
Attributable to			
Ordinary shareholders	872 763	(60)	2 157 890
Preference shareholders	69 023		90 892
Grindrod Limited shareholders	941 786		2 248 782
Minority interest	11 640		20 412
	953 426		2 269 194
Exchange rates (R/US$)			
Opening exchange rate	9,45		6,89
Closing exchange rate	7,37		9,45
Average exchange rate	8,46		8,27

	31 December Audited 2009 R000	Change %	31 December Audited 2008 R000
RECONCILIATION OF HEADLINE EARNINGS			
Profit attributable to ordinary shareholders	872 763		2 157 890
Adjusted for:	(15 445)		163 567
IAS 38 Impairment of Goodwill	990		12 987
IAS 38 (Reversal)/Impairment of Intangible Asset in Respect of Charters	(46 886)		62 660
IFRS 3 Negative Goodwill Released	(156)		(216)
IAS 16 Impairment of Ships, Plant and Equipment	36 731		93 772
IFRS 3 Net Profit on Disposal of Investments	(2 081)		(43 179)
IAS 16 Net (Profit)/Loss on Sale of Plant and Equipment	(1 674)		1 386
IAS 21 FCTR Adjustment on Disposal of Business	(805)		35 912
Total tax effects of adjustments	(1 564)		245
Headline earnings	857 318		2 321 457
ORDINARY SHARE PERFORMANCE			
Number of shares in issue less treasury shares (000's)	454 203		450 252
Weighted average number of shares on which earnings per share are based (000's)	452 278		453 640
Diluted weighted average number of shares on which diluted earnings per share are based (000's)	454 436		459 930
Earnings per share (cents)			
Basic	193,0	(59)	475,7
Diluted	192,1	(59)	469,2
Headline earnings per share (cents)			
Basic	189,6	(63)	511,7
Diluted	188,7	(63)	504,7
Dividends per share (cents)	60,0	(56)	136,0
Interim	30,0		68,0
Final	30,0		68,0
Dividend cover (times)	3,2		3,5

Condensed statement of financial position
as at 31 December 2009

	31 December Audited 2009 R000	31 December Audited 2008 R000
Ships, property, terminals, vehicles and equipment	3 923 378	4 540 514
Intangible assets	830 663	713 046
Investments in associates	283 068	316 746
Deferred taxation	159 088	159 352
Derivative financial assets and other investments	185 376	191 238
Recoverables on cancelled ships	238 589	–
Loans and advances to bank customers	1 483 314	1 049 761
Liquid assets and short-term negotiable securities	104 092	138 553
Bank balances and cash	1 917 695	2 403 087
Other current assets	3 493 156	4 469 033
Non-current assets held for sale	12 680	2 245
Total assets	12 631 099	13 983 575
Shareholders' equity	5 737 980	6 712 696
Minority interest	98 146	62 315
Total equity	5 836 126	6 775 011
Deferred taxation	22 277	18 527
Provision for post-retirement medical aid	77 868	77 900
Income received in advance	88 441	151 200
Deposits from bank customers	1 756 126	1 507 046
Interest-bearing debt	2 246 462	1 963 564
	10 027 300	10 493 248
Non-current liabilities associated with assets held for sale	5 193	–
Other liabilities	2 598 606	3 490 327
Total funding	12 631 099	13 983 575
Net worth per ordinary share – at book value (cents)	1 122	1 336
Net debt:equity ratio	0,04:1	(0,05):1
Capital expenditure	1 407 629	2 158 501
Capital commitments		
Authorised by directors and contracted for	2 243 062	3 245 998
Due within one year	1 455 328	1 647 309
Due thereafter	787 734	1 598 689
Authorised by directors not yet contracted for	56 434	277 000

SEGMENTAL ANALYSIS	31 December Audited 2009 R000	31 December Audited 2008 R000
Revenue		
Shipping	4 918 406	7 069 205
Trading	20 335 439	24 022 393
Freight Services	2 302 323	2 551 792
Financial Services	135 695	93 520
Group costs	178	–
	27 692 041	33 736 910
Trading profit (Earnings before interest, taxation, depreciation and amortisation)		
Shipping	774 174	2 387 638
Trading	255 743	230 429
Freight Services	387 239	378 102
Financial Services	54 193	46 409
Group costs	(36 427)	(16 561)
	1 434 922	3 026 017
Operating profit before interest and taxation		
Shipping	647 292	2 292 301
Trading	249 264	221 938
Freight Services	233 903	242 792
Financial Services	52 192	44 605
Group costs	(40 129)	(16 561)
	1 142 522	2 785 075
Attributable income		
Shipping	492 482	1 862 364
Trading	181 233	131 842
Freight Services	221 717	188 654
Financial Services	35 500	34 614
Group costs	(58 169)	(59 584)
	872 763	2 157 890

Condensed statement of changes in equity

for the year ended 31 December 2009

	Ordinary share capital R000	Preference share capital R000	Share premium R000	Equity compen-sation reserve R000
Balance at 31 December 2007	9	2	189 061	9 868
Share options exercised			3 045	
Share-based payments				2 865
Repurchase of shares			(192 106)	
Minority interest acquired				
Minority interest disposed				
Profit for the year				
Other comprehensive income				84
Total comprehensive income	–	–	–	84
Dividends paid				
Balance at 31 December 2008	9	2	–	12 817
Share options exercised			13 209	
Share-based payments				22 954
Minority interest acquired				
Profit for the year				
Other comprehensive income				
Total comprehensive income	–	–	–	–
Dividends paid				
Balance at 31 December 2009	9	2	13 209	35 771

General risk reserve R000	Foreign currency translation reserve R000	Hedging reserve R000	Accu-mulated profit R000	Interest of shareholders of Grindrod Limited R000	Minority interest R000	Interest of all shareholders R000
5 525	20 776	(365 587)	3 518 678	3 378 332	60 643	3 438 975
				3 045		3 045
				2 865		2 865
			(20 833)	(212 939)		(212 939)
				–	(320)	(320)
				–	532	532
			2 248 782	2 248 782	20 412	2 269 194
(5 525)	1 372 491	519 442	5 525	1 892 017	639	1 892 656
(5 525)	1 372 491	519 442	2 254 307	4 140 799	21 051	4 161 850
			(599 406)	(599 406)	(19 591)	(618 997)
–	1 393 267	153 855	5 152 746	6 712 696	62 315	6 775 011
				13 209		13 209
				22 954		22 954
				–	29 633	29 633
			941 786	941 786	11 640	953 426
	(1 117 621)	(323 376)		(1 440 997)	2 251	(1 438 746)
–	(1 117 621)	(323 376)	941 786	(499 211)	13 891	(485 320)
			(511 668)	(511 668)	(7 693)	(519 361)
–	275 646	(169 521)	5 582 864	5 737 980	98 146	5 836 126

Statement of comprehensive income

for the year ended 31 December 2009

	31 December Audited 2009 R000	31 December Audited 2008 R000
Profit for the year	953 426	2 269 194
Other comprehensive income		
Exchange differences on translating foreign operations		
Exchange differences arising during the year	(1 107 662)	1 373 214
Exchange differences arising on hedging of foreign operations	(7 280)	(50 934)
Realisation of foreign operations disposed of in the year	(7 708)	–
	(1 122 650)	1 322 280
Cash flow hedges		
(Losses)/gains arising during the year	(316 551)	572 704
Reclassification adjustments for amounts recognised in profit or loss	455	(2 328)
	(316 096)	570 376
Total comprehensive (loss)/income for the year	(485 320)	4 161 850
Total comprehensive (loss)/income attributable to:		
Grindrod Limited shareholders	(499 211)	4 140 799
Minority shareholders	13 891	21 051
	(485 320)	4 161 850

Condensed statement of cash flows
for the year ended 31 December 2009

	31 December Audited 2009 R000	31 December Audited 2008* R000
Cash generated from operations	917 747	3 352 986
Net interest paid	(91 367)	(175 360)
Net dividends paid	(460 868)	(604 394)
Taxation paid	(240 459)	(176 571)
	125 053	2 396 661
Net bank advances to customers and other short-term negotiables	(150 013)	116 561
Net cash flows (utilised in)/from operating activities before ships sales and purchases	(24 960)	2 513 222
Net proceeds on disposal of ships	756 728	959 235
Proceeds on disposal of ships	1 257 467	1 070 101
Cash payments on ship options exercised	(500 739)	(110 866)
Capital expenditure on ships	(793 207)	(1 310 419)
Net cash flows (utilised in)/from operating activities	(61 439)	2 162 038
Acquisition of property, terminals, vehicles and equipment and investments	(578 139)	(848 082)
Proceeds from disposal of property, terminals, vehicles and equipment and investments	51 498	340 624
Intangible assets acquired	(36 283)	(916)
Loans repaid by/(advanced to) joint venture and associate companies	27 386	(15 415)
Net cash flows used in investing activities	(535 538)	(523 789)
Repurchase of ordinary share capital	–	(212 936)
Proceeds from issue of ordinary share capital	13 209	3 045
Minority investment in subsidiary	3 780	–
Loan from minority shareholders	15 853	–
Long-term borrowings raised	591 700	643 071
Payment of capital portion of long-term borrowings	(447 341)	(637 433)
Short-term loan raised/(repaid)	381 783	(436 589)
Net cash flows from/(utilised in) financing activities	558 984	(640 842)
Net (decrease)/increase in cash and cash equivalents	(37 993)	997 407
Cash and equivalents at beginning of the year	1 975 106	711 739
Difference arising on translation	(267 831)	265 960
Cash and cash equivalents at end of the year	1 669 282	1 975 106

* Restated due to a reallocation in relation to IAS 7 Cash Flow Statements.

Condensed changes in disclosure

for the year ended 31 December 2009

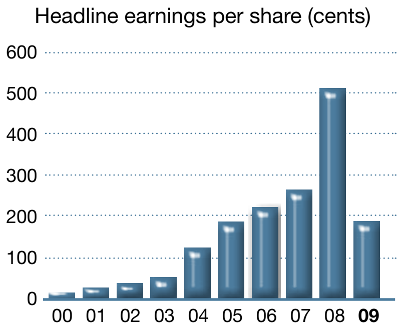
	31 December Audited 2008 R000	IAS 7 R000	31 December Audited 2008* R000
Cash generated from operations	4 312 221	(959 235)	3 352 986
Net proceeds on disposal of ships	–	959 235	959 235
Proceeds on disposal of ships	–	1 070 101	1 070 101
Cash payments on ship options exercised	–	(110 866)	(110 866)
Capital expenditure on ships	–	(1 310 419)	(1 310 419)
Net cash flows from operating activities	3 472 457	(1 310 419)	2 162 038
Acquisition of property, terminals, vehicles and equipment and investments	(2 158 501)	1 310 419	(848 082)
Net cash flows used in investing activities	(1 834 208)	1 310 419	(523 789)

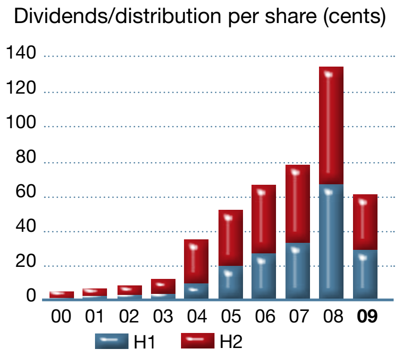
* Restated due to the requirement of IAS 7 Cash Flow Statements, which states that capital expenditure relating to dual purpose assets should be reallocated from investing activities to operating activities.

Comments

OVERVIEW

Grindrod Limited generated earnings of R873 million for the year ended 31 December 2009 (2008: R2 157 million), down 60% on the extraordinarily high prior year earnings. Headline earnings per share decreased by 63% to 190 cents per share (2008: 512 cents) compared with the prior year including large headline earnings adjustments. Total ordinary dividends at 60 cents per share for the year decreased by 56% from 136 cents per share. A final dividend of 30 cents per ordinary share (2008: 68 cents) was declared. Dividend cover reduced to 3,2 times earnings from the 3,5 times cover generally applied in the past and a preference share dividend of 428 cents per share (2008: 623 cents was declared). Return on ordinary shareholders' funds was 15,9% (2008: 50,2%).





These results were recorded against the backdrop of a major global recession characterised by volatility and uncertainty in financial, commodity and shipping markets, low trade volumes, softer commodity prices and increased credit and counterparty risk. This environment brought to an end an extended period of extraordinarily strong drybulk shipping markets, although there was an improvement in the second half of the year, mainly due to strong commodity demand from China.

In reaction to market conditions, Grindrod prepared for a difficult year focusing efforts on key operational areas by:

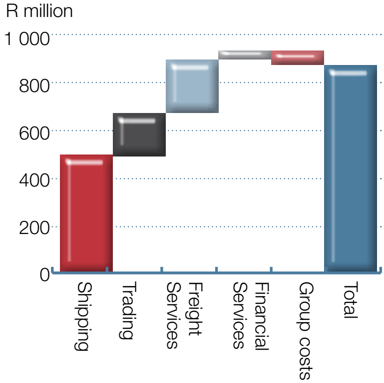
- protecting the balance sheet and ensuring sufficient liquidity through maintaining high levels of contract cover, managing counterparty risk, selectively selling ships to lock-in value and generate cash, and ensuring adequate finance facilities;
- reducing costs and improving efficiencies to support the earnings base; and
- protecting customer relationships.

These actions, together with the fact that the group did not materially expand its fleet at the top of the market, culminated in a strong balance sheet with minimal debt, more than adequate liquidity through cash resources and access to financing facilities, a low cost fleet with options to extend or purchase and contracts with reliable counterparties.

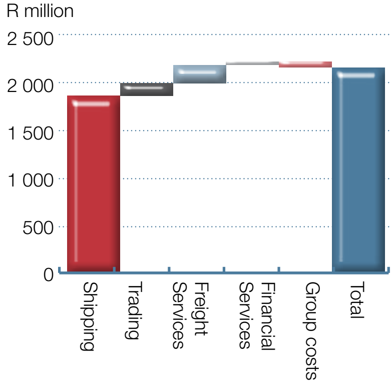
The strategy to diversify the group from shipping to a broader based freight and logistics business supported group earnings during the year.

Comments continued

2009 Attributable income by division



2008 Attributable income by division



(Prior year numbers have been restated due to the adoption of IFRS 8 Operating Segments.)

Shipping earnings declined by 74% from R1 862 million to R492 million on the back of the decline in shipping rates, triggered by the lack of credit to support international trade and the slowdown in major economies and lower profits from ship sales. The division was further impacted by foreign exchange losses due to a strong closing Rand/US Dollar exchange rate compared to a large gain in the prior year. The group has put in place measures to reduce its exposure to shipping market volatility.

The Trading division's earnings grew from R132 million to R181 million in 2009, an increase of 37% due to increased volumes, good operating margins and reduced funding costs.

Despite the impact of tough trading conditions particularly within the logistics operations, Freight Services reported growth in earnings of 18% with profits of R222 million compared to R189 million in the previous year. Strong performances from Ports and Terminals, as a result of investment in terminal capacity in prior years. Seafreight, Intermodal and Ships Agencies were key in achieving this result.

Financial Services experienced growth in earnings of 3% from R35 million to R36 million with commendable performance across key portfolios and improved fee income in a challenging environment.

As previously reported, the majority of Grindrod Freight Services' South African based businesses, operating through the subsidiary company Grindrod (South Africa) (Pty) Limited, became black economic empowered in the first quarter of 2009. The finalisation of the empowerment transaction, combined with other BEE initiatives, resulted in Grindrod (South Africa) (Pty) Limited achieving a level 3 BEE rating.

Included in the group costs above is a once-off R21 million (or 5 cents per share) IFRS 2 charge against headline earnings for the BEE transaction.

CAPITAL EXPENDITURE AND COMMITMENTS

Description	Capital expenditure	Capital commitments			
R millions	2009	2010	2011	2012	Total commitments
Ships	794	858	635	85	1 578
Property and terminals	236	436	63	–	499
Vehicles, equipment and software	159	34	5	1	40
	1 189	1 328	703	86	2 117
Acquisition of businesses	219	176	6	–	182
Total	1 408	1 504	709	86	2 299

Major items of capital expenditure for the year included instalments paid under the group's ship newbuilding orders, the expansion of Freight Services drybulk terminal capacities in Richards Bay and Maputo, expansion of automotive storage facilities in Rosslyn, Pretoria, the re-entry into the rail sector through the establishment of RRL Grindrod and the acquisition of a locomotive maintenance and refurbishment operation.

Ship newbuilding contracts make up the bulk of the capital commitments. In addition to the capital commitments of R2,3 billion the group has budgeted for further capital expenditure of R2,7 billion over the next three years, mainly in Freight Services and has the balance sheet capacity for a further R4 billion over the same period.

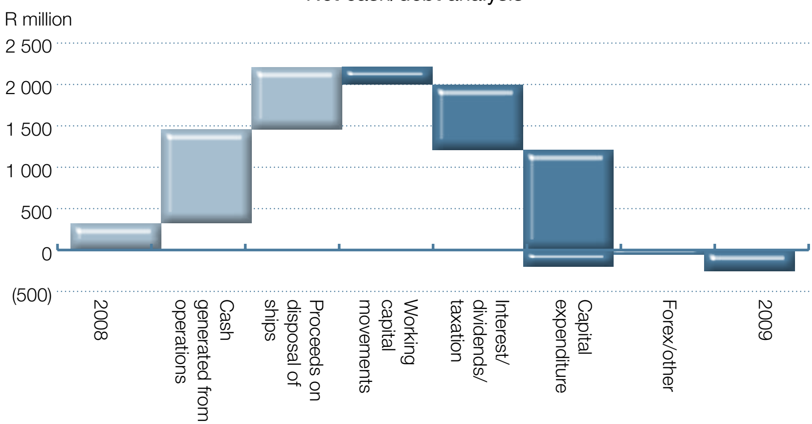
Subsequent to year end, orders of a further three small product tankers, included in commitments above, were cancelled. Management are, however, in discussions with the shipyard on the possible renegotiation of these contracts.

CASH FLOW AND BORROWINGS

Cash generated from operations was R918 million (2008: R3 353 million). Cash outflows included capital expenditure of R1 408 million and dividends of R540 million during the year. This resulted in the net cash position of R325 million at 31 December 2008 becoming a net debt position of R258 million at 31 December 2009 and a net debt:equity ratio of 4%. Net interest costs at R91 million, although decreasing by 48% from R175 million, remain material due to low interest earned on substantial US Dollar cash resources while interest costs were incurred on Rand debt. This position was prudent to ensure availability of US Dollar capital to fund expansion opportunities and is likely to reduce during the current year.

The group is confident that it has adequate funding available for all capital commitments through its cash resources, cash generated from operations and existing committed bank facilities.

Net cash/debt analysis

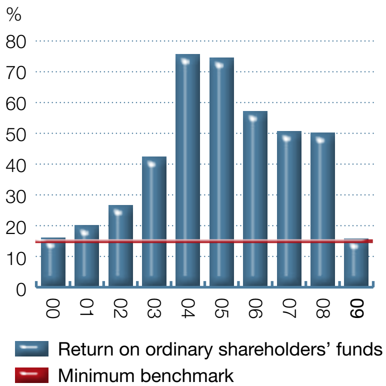


SHAREHOLDERS' EQUITY

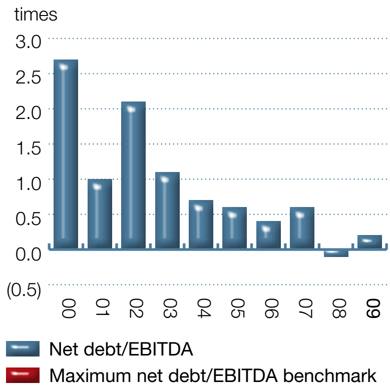
Shareholders' equity decreased from R6,7 billion at 31 December 2008 to R5,7 billion at 31 December 2009 due to the effect of the stronger Rand/US Dollar exchange rate and the revaluation of hedging instruments.

During the period, 19 044 230 ordinary shares and 100 000 preference shares, held by a subsidiary company, were delisted. The balance of 9 179 348 ordinary shares repurchased in prior years continue to be held in treasury.

Return on ordinary shareholders' funds



Net debt/EDITDA



DIVISIONAL REVIEWS

SHIPPING

An analysis of the divisional results is as follows:

Profit from owned and long-term chartered ships	Bulk carriers			Tankers			2009	2008	Growth
	Handysize	Panamax	Capesize	Mid-range	Small	Chemical	Total	Total	%
Average number of owned/long-term chartered ships	17,3	2,0	2,9	7,8	0,7	4,0	34,7	36,7	(5)
Average daily revenue (US$)	13 000	20 800	26 900	18 300	8 200	14 800	15 900	28 600	(44)
Average daily cost (US$)	8 500	9 400	18 900	14 600	10 400	14 600	11 500	11 700	2
Profit (US$ million)	28,3	8,3	8,3	10,5	(0,7)	0,3	55	226	(76)
(US$ million)									
Profit from ship operating activities							31	39	(21)
Profit from ship sales							31	62	(50)
Shipbuilding costs							(7)	–	–
Overheads/other expenses							(28)	(35)	20
Foreign exchange (loss)/profit							(5)	16	(131)
Funding costs/preference dividends/taxation							(17)	(44)	61
Impairments/onerous contract provisions							–	(42)	100
							60	222	(73)

The contract cover and efficient ship operation during the major collapse in shipping markets ensured earnings outperformed market rates. However, the lower earnings levels against a relatively fixed cost base resulted in an erosion of margins.

After a very poor first quarter, drybulk markets performed better than initially anticipated due to strong Chinese commodity demand, combined with the delivery of only approximately 60% of the 2009 newbuilding order book.

Average spot rates in the markets in which the group operates were in excess of 60% lower than the prior year.

Comments continued

The division took the opportunity to reduce its exposure and effected the following transactions:

- Exercised five purchase options, one of which was in a joint venture company, and on-sold four of these ships to third parties thereby taking advantage of recovering freight rates and asset values to extract value from these options.
- Three owned ships, one from a joint venture company, were sold.
- A long-term charter-in of a chemical tanker scheduled for delivery in 2012 was cancelled.
- Two newbuilding product tankers were cancelled due to yard non-performance.

These actions resulted in a decrease in the number of ships operated during the year when compared to the previous year.

The division was further impacted by shipyard delays and non-performance issues. The associated costs of US$7 million are disclosed above.

Provisions for onerous contracts on the drybulk shipping business reduced from US$28,3 million at the end of 2008 to US$14,3 million at 31 December 2009, but there were no significant adjustments to impairments.

Ship operating activities, which are not reliant on long-term fixed-cost time charters or owned ships, performed well during the year. The revenue of these businesses is generally linked to their costs, thereby ensuring reasonable margins notwithstanding the level of the market. Volumes were, however, lower than the prior year due mainly to very low demand in the first quarter.

FLEET OVERVIEW (owned and long-term chartered ships)

Contracted in at 31 December 2009		Bulk carriers			Tankers			
		Handysize	Panamax	Capesize	Mid-range	Small	Chemical	Total
2010	Number (average) Cost (US$/day)	15,1 9 200	2,0 9 400	3,0 21 000	8,1 15 300	3,0 10 400	4,0 14 700	35,2 12 400
2011	Number (average) Cost (US$/day)	16,9 9 400	2,0 9 400	3,5 26 200	5,2 13 700	6,2 10 800	4,0 14 700	37,8 12 400
2012	Number (average) Cost (US$/day)	18,1 9 800	2,0 9 400	3,0 27 800	4,0 13 000	8,5 11 000	4,0 14 700	39,4 12 200
2013	Number (average) Cost (US$/day)	18,5 9 900	2,0 9 500	3,0 28 100	4,0 13 200	8,5 11 100	4,0 14 800	40,0 12 300
Current fleet		15	2,0	3,0	8,0	1,5	4,0	33,5*
Net number of ships to deliver								
2010		1,0	–	–	(1,0)	3,0	–	3,0
2011		2,0	–	–	(3,0)	4,0	–	3,0
2012		0,5	–	–	–	–	–	0,5
2013		–	–	–	–	–	–	–
Fleet at end of 2013		18,5	2,0	3,0	4,0	8,5	4,0	40,0**

* Owned fleet 7,5; chartered fleet 26

** Owned fleet 23,5; chartered fleet 16,5

The group has reduced its committed fleet from the 51 previously reported to 40 in the current year with the option to redeliver to owners ten of these chartered ships by the end of 2013 (should this be warranted by market conditions).

Market value adjustments to fleet book value	R millions	Comments
Excess of market value of owned fleet and charters with purchase options over book value	241	Indicative ship values obtained in consultation with reputable ship brokers. Book value of charters = PV @ 6,5% of capital element (i.e. excluding running costs) of charter commitments and purchase option price. Yen options valued at closing rate.
Market value of other long-term charters and contracts	558	Differential between market rates and Grindrod charter/contract rates. (PV @ 6.5%)
	799	

Assumptions used in the market value adjustment calculation above are set out below. In some cases these are below book or contracted values, however further impairments have not been required as value-in-use calculations justify the carrying values.

		Average ship market value US$000	Average market long-term charter rates US$ per day
Bulkers	– Handysize	23 864	12 750
	– Handymax	33 750	16 511
	– Panamax	37 500	17 128
	– Capesize	66 500	31 031
Tankers	– Mid-range	22 500	12 996
	– Small	18 441	9 750
	– Chemical	33 250	20 000

Contract cover and contracted profits

Contracted out at 31 December 2009		Bulk carriers			Tankers			Total
		Handysize	Panamax	Capesize	Mid-range	Small	Chemical	
2010	Number (average)	11,8	2,0	2,5	7,1	1,5	2,0	26,9
	Revenue (US$/day)	10 800	22 600	35 100	19 300	10 400	17 000	16 600
2011	Number (average)	3,0	2,0	2,3	1,7	1,1	1,5	11,6
	Revenue (US$/day)	11 800	24 000	42 100	19 600	10 600	17 600	21 700
2012	Number (average)	1,8	2,0	2,0	–	–	–	5,8
	Revenue (US$/day)	12 900	24 000	44 500	–	–	–	27 700
2013	Number (average)	0,5	1,4	1,0	–	–	–	2,9
	Revenue (US$/day)	20 000	25 200	52 300	–	–	–	33 600

Contract profits	% of fleet fixed	Charters (US$m)	Ship sales (US$m)	Total (US$m)
2010	76	43	–	43
2011	34	30	–	30
2012	17	24	–	24
2013	8	15	–	15
In addition, ±6% of fleet is fixed for 2014/2015				

Note: Variable volume contracts have been included at forecast volumes.

Given that drybulk shipping makes up less than half of group profits as well as the high level of contract cover, the Baltic Dry Index ("BDI") is not considered a reliable measure of Grindrod's performance and prospects.

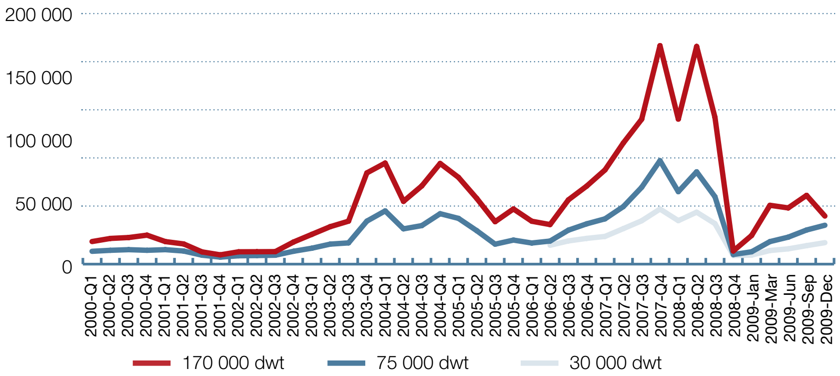
Drybulk market

The drybulk market experienced an all-time low at the beginning of 2009 with an upward correction towards mid-year. The company's primary market, the smaller handysize vessels, was far more stable with rates generally improving steadily throughout the year.

The outlook for the market for 2010 remains uncertain due to the large order book, particularly in the capesize sector, a large portion of which is, however, not expected to deliver. A key factor is whether China's strong demand for commodities will continue to grow during 2010. Notwithstanding the above, the handysize sector is not faced with the same oversupply concerns.

The consensus view is, however, that the drybulk market will face a further softening during 2010 due to the oversupply of vessels. This is reflected in the longer-term market rates set out below. The company's low fleet cost and contract cover should result in reasonable profit levels from its drybulk shipping activities.

Bulk carrier spot earnings (Baltic exchange series) (US$/day)



Source: Clarkson Research Services Limited; Copyright: Baltic Exchange

Current spot, one and three-year time charter rates at date of drafting this report, and a comparison of average spot rates, are as follows:

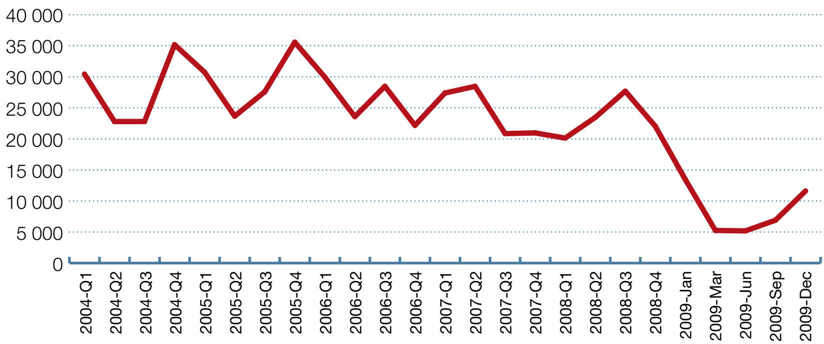
				Average spot rates	
	Spot rates (US$ per day)	One-year time charter rates (US$ per day)	Three-year time charter rates (US$ per day)	**2009 (US$ per day)**	2008 (US$ per day)
Handysize	17 613	15 000	12 500	**11 342**	29 282
Panamax	29 417	26 500	19 500	**19 295**	49 014
Capesize	40 307	40 000	31 000	**42 656**	106 025

Tanker market

The product tanker market was adversely affected in 2009, particularly due to the recession in the developed world which is the major consumer of petroleum products. A late correction and support for tanker freight rates was seen in the fourth quarter due to the extremely cold northern hemisphere winter.

The short-term outlook for tanker freight rates is flat as a result of expected slow demand growth. The medium to longer-term outlook indicates that oil demand will again increase, supported strongly by growth in the eastern developing markets. This is reflected in the long-term charter rates set out below.

Clean product tanker 30 000 – 38 000 dwt spot earnings for selected routes (US$/day)



Routes: 35 000 Gulf/Japan; 35 000 Gulf /East Africa; 37 000 UKC/USAC; 38 000 Carriers/USAC; 30 000 Sing/Japan
Source: Clarkson Research Services Limited

Current spot, one and three-year time charter rates at the date of this report, compared to average spot rates, are as follows:

				Average spot rates	
	Spot rates (US$ per day)	One-year time charter rates (US$ per day)	Three-year time charter rates (US$ per day)	**2009 (US$ per day)**	2008 (US$ per day)
Mid-range	11 216	13 000	13 500*	**7 697**	23 325
Small	Not available	9 250	9 250*	**11 500**	14 500

* Three-year time charter rates based on management assessments.
Meaningful rates for chemical tankers are not available.

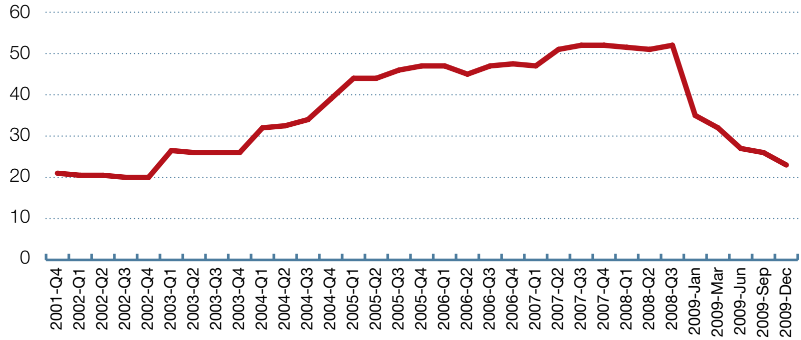
Ship values

The trend in drybulk and tanker asset values have diverged, with drybulk asset values improving since January 2009 whilst the tanker asset values have declined. The tanker values, however, appear to have reached the bottom of the cycle as increased sale and purchase activity is seen in this market. Owners with cash resources are now beginning to look to acquire well priced and more modern tankers.

The drybulk market on the other hand has shown resilience throughout 2009 with ships of all sizes being traded consistently throughout the year. Scarcity in financing remains a serious constraint for the shipping industry as banks continue to deal with loan to value concerns.

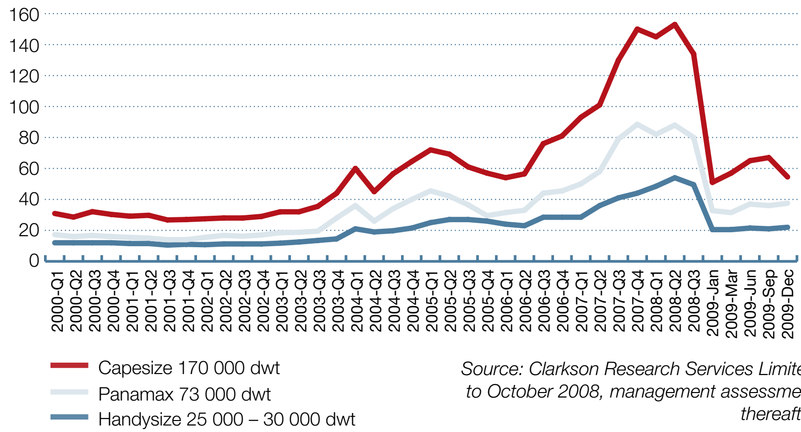
Ship values in both the wet and dry markets are not expected to change materially from current levels in the medium-term.

47 000 dwt D/H Tanker – Second hand prices (5 year) – US$ millions



Source: Clarkson Research Services Limited to October 2008, management assessment thereafter

Bulk Carrier – Second hand prices (5 year) – US$ millions



Source: Clarkson Research Services Limited to October 2008, management assessment thereafter

Divisional outlook

The Shipping division has taken the opportunity to lock-in some value on time chartered-in ships which had purchase options. This reduced market risk to the group and further improved cash resources.

This places the division in a strong position to consider opportunities that may present themselves in the current year.

The Shipping division has a young and low cost fleet, sound contract cover, a strong balance sheet and reliable counterparties.

TRADING

In spite of gross revenue declining by 15% due to generally softer commodity prices, volumes were up 7,7% to 7,09 million tonnes (2008: 6,59 million tonnes) mainly through strong performances by the marine fuel and agricultural businesses. Operating margins improved while the average operating margin per tonne was maintained at approximately US$4 per tonne. In addition, there was a benefit from lower interest charges.

The acquisition of the remaining 50% interests in the marine fuel and industrial raw materials trading businesses during 2008 had little impact on earnings growth.

The establishment of a trading hub in Singapore has created a platform for the division to benefit from exposure to the Asian markets. Liquidity issues arising from the credit crisis in 2008 have eased but counterparty risk remains a key focus.

Agricultural

All agricultural commodity markets were characterised by continued volatility. Whilst supply and demand still drives market movements, these are exacerbated by hedge fund activity. This has created opportunities for Atlas to improve its offering to customers by strengthening key customer and supplier relationships and simultaneously enhancing margins through innovative distribution channel management with resultant efficiencies.

Plans for 2010 should result in further improvements. Growth will come from focusing on the core strengths of the business encompassing regional exposure and expertise, strategic alliances, new products and expansion into new markets.

Marine fuel

Market conditions remain challenging with some key participants suffering the ill effects of counterparty exposure. Despite this, Cockett performed exceptionally well through focused efforts on physical supply of marine fuels, penetration into new markets, volume growth and sound counterparty risk management.

Commodity prices have risen steadily with crude oil rising from US$42 to US$79 per barrel (90%) over the course of 2009.

The prospects for 2010 are sound. Cockett continues to identify and develop niche trading opportunities which are expected to increase volumes through new market and physical supply programmes.

Industrial raw material

Steel production fell early in the year and then recovered, particularly in China where production ended the year 12% higher than 2008. The same pattern was evident in stainless steel, where Chinese production increased by over 27% in 2009 on the back of strong demand. Oreport's involvement in steel and stainless steel is changing from that of pure trading, where opportunities are declining, to that of a distributor with stakes being taken in warehousing and processing companies which will develop both opportunities and margins.

China showed increased demand for manganese and chrome alloy markets despite the reduction in global demand. Prices of manganese alloys increased during the year although chrome only improved about 10%. Coal prices were subdued for most of the year and opportunities limited. Oreport was severely affected by the strong Rand and supplier cutbacks. However, recent improvements have led to additional opportunities to expand its business.

The ongoing demand for raw materials in China offers Oreport the opportunity to refocus given the relatively poorer conditions in other parts of the world. Supplier support coupled with strong market contacts allow for continued profitability and growth. To support this Oreport has opened an office in Singapore with plans to expand this footprint to other developing markets which is expected to enhance trading opportunities.

Divisional outlook

The focus for 2010 will remain on sourcing and investment in strategic origination projects and expanding the offering of products across the division. Representation in new markets, particularly in South America, Asia and in the rest of Africa, have commenced.

Sound management of counterparty exposure and market risk remain imperative.

Whilst testing trading conditions are anticipated for 2010, earnings levels should be maintained.

FREIGHT SERVICES

Attributable income reflects a combination of strong growth in the ports and terminals operations and resilient contributions from the intermodal, ships agencies and seafreight operations in very difficult market conditions.

Logistics

The logistics operations, primarily in the transport segment, came under severe pressure in 2009 from depressed market conditions in the minerals, agricultural, automotive and durable goods sectors, trading significantly below expectations. The transport operations were rationalised and restructured in the light of lower market volumes and are expected to return to profitability in 2010. In the automotive sector, the award of additional tenders combined with the exit of a number of competitors, has resulted in growth of market share, which places the business in a stronger position to benefit from a recovery of this market.

Ports and terminals

The terminal operations, although impacted by rail delivery issues, traded largely in line with expectations, benefiting from the expansion of terminal capacities, improved operating efficiencies and a good contract base. The expansion of the Matola Coal Terminal export capacity from 2 million to 4 million tonnes per annum was completed in May 2009, with the further expansion of the terminal capacity to 6 million tonnes currently in progress and scheduled for completion in the fourth quarter of 2010. The expansion of the Richards Bay drybulk export and import capabilities to a combined 6,4 million tonnes per annum was completed in the second quarter of 2010, with the addition of a total of 3,4 million tonnes of handling capacity.

Despite global trade volumes and port throughput declining in 2009, the Maputo Port Development Company ("MPDC") performed robustly with a 5,8% growth in volumes to 8,03 million tonnes handled through the Port. Profitability at MPDC improved due to this volume growth combined with improved operational efficiencies.

Intermodal

The intermodal business was restructured for lower volumes, however, it expanded its customer base. Consequently it was able to continue to perform well in a challenging environment.

Seafreight

Seafreight, although negatively affected by declines in freight rates and container volumes, has maintained profitability over the prior year through the negotiation of lower charter rates on vessels, fleet reductions, improved scheduling integrity and general operational efficiencies.

Ships Agencies

Ships Agencies performed well in a difficult trading environment which was further impacted by the strong Rand/US Dollar exchange rate. In particular, liner shipping operator volumes were extremely low and they were forced to amend sailing schedules and in some cases withdrew from destinations they had serviced for many years.

Rail

Grindrod re-entered the rail sector, after divesting its interests in Sheltam Grindrod in 2008, through the conclusion of a 50% joint venture agreement with Solethu Investments during the first quarter of 2009. This culminated in the establishment of RRL Grindrod and RRL Grindrod Locomotives, level 1 and level 3 BEE contributor status companies respectively. Collectively they provide locomotive leasing, rail operations and shunting services. Later in the year, the business was supplemented through the acquisition of a business specialising in the maintenance and refurbishment of locomotives and wagons, thus broadening the depth of the locomotive service offering. The business is now well placed to grow organically and participate in public-private partnerships and concession opportunities as they become available.

Divisional outlook

A gradual improvement in market conditions is expected, with tentative signs of recovery being evident. Management anticipate the following key trends:

- The logistics business segment is expected to return to profitability by the second half of 2010, benefiting from a more appropriately structured operating platform, now realigned to lower market demand combined with an increase in market share in the automotive transportation sector;
- Continued improvement in demand for export capacity through ports and terminals on the back of the recovering global commodities market. Additional capacity coming on-stream in the terminals, supported by guaranteed throughput commitments from customers, is expected to result in strong growth in 2010, provided sufficient rolling stock becomes available;
- Intermodal and ships agency operations traded well in the second half of 2009, with this trend expected to continue into 2010 aided by the anticipated moderate economic recovery. Seasonality in these businesses is expected to become more pronounced compared to previous years, with the second half of the year expected to be typically stronger than the first half;
- Seafreight volumes are expected to remain under pressure for the first half of 2010. However, if port operational challenges are managed, the business should continue to benefit from the ongoing cost saving initiatives and improved scheduling integrity; and

- The rail operations are well placed to take advantage of public-private partnerships, concessioning and branch line concessioning opportunities should they arise. The operations should also benefit from the expected continued strengthening in demand for commodities.

FINANCIAL SERVICES

Attributable earnings increased by 3% due to strong fee income growth from property finance and corporate banking and no bad debt exposure.

Levels of assets under management were maintained in a very difficult market and the performance of the private client portfolios and unitised funds has been commendable. The newly launched unit trust fund, the Grindrod Global Property Income Fund, exceeded expectations for the period with an annualised return on investment of over 50%.

Credit and liquidity continue to be conservatively managed. Deposits were at record high levels which resulted in a healthy liquidity surplus at 31 December 2009. This positions the Bank favourably to seek well priced lending. The Bank's capital adequacy ratio at 14,2% remains comfortably above the Basel II requirements.

The Bank continues to expand its operations in Durban, Cape Town and Johannesburg with a focus on employing highly skilled staff. Particular attention has been given to growing the Bank's corporate finance capability.

Divisional outlook

The adverse operating environment for financial service entities is expected to continue in the first half of the year. As a result, the Bank will mainly focus on opportunities to earn fee income rather than growth in advances. It will also maintain its conservative liquidity, credit and asset management policies to ensure its clients are well serviced and their risks well managed.

BASIS OF PREPARATION

The results have been prepared in terms of IAS 34 Interim Financial Reporting and are in accordance with the group's accounting policies which fully comply with International Financial Reporting Standards (IFRS), the Companies Act as amended and the JSE Listing Requirements. They are consistent with those applied in the previous year with the exception of the revised IAS 1 Presentation of Financial Statements and IFRS 8 Operating Segments which were adopted in the current year. The condensed cash flow for 2008 has been restated due to reallocation in relation to IAS 7 Cash Flow Statements. The adoption of these new standards has resulted in certain disclosure reclassification, but has not resulted in any changes in accounting policy.

SUBSEQUENT EVENTS

No material change has taken place in the affairs of the group between the end of the financial year and the date of this report.

PROSPECTS

The global and local economies are in the process of recovering from the severe recession which was at its worst in the first half of 2009. The improved economic activity, mainly driven by growth in China and India, has led to increasing commodity demand, generally higher commodity prices and a substantial rise in trade volumes. It is anticipated that all divisions will benefit from the improving cycle.

There is some concern that the large number of new drybulk ships due for delivery in the short-term could adversely affect the drybulk shipping market and consequently the results of the Shipping division notwithstanding the benefit of improved demand for commodities.

The outlook for the Freight Services operations is favourable, with the business expected to benefit from an increase in volumes handled at the recently expanded drybulk terminals. Trading and Financial Services should at least maintain their performances.

The group results are extremely sensitive to the Rand/US Dollar exchange rate and continued strength of the local currency will impact negatively on earnings.

No ship sales are planned for 2010 at this time. However, the group could benefit from well timed use of its strong balance sheet to expand operations.

In spite of the uncertainties above, management expects to achieve continued acceptable returns on shareholder funds for 2010.

For and on behalf of the board

I A J Clark
Chairman

A K Olivier
Chief Executive Officer

AUDIT OPINION

The auditors, Deloitte & Touche, have issued their opinion of the group's financial statements for the year ended 31 December 2009. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. A copy of their audit report is available for inspection at the company's registered office. The condensed financial Statements have been derived from the group financial statements and are consistent in all material respects with the group financial statements.

Grindrod Limited – Disclaimer: The market value of the fleet is based on valuations obtained from ship brokers and published market information on ship charter rates. These values and rates are subject to risks and uncertainties, as various factors beyond the control of the group may cause values to fluctuate materially subsequent to the date of this announcement.

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References for Shipping market data: *Clarkson Research Services Limited*
ACM Research

Declaration of final dividends

Preference dividend

Notice is hereby given that a final dividend of 428 cents per cumulative, non-redeemable, non-participating and non-convertible preference share (2008: 623 cents) has been declared, payable to preference shareholders in accordance with the timetable below.

Ordinary dividend

Notice is hereby given that a final dividend of 30 cents per ordinary share (2008: 68 cents) has been declared, payable to ordinary shareholders in accordance with the timetable below.

Timetable

Last day to trade cum-dividend	Friday, 5 March 2010
Shares commence trading ex-dividend	Monday, 8 March 2010
Record date	Friday, 12 March 2010
Dividend payment date	Monday, 15 March 2010

No dematerialisation or rematerialisation of shares will be allowed for the period from Monday, 8 March 2010 to Friday, 12 March 2010, both days inclusive.

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

By order of the board

C A S Robertson
Secretary

17 February 2010

FOR MORE INFORMATION, PLEASE REFER TO OUR WEBSITE AT
WWW.GRINDROD.CO.ZA

Directors

I A J Clark* *(Chairman)*, A K Olivier *(Group CEO)*, H Adams*, M R Faku*, W D Geach*, I M Groves*, M J Hankinson*, J G Jones, T J T McClure, R A Norton*, D A Polkinghorne, D A Rennie, A F Stewart, L R Stuart-Hill, S D M Zungu*. *Non-executive

Registered office: Quadrant House, 115 Margaret Mncadi Avenue, Durban, 4001
PO Box 1, Durban, 4000. Tel: 031 304 1451

Transfer secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Tel: 011 370 5000

Sponsor: Grindrod Bank Limited, First Floor, Building 3, Northwing, Commerce Square, 39 Rivonia Road, Sandhurt, Sandton, 2146
PO Box 78011, Sandton, 2146

Registration number: 1966/009846/06

Share code: GND & GNDP

ISIN: ZAE000072328 & ZAE000071106

Incorporated in the Republic of South Africa

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