



FROM THE BRIDGE

with Alan Olivier

This is my first message since taking the reins from Ivan Clark. I feel honoured and proud to be Chief Executive Officer of a company like Grindrod and look forward to the challenges that lie ahead.

I joined the group 20 years ago at the time of the listing on the Johannesburg Securities Exchange. In 1986, Grindrod's market capitalisation was R68 million and the first full year's profit was R7.7 million.

Today Grindrod has a market capitalisation of over R7 billion with anticipated earnings of R1 billion!

Ivan Clark can certainly look back on the group's achievements with pride and I thank him for his support and friendship and wish him great success and happiness in his retirement.

2007 promises to be a busy year. We expect to take delivery of 11 new ships and 16 new locomotives during the year. The first of these ships and 10 of the locomotives have already been delivered.

To all our customers, partners and suppliers and to my fellow executives and staff I thank you for your support to date and look forward to working with you all in the years ahead.

I wish everyone a very happy and successful 2007.

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Well done on these great achievements!

Well done!

Sunday Times /
Business Times
Top 100 Companies

For the third year running, Grindrod took a "top spot" in the Sunday Times Top 100 Companies awards, announced in November 2006. Grindrod, the winner for the previous two years, with a compound growth in shareholder wealth of 87.12%, was ranked 2nd in the 2006 awards.

Well done!

Standard Bank
Growth Awards 2006

No. 1 in Category 5: *Mega Corporations*

Well done!

ICSA/JSE/Motiv
Annual Report
Awards 2006

Grindrod received a Merit award for the excellent standard of reporting on social responsibility & Triple Bottom Line issues.

AWARDS

David Polkinghorne appointed to Grindrod Board

David Polkinghorne, Managing Director of Grindrod Bank Limited was appointed to the Grindrod Board on 22 November 2006.

David continued as Managing Director of Grindrod Bank Ltd when Grindrod Ltd effectively acquired the remaining 50% shareholding in the bank (formerly Marriott Corporate Property Bank Ltd)

David has extensive experience in the financial services sector, in particular property finance, corporate finance, investment banking and private client management.



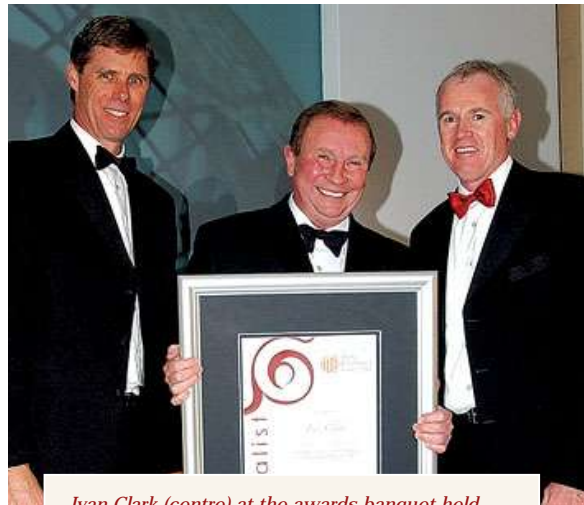
David Polkinghorne

Ivan Clark a finalist in the 2006 World Entrepreneur Awards

At the end of last year, Ivan Clark (now deputy Chairman, Grindrod) was nominated as a finalist in the South African chapter of the World Entrepreneur Awards Programme 2006.

The South African chapter of this international award programme is sponsored by Ernst & Young and Rand Merchant Bank, and the goal is to identify and reward visionary entrepreneurs who add value to the formal sector of the South African economy, create jobs and develop skills.

This nomination comes both as an honour and also fitting recognition of the excellent leadership and many successes that the Grindrod Group enjoyed under Ivan Clark's tenure as CEO.



Ivan Clark (centre) at the awards banquet held in November 2006 at Summer Place in Johannesburg.

Yvonne de Gersigny retires

Yvonne who has been our Chairman, Murray Grindrod's right hand lady for 45 years has decided to "call it a day" and retired at the end of December 2006.

Yvonne has been a role model to many young secretaries joining the group and her efficiency, knowledge and dedication was something all the ladies aspired to.

We wish Yvonne a long and healthy retirement and many happy hours doing what she enjoys most, her gardening and spending time with her children and grandchildren.



Ivan Clark, Yvonne and Laurence Stuart-Hill

The new Grindrod Parking Garage

In November 2006, construction began on the new 7 floor, ±350 bay parking garage for Grindrod employees on the existing parking area behind Grindrod House and Grindrod Mews on Durban's Victoria Embankment. The difficulty of finding permanent parking in Durban's CBD, security and staff safety concerns as well as logistical requirements led to the consolidation of employee parking in a single central location (it is currently spread across 4 different locations). The new garage will provide secure onsite parking and direct access to any building for everyone in the cluster of Grindrod buildings on the Victoria Embankment. Included are 2 lifts, security access and CCTV monitoring.



Allister Donald, Barry St. Leger-Denny (architect) and Craig Robertson

The build was awarded to JT ROSS CONSTRUCTION and is expected to be completed by the end of August 2007.



10 new locomotives delivered for Sheltam Grindrod

In December 2006 Sheltam Grindrod celebrated the arrival of ten General Electric (C30) locomotives.

Sheltam Grindrod operates one of the largest privately owned mainline locomotive fleets in Southern Africa. These new state of the art diesel electric locomotives (assembled in Brazil by Gevisa SA, a GE subsidiary) are the first new GE locomotives to arrive in South Africa in almost three decades. They are designed to withstand the harsh African working conditions, being even more reliable with increased traction power but still offer improved fuel efficiency.

Grindrod director Dave Rennie said the \$20 million investment in the new locomotives is part of Sheltam Grindrod's strategy to expand its business in Southern Africa. Sheltam Grindrod is already established in the mining and timber sectors, and has extensive experience operating across Southern Africa. Since 27 December



A new Sheltam Grindrod locomotive is lifted ashore.

2006, they have also had locomotives operating for a mining company in the southern DRC, hauling copper and cobalt ore between Kolwesi and Sakania and Likasi.



One-Stop Shop Service for Cockett Marine & Grindrod Ships Agencies

Cockett Marine and Grindrod Ships Agencies are proud to announce a joint dedicated "One-Stop Shop Service" which will encompass ALL aspects of agency and bunkering services in South Africa and concentrate especially on providing value added savings by turning vessels around in the shortest time possible. Purchasing 50% of Bunker Specialists Cockett Marine in July 2005 furthered Grindrod's ability to provide a complete logistics and shipping service in Southern Africa. Cockett Marine will

continue to supply its clients with the most competitive bunker prices and services available, however for vessels calling bunkers only and bunkering through Cockett Marine Oil, the agency fee will be included at no additional cost.

The Grindrod Group's impressive list of agencies include: King & Sons, ISS-Voigt, Mitchell Cotts, Eyethu and Ellerman & Bucknall, enabling them to offer clients the full-spectrum of agency services, catering to every type of ship and cargo.



Andrew Thomas appointed CEO, Ocean Africa Container Lines

New Ocean Africa

Following his appointment as Director in charge of Grindrod Freight Services, Captain Dave Rennie announced that effective 1st November 2006, Andrew Thomas would succeed him as Chief Executive Officer of Ocean Africa Container Lines, the African coastal container shipping service jointly owned by Grindrod and Safmarine.

Andrew has worked in the container shipping industry since 1990 and has been the Marketing and New Business Development Executive at Ocean Africa since 2002.

On the company's growth and strategy going forward, Andrew said that Ocean Africa had recently revised service schedules and would continue to increase vessel capacity to cater to growing demand and to counter the impact of congestion in the region's ports.

On the East Coast, the line has increased coverage to the demand areas of Maputo and Beira, with 1 vessel deployed to operate Durban–Maputo–Beira–Durban, and 2 vessels deployed to operate Durban–Maputo–Beira–Nacala–Dar Es Salaam–Nacala–Beira–Maputo–Durban.

On the West Coast an express service has been deployed between Cape Town and Luanda. A core string of 4 vessels out of Durban link the West Coast ports of Cape Town, Luderitz, Walvis Bay, Namibe, Lobito and



Andrew Thomas

Luanda. East London and Port Elizabeth are serviced through slot agreements.

Mai Rickmers, a sister ship of the already deployed *Peter Rickmers*, will be brought into service in December this year, replacing a smaller vessel in the 4 vessel West Coast rotation.



'Sims' appointed Chief Operating Officer, Ocean Africa Container Lines

Mahmood Dawood Simjee, or 'Sims' as he is fondly known in the industry, has been thoroughly exposed to and involved in all aspects of shipping during a 27 year career with Grindrod Limited, beginning in 1980.

With his extensive experience and the strong relationships he enjoys across the industry, Sims was the obvious choice for Chief Operating Officer at Ocean Africa Container Lines (Pty) Ltd.

His extensive working knowledge is coupled with a deep understanding of the needs of ship owners, ship operators, charterers, shippers, importers, exporters, port authorities, storage, warehousing, transport, logistics and allied industries, and Sims has used his abilities and insight to play an active and significant management role in the growth of Ocean Africa Container Lines into one of Africa's leading shipping companies.

Sims is also a family man and a caring friend not only to his colleagues but also to his customers.



Mahmood Dawood
'Sims' Simjee



Anton Robertson appointed Managing Director, LCL Grindrod

Anton Robertson took office as Managing Director of LCL Grindrod (Pty) Ltd on 1 October 2006. Anton is well known in the perishable shipping and fruit export industries, having held various positions from shipping manager in the Cape organization, to MD of Universal Reefers in the Isle of Man, and senior chartering manager for NYK in London. Of his 30 years work experience, nearly 20 have been abroad.

Anton is very much a people person, full of initiative and with a positive outlook on life which is contagious. He is a keen golfer, jogger and swimmer and believes in a healthy balance in life.

Anton has set his sights on further entrenching the LCL Grindrod brand as the preferred name in perishable logistics.

Anton is married to Anna and they have 2 sons.



Anton Robertson



Appreciation for Grindrod J&J

It is extremely rare in industry today that a service provider exceeds the customer's expectations. Shaun Dixon, General Manager at Grindrod J&J Freight Stations, is one of those managers who breathes life into Grindrod J&J Logistics' *Pledge to Quality*. As a member of The South African Quality Institute, their pledge is to *undertake to serve our customers and uphold the principles of Quality in all we do*.

Although Shaun and his team live by the main principles of *Core values of Quality* and *Approach to Quality*, the reason for this presentation is their commitment to *Continuous Improvement of Products and Services*.

He and his team have gone out of their way to assist Columbus Stainless during the lean market times by exploring better options to ship different material and sizes in containers to various markets that can be satisfied. As stated in their pledge: *Continuous improvement is fundamental to growth and survival*.



Dirk Nell, Senior Manager, Logistics, Columbus Stainless (right) presents a certificate of congratulations to Shaun Dixon.

Shaun, to you and your team – well done and thank you very much for the long hours and tremendous effort you put into this relationship. We are looking forward to the next challenge.

Mike Koch, Columbus Stainless Steel



Name change for Sure Jet International Travel

With effect from 1st April 2007, Sure Jet will be known as Grindrod Travel. Within Grindrod Travel is a dedicated professional conference and event planning team. One of their most recent events was for a Unilever function at Sibaya hotel hosting 800 guests. Grindrod Conferencing organises everything from invitations, handling RSVP's, name tags, venue, registration table, photo shoots, booking

flights, transfers, gifts, security, décor, speakers, entertainment, budgets and much more. Speak to them about anything from conferencing, client functions, team builds to involving your staff in social responsibility / community work.

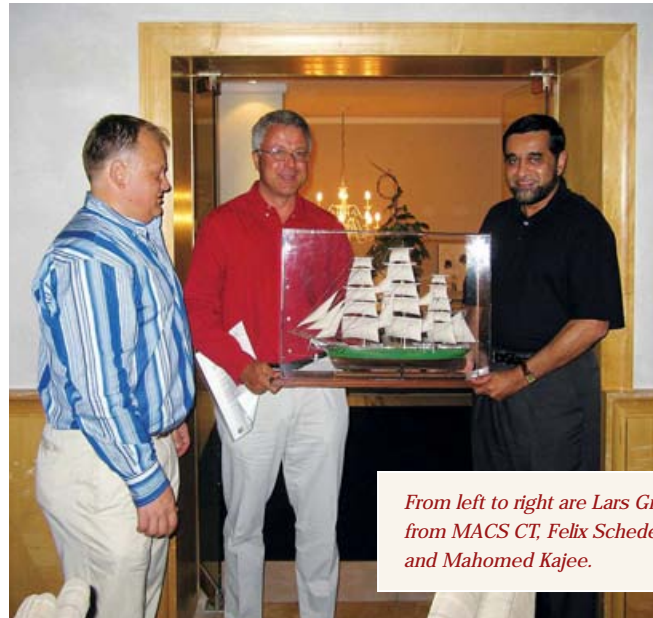
Grindrod Travel have recently opened new offices in Pietermaritzburg and Port Elizabeth.



King & Sons 125 years

On the occasion of celebrating King & Sons 125 year anniversary at a dinner in Cape Town late last year, the MD of Maritime Carrier Shipping SA (MACS), Felix Scheder Bieschin presented Mahomed Kajee, General Manager of King & Sons Liner division, with a model of the sailing ship the "Thermopylae." The vessel was built in the late 1860's and traded between the Far East and the UK as a spice carrier.

MACS themselves are celebrating 25 years trading between Europe and Southern Africa and for the last 23, King & Sons have looked after their port agency needs.



From left to right are Lars Greiner, also from MACS CT, Felix Scheder Bieschin and Mahomed Kajee.

GPCA wins SAA Cargo Golden Wings Award

For the past few years South African Airways Cargo (SAA Cargo) has been rewarding its top domestic and international customers by taking them away for a weekend and celebrating their success.

Grindrod Perishable Cargo Agents was very proud to receive the SAA Golden Wings award at a function held at the Lost City at the end of last year. The award received was in the category of "international exports out of Johannesburg".

Aletta Hutton said, "The event is held annually to show appreciation for our customers' loyalty, acknowledging good performance and strengthening relations with them."



Aletta Hutton, SAA Cargo's executive manager: sales and marketing, Mike Froy, Managing Director GPCA, accepting the award and SAA Cargo's General Manager, Patrick Dlamini



Grindrod PCA wins another award!

Grindrod Perishable Cargo Agents was also awarded Best Cargo Agent for 2005 and 2006 by Emirates Sky Cargo. The award is based on the support to the airline through that period, totaling 850 tons of airfreight export cargo.



“Grindrod in focus” competition winners

first



First Place:

The judges enjoyed the strong composition of this image, with the QE2 rising above the tug. The lighting lends warmth to the colours, and overall a great communication of an aspect of the Ships Agency business.

Congratulations to Gerard Loubser. We'll be in touch to arrange your prize - a weekend away to the value of R3,000.

second



Second Place:

An interesting angle of the locomotive as it is lifted off the ship - a strong bold shape against the lighter sky. The city skyline adds a great extra dimension to this pic.

Congratulations to Etienne Raath. We'll be in touch to arrange your prize of gift vouchers at your mall of choice.

third



Third Place:

A strong statement of the Ocean Africa name, but the ship blends a little with the background (that said, we certainly understand that ships, ports and port schedules seldom make for an easy photograph)

Congratulations to Peter Daniels. We'll be in touch to arrange your prize of gift vouchers at your mall of choice.

mention



Definitely worth a mention

Well done to Stephen Pike for this great image - we were impressed with its quality and the effort involved in taking such an early shot (we're assuming it was taken on the East Coast). Unfortunately, it didn't place because while there are ships on the horizon, they are a very small part of the picture and we couldn't really use it to communicate "a day in the life of Grindrod".

Thank you for sending in such a great photograph, though.



Grindrod Corporate Social Responsibility



A new Kingsley Holgate expedition

A world first supported circumnavigation of Africa by Land Rover from Cape Town back to Cape Town through 33 countries around the outside edge of Southern Africa saving and improving lives through adventure. The Grindrod supported Social responsibility campaign attached to this expedition has three distinct objectives i.e. the continuation of One Net One Life, Eye Doctors and Literacy.

The expedition duration will be from Africa Malaria Day 25 April 2007 to Africa Malaria Day in 2008. We will keep our readers posted on the progress of this adventure.

To Kingsley and his team, best of luck and Siyabonga!

Kingsley continues to fly the Grindrod flag at every opportunity. At the Auto Africa Expo last year, over 1000 signatures were added to a new Cape-to-Cape scroll of Peace and Goodwill.



SAA Orange Tail Reach for a Dream

Grindrod Travel recently supported the "Reach for a Dream" project by donating two prizes for the fund raising raffle.

1 MABULA GAME LODGE in Limpopo Province

Two nights accom. for 2 people sharing including all meals and 2 game drive activities per person per day

www.mabula.co.za

2 The 5 STAR GRACE in Rosebank

Two nights accom. for 2 people sharing including breakfast

www.thegrace.co.za

Thank you to the sponsors for their kind generosity and assistance in helping us raise much needed funds to offer the children (the beneficiaries of "Reach for a Dream") an unforgettable experience and raise their hopes and dreams in their time of despair.

Thank you to Lina Nel, Sales Manager Western Cape of the Three Cities Group, Africa's Exceptional Hospitality Group, who organised the Mabula Game Lodge prize.

Thank you to Vanessa Nucci, Senior Sales Executive of The Grace in Rosebank and her Marketing Director, Dave Bunyard, Reservations Manager, Elmien Lyth and Amy Conn the General Manager. The Grace in Rosebank and The Victoria Falls Hotel, to name but a few, are owned by the African Sun Hotel Group and have achieved world status amongst the "100 Top Hotels of the World".

Trees donated

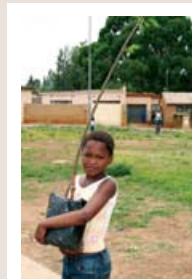
Over and above the donation of containers to schools in rural areas and a wildlife reserve, Grindrod has also used modern technology to help uplift communities.

With electronic communication becoming a norm, it's wonderful that it can also be used to benefit our environment.

The Computershare eTree project encourages shareholders to receive annual reports electronically and funds a tree for each shareholder who does so. Grindrod is one of the first companies to take part in this project and our efforts have seen 380 fruit and indigenous trees contributed to the Greening of Soweto initiative, distributed by Food and Trees for Africa (FTFA).

FTFA has been tasked with the distribution of 200 000 fruit or indigenous trees to homeowners through its Trees for Homes

programme. The programme also trains unemployed community members who become community based educators. Grindrod's contribution has helped support poverty alleviation, food security, skills development and improved environments.



HOT OFF THE PRESS!

King & Sons acquire stake in Erundu Stevedoring

This month (February 2007) King & Sons Namibia (Pty) Ltd acquired a 49% stake in the well established Walvis Bay cargo handling entity Erundu Stevedoring (Pty) Ltd,

Said Mahomed Kajee, General Manager King & Sons: "This acquisition is in line with the Grindrod Group's strategy of providing a complete supply chain for our customers and will provide a value added service for our agency principals. At the same time, it will add substantial capacity to the operations within the Port of Walvis Bay."

The current shareholders and directors, Mr. Manfred Namaseb and Mr. David Mbako-Karingombe are prominent local business men with interests in various sectors.

Grindrod will oversee the day to day management of the business with immediate effect under Mr. Reinhardt Küsters, who was recently appointed as a director of the Erundu Stevedoring.



Grindrod acquire remaining 50% of CMC Grindrod

Also this month (February 2007), Grindrod announced the acquisition of the remaining 50% of CMC Grindrod from a subsidiary of Safmarine.

CMC Grindrod provides container depot facilities in Cape Town, Port Elizabeth, Durban and Johannesburg for the storage, handling and repair of General Purpose and Reefer containers. In addition the company provides full container storage and handling for imports, exports and transshipments from its national facilities.

"It will be business as usual," said Dave Rennie, Grindrod Director. "The change in shareholding will not have an impact on the management of the business as we have been fully involved with the strategy and direction of the business for some time, as a previous 50% shareholder. This acquisition goes hand in hand with our acquisition of Cross Country Containers last year and supports our strategy of providing a complete logistical supply chain to the freight industry in Southern Africa."

Cross Country Containers specialize in the provision of inland transport and logistical services of full and empty containers by rail or road.

The acquisition forms part of Grindrod's planned R1 billion investment in the expansion and development of the freight services businesses.

"We have invested in numerous businesses over the last 24 months and will continue to look for opportunities which provide synergies in our business and add value for all our stakeholders," said Alan Olivier Grindrod CEO.

