



## FROM THE BRIDGE

with Alan Olivier

What a difference a few months makes!

Although we will be releasing record results for 2008, in 2009 we are now faced with extremely challenging trading conditions.

Having said this, Grindrod is well positioned to face these challenges as we have:

- A very strong balance sheet with little gearing
- Diversified businesses and fleet of ships
- A substantial contract base
- A modern low-cost fleet of ships

Having said this, markets like these present opportunities, and we will be on the lookout for good growth prospects.

The last four months have again been very active with the Shipping Division having taken delivery of the *Berg*, a 16 500 dwt tanker, and the *Wildebeest*, a 40 000 dwt tanker. Freight Services' expansion of the Maputo coal terminal and Richards Bay terminal are proceeding on schedule.

I think we all realize that 2009 is going to be a very challenging year and I know I can count on your support and continuing efforts into the future.

I wish you all a peaceful, safe and rewarding 2009.



## Berg calls at Durban on maiden voyage



mv Berg, seen off Durban.

Unicorn Shipping's mv Berg arrived at Durban on her maiden voyage on 15 December. She was built in Sanfu Shipyard, China, in 2008 and brought a cargo from Singapore to Durban. The products/chemical tanker is on time charter to BP South Africa.





## Shane's resolutions will make his dream come true

Shane Baicho, Clearing and Forwarding Controller at King & Sons, has a dream, and to achieve his dream he not only makes new year's resolutions, he makes concrete plans. This year, for example, he is starting to study part-time for a degree in business management.

But the story started several years ago when Shane realised that he had ability and that he wanted to become a manager and to lead people. He decided first he should educate himself, and, with sponsorship from the company, enrolled at Skills and Development Specialists to do a diploma in freight science.

Some two years later he had completed courses in C&F parts 1 & 2, international forwarding and SA export. His dissertation took nine months. In all elements he achieved more than 80%, passing cum laudé.



Shane Baicho ... it all starts with education.



## Unique solution for cramped lift



The 21-metre-long tank is lowered into final position.

The challenge was to install eight 8-ton tanks, each measuring 21 metres long and 5.2 metres in diameter, on an existing base with only 50 mm clearance on two sides, a building on another side and more tanks on the last side – at a brewery in Tanzania!

Vanguard developed a solution by designing and supplying a portal crane which spanned the base and had a hook height of 25 metres. It was designed and constructed in Johannesburg, packed into containers and shipped to Tanzania. Once on site, the system took two weeks to assemble.

Said rigging and installation manager Wynand Boshoff, "Having set up the system, the tanks were then brought onto the site on low-bed trucks, lying on their sides. A mobile crane was used to stabilise the bottom end of the tank while the top was attached via a hook to the portal crane system. We call this process top and tailing."

The tank was then lifted incrementally to move it into a vertical position. Once vertical, the system slid on rails to position the tank above its respective base.

Vanguard also used its multi-axle trailer in a 10-axle configuration to transport the tanks from Johannesburg, where they were fabricated, to Richards Bay harbour.





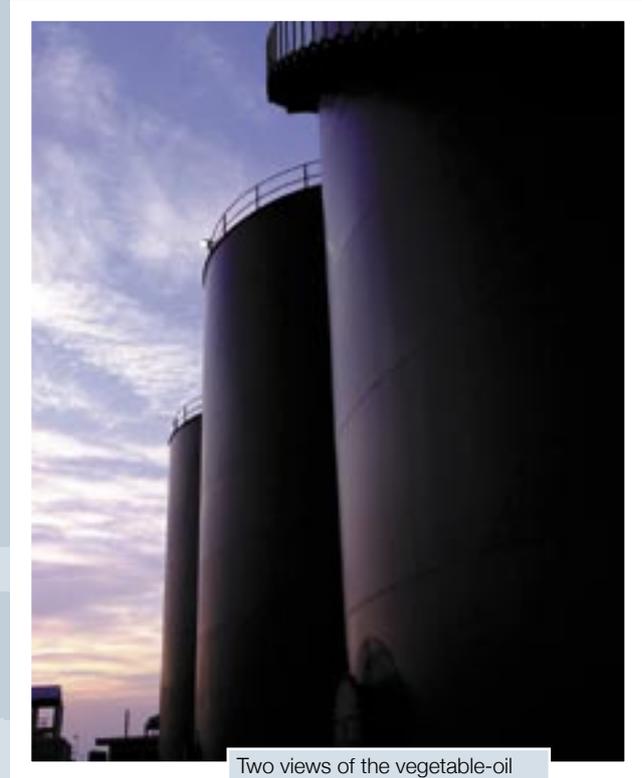
## Tank Terminals expands in Maputo

Part of the business strategy of Grindrod Tank Terminals is to target sustainable acquisition opportunities in strategic port locations. In 2008 Grindrod Tank Terminals purchased a 50% share of a 10 000-cubic-metre vegetable-oil terminal in the port of Maputo in Mozambique.

Said General Manager Kevin Naidoo, "This was the first of several strategic phases. Now we are growing the market and our objective is to be able to provide tank storage of 50 000 cubic metres for non-hazardous products in Maputo. Parallel to these developments we will diversify into the petroleum storage market in Mozambique and other strategic regions including South Africa.

Grindrod Tank Terminals is a liquid bulk operator that has managed port side bulk storage and transit facilities in the ports of Durban and Cape Town. These facilities have serviced the market for more than 80 years. The company is responsible for distributing  $\pm$  480 000 tons of product per annum into the South African domestic market through a purpose-designed fleet of vehicles.

In the longer term, the vision is to develop a tank terminal network in strategic locations focusing on South Africa, East/West Africa,



Two views of the vegetable-oil tanks at the terminal in Maputo.

the Middle East and the Far East. These facilities will target blue-chip clients within the petroleum, petrochemical, chemical, vegetable oil and feed-grade product sectors.





## Perishable Cargo Agents go wild!

Live animal shipments present a unique set of challenges, not the least of which is ensuring that the animals remain relatively stress-free during transit.

Grindrod Logistics – Perishable Cargo Agents successfully completed many shipments in 2008, including four shipments of wild animals to Moscow and Tbilisi in Georgia, two shipments of giraffe to the Krasnodar Safari Park Zoo approximately 1500 km south of Moscow, one shipment of four hyena cubs to Moscow, and one shipment of two cheetah to Tbilisi.

Says Jonathan Broodryk, project manager, “Apart from all the strenuous documentation requirements and synchronising airline requirements with shipper and consignee requirements, perhaps the single biggest challenge is ensuring that the animals receive careful treatment during transit.

“Typically the animals receive a small dose of an approved sedative to calm them only. Experience has shown that large doses of sedatives on large ungulates such as giraffe will cause the animals to experience confusion in their transport crates and they may damage the crates and more worryingly, themselves. To counteract this, the new line of thought is to administer a small dose of Accuphase™ (a human drug) to counter the effects of full-blown sedation. This produces an optimal balance between calming the animals and still allowing them to be aware of their surroundings which, surprisingly, calms

them further.”

Carrier constraints present the biggest challenge in planning routing for these shipments. For example, a giraffe transport crate is typically 300 cm (l) x 220 cm (w) x 295cm (h) and weighs approximately 2 to 2.3 tons. As there are very few carriers who can accommodate these requirements, it makes planning transit points and delivery a significant challenge.



A baby hyena is ready for transit.



Project manager Jonathan Broodryk with a white lioness which had been darted, and which was on its way to a breeding centre in Madrid, Spain.



## Coast 2 Coast on one tank of fuel

A client of Grindrod Logistics – Auto Carriers recently drove a car across South Africa on just one tank of fuel, achieving a fuel efficiency of 3.4 litres/100 km.

The car, a Peugeot 308 Hdi 1.6 litre, left Kleinsee on the northern Cape coast and travelled 1689.7 km to the Total Petroport on the N2 at Riverhorse Valley, near Umhlanga.

Peugeot devised the Coast2Coast Challenge to showcase the ultra-efficiency of the medium-size hatchback, and highlight the need for motorists to drive fuel-efficiently in order to reduce their impact on the environment. Scientists believe the greenhouse gases in car exhaust fumes are one of the major contributors to global warming and climate change.





## Maputo coal terminal expanding



ELB Engineering Services (Pty) Ltd were commissioned by Grindrod Terminals to reinstate, refurbish, upgrade and build certain aspects of their coal terminal in Maputo, Mozambique, Terminal de Carvão da Matola Lda (TCM).

This would increase the capacity of the plant from two million tons to four million tons. Phases 1 & 2 will be completed by March 2009. Phase 3 will commence shortly and is due for completion in mid-2010. This will increase the capacity of the terminal to six million tons per annum.



Top: The Stackler Reclaimer 2 reclaim chute at ground level for transfer onto yard conveyor.

Top: Head end of stacker reclaimer No 2 (SR2) boom with new operator cabin. The bucket-wheel assembly is to be added.

Above: Construction of yard conveyor No 8 looking back between coal bins.

Above: The electrical house and counter-weight structure of SR2.



## Gautrain locos arrive

In early December, Vanguard transported the first two Gautrain locomotives by road from Durban harbour to site at Midrand. The 46.7-ton locos, imported from manufacturer Bombardier in Derby, England, were the first of 15 locomotives and carriages from overseas and 81 being manufactured by The UCW Partnership in Nigel, Gauteng, to be transported to site.

Vanguard had designed and manufactured a specialised extension deck with rails, to be used in combination with a six-axle trailer configuration and gooseneck to transport the locomotives. Said James Robinson, Vanguard project engineer, "With lengths between 18 and 21 metres, accurate positioning was a critical factor. Vanguard's modular trailer and its impres-



A Gautrain locomotive starts its first journey in South Africa: 800 km by road on a Vanguard trailer.

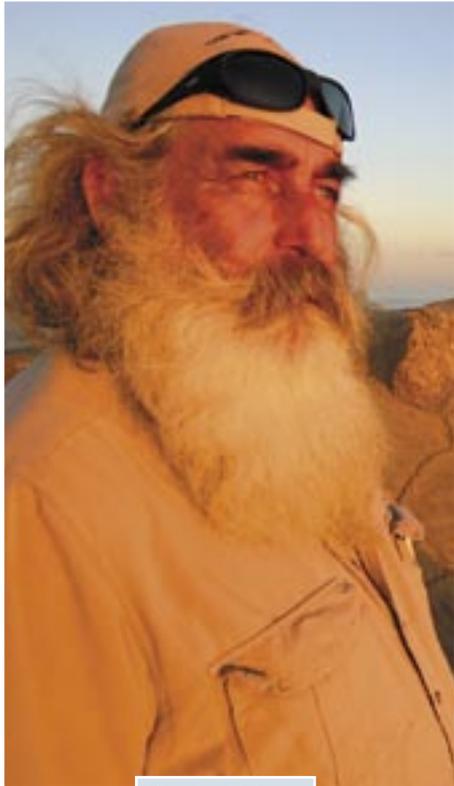
sive flexibility, hydraulics and self-steer rear axle capabilities are key factors in the success of this contract."

The journey from Durban to Midrand took approximately three days and required police escorts along the alternative routes.





## 'Grindrod caring for Africa'



Kingsley Holgate.

Grindrod Limited has announced its support for the 2009 Grindrod Boundless Southern Africa Expedition which will have strong educational and environmental themes.

The expedition will start from the International Tourism Indaba in Durban on 11 May, and will be led by the 'Greybeard of African Adventure', Kingsley Holgate, and his team.

Said Grindrod CEO Alan Olivier, "In another world-first adventure, Kingsley and his team will cross Africa from the Indian Ocean to the Atlantic, a 9 000km journey over four months, linking nine countries, seven transfrontier conservation areas (TCAs), 30 national parks and nature reserves, and the communities adjacent to these conservation areas.

"The expedition is partly about taking the TCAs, the so-called 'pearls' of southern Africa, and stringing them together into one necklace, so creating a Boundless Southern Africa Expedition route for future generations of adventures, and offering incredible experiences in terms of culture, conservation and history.

"As evidenced by the Grindrod-supported Africa Outside Edge expedition in 2008, the company is committed to improving and saving lives. This year, there is more emphasis on the vital element of education, and this is all summed up in the slogan of the expedition, 'Grindrod Caring for Africa'."

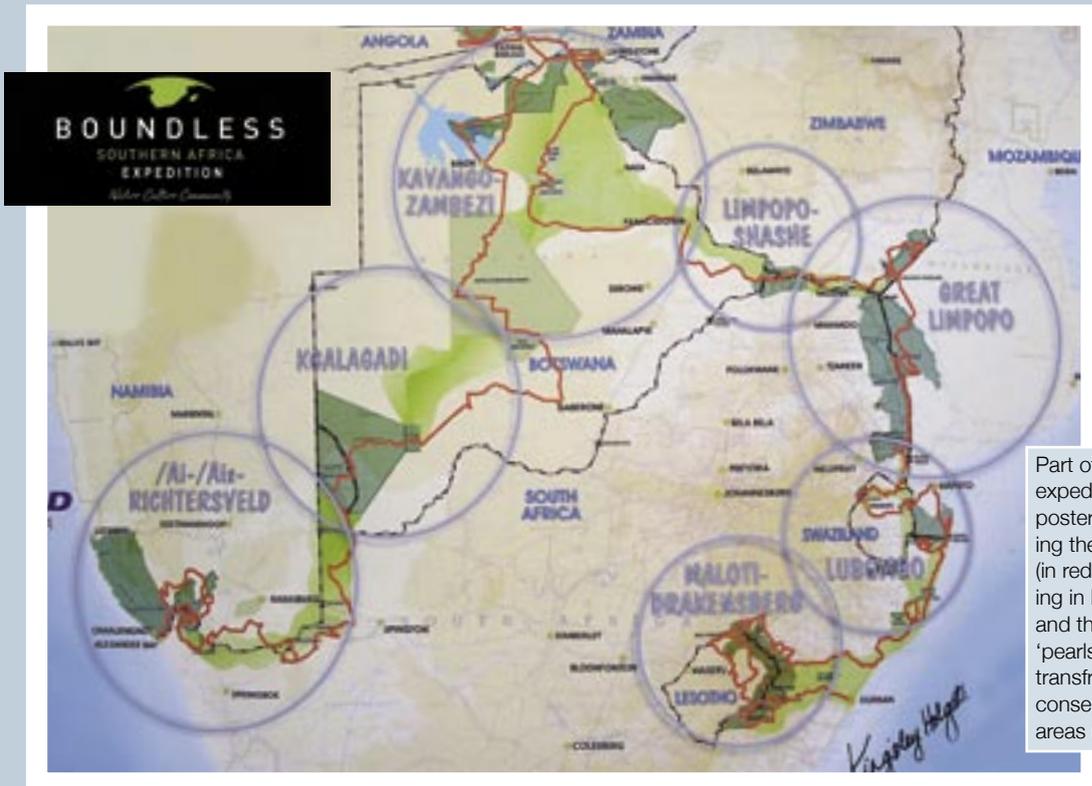
The expedition will embrace local communities through the following activities and more:

- Distribution of 100 Grindrod-branded mobile educational libraries to rural schools.
- Grindrod-branded Boundless Southern Africa environmental vehicle with pull-down chart and PA system to provide environmental education to schools and communities en route.
- Identifying ranger training candidates from each TCA community as bursary winners.
- Conservation education to teacher groups



The expedition will offer conservation training to teacher groups.

# Embracing education, nature, culture and communities



Part of an expedition poster showing the route (in red) starting in Durban, and the linked 'pearls' or transfrontier conservation areas (circled).

within TCA communities, to be undertaken by ANT (African Nature Training).

- To distribute One Net One Life mosquito nets and malaria prevention education to pregnant mothers and children under the age of 5 years in high-risk malaria areas.
- To distribute a quantity of branded Grindrod lapdesks to remote rural schools together with WHO-approved 'Life Straws' – water purifiers which have been developed as a practical way of preventing disease and saving lives.

Boundless Southern Africa is a project supported by nine southern African countries, namely Angola, Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe. The TCAs, which straddle the SADC region, are:

- Ai-Ais-Richtersveld Transfrontier Park
- Great Limpopo Transfrontier Park
- Kavango Zambezi Transfrontier Conservation Area
- Kgalagadi Transfrontier Park
- Limpopo/Shashe Transfrontier Conservation Area
- Lubombo Transfrontier Conservation

and Resource Area

- Maloti Drakensberg Transfrontier Conservation Area

Said Kingsley, "We admire Grindrod's vision of uniting the nine countries into one boundless destination. We are humbled to be allowed to be the first to experience this vision in its totality. We look forward to contributing toward the establishment of the world's most incredible adventure route that embraces education, nature, culture and community and we salute all the people of Grindrod for continuing to care for the people of Mama Africa."

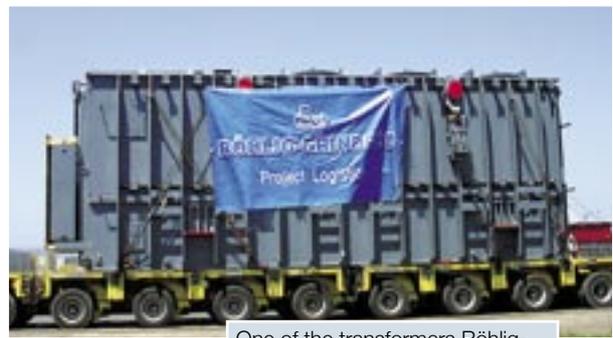


Kingsley Holgate lives out the 'Caring for Africa' theme.



## Röhlig-Grindrod brings transformers from Croatia

In a successful recent project, Röhlig-Grindrod chartered a vessel to move four transformers from Croatia to Richards Bay. The total tonnage of the transformers and spares was 2000 tons. Two of the transformers were then transported to power stations in Limpopo and the Eastern Cape on Vanguard's multi-axle trailers, and the other two transformers went to substations in Fourways and Rustenberg.



One of the transformers Röhlig-Grindrod brought to South Africa by sea.



## Intermodal reach out to Umlazi learners

Grindrod Intermodal selected Umlazi township as the target area for their pilot socio-economic development project since the majority of their Durban-based staff live there.

Said Tracy Short, Financial Director, "We visited Umlazi with Bheki Xulu, Chairperson of the Umlazi Counselors, to identify an appropriate project. Interviews were conducted with local stakeholders to understand their needs and to develop a broader understanding of existing structures, resources and infrastructure. Station Commander Chiliza expressed the view that given the high level of social ills such as crime, illiteracy, poverty, unemployment, HIV and Aids, drug abuse, teenage pregnancy and high school dropout, sponsored projects should be aimed at keeping the youth active and occupied. It appeared that the lack of extra-mural facilities resulted in the youth frequenting the many shebeens and bottle stores, 54 to be exact, almost as many as there are schools!

"We undertook two projects in our endeavours to make a small contribution to improving everyday life for a portion of the community. These projects were:-

"1. The distribution of Grindrod Intermodal branded backpacks, filled with back-to-school stationery, to the pupils of King Shaka High School. A total of 972 pupils are enrolled at the high school of which a large number have been identified as orphans or destitute. The children share five classrooms and two



In January, Grindrod Intermodal handed out almost 1000 backpacks to pupils at a high school in Umlazi.

toilets, and there are no sports facilities – although they have a large amount of land that could be developed.

"2. The installation of 15 computers with internet access as well as a couple of printers to the only two libraries in Umlazi. Although very well managed, both were sadly lacking in terms of reading material – the biggest requirement is for resources for tertiary education. One library had one computer and people had to book up to a week in advance for just 30 minutes of internet time.

"In most people's minds, libraries are synonymous with books but we believe that libraries need to redefine themselves from 'book archives' to 'community places; places for the acquisition of information, sharing of ideas and enrichment of life in general'. One of the underlying benefits of books is information, but it is much easier today to search for information online, using one of many search engines."



## Investor site visit to Maputo port

Members of the Grindrod Limited board, key staff members involved in the Maputo facilities, investors and analysts attended a Maputo site visit on 24 and 25 November 2008.

Dave Rennie, Managing Director of Grindrod Freight Services, presented an overview of the Freight Services strategy, an overview of activities (specifically within the terminals and port operations), as well as the opportunities and plans for the Maputo port to the 31 guests. The visitors then toured the port and were able to see the Grindrod facilities first hand. Specific focus was given to the car terminal, ferro chrome slab, tank terminal facility and Matola Coal Terminal.

Grindrod and Dubai Ports World each hold 48,5% in Portus Indico which has a 51% interest in the Maputo Port Development Company (MPDC); the Mozambique government and CFM (railway operation) hold 49% in MPDC. This effective share of 24,7% in MPDC gives Grindrod substantial influence in the running of the port.



Top: Michael Townshend - Foord Asset Management; John Arron - Analyst from Barnard Jacobs Mellet; Dave Rennie, Alan Olivier and Stephen Griffiths - Grindrod.

Bottom: Anthony Sher, Ellerine Bros; Horatius Maluleka, Stanlib, and Benny Lange, Grindrod Terminals Maputo.



## Christmas spirit

Minnie Govender from Grindrod Travel is the dedicated travel agent for Mitsubishi and is based at their offices in Johannesburg. Every December, Minnie becomes Mother Santa by arranging a "Toy Story" braai. All guests (Mitsubishi staff) bring a toy to the braai which is then donated to a charity. At Christmas, the toys together with stationery and other goodies donated by Grindrod Travel were delivered to the children at "Kids Haven", an orphanage where street children are given sanctuary.

Bronwyn van den Berg at Kids Haven wrote to Chris Roper and Minnie Govender, saying, "Thank you soooo very much from all of us @ Kids Haven; our children had the most amazing Christmas this year! We so appreciate your generous donation of gifts and goodies; they went a very long way to ensuring that our children were blessed on Christmas day!!! Many, Many Blessings."



Some of the children at Kids Haven on Christmas Day.

And, in the spirit of giving in the 2008 festive season, Grindrod Travel staff collected toys and donated them to the East Coast Radio 'Toy Story' project. ECR thanked all staff for their generosity, saying, "Your commitment to helping the less fortunate in Kwa-Zulu-Natal is sincerely appreciated."



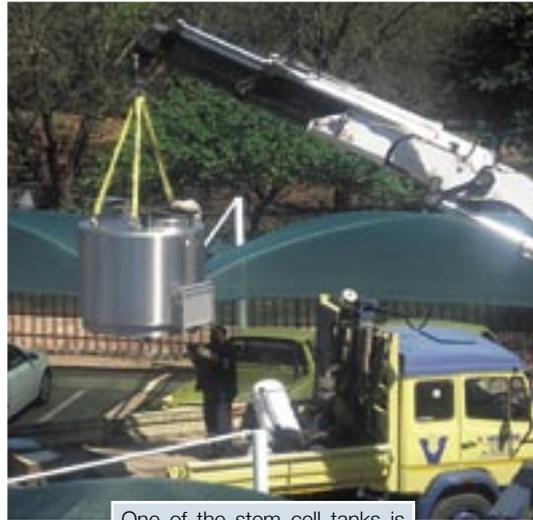


## World first: stem cell tanks moved

Vanguard recently assisted Netcells Cryogenics move cryogenically stored umbilical cord blood stem cells for over 1,500 babies and peripheral blood stem cells for over 100 oncology patients in their storage tanks from Netcare Unitas Hospital in Pretoria to Netcell's new home in the International Business Gateway in Midrand.

Said Kim Hulett, Managing Director of Netcells, "The move was an incredible challenge as we could not compromise on a single thing, one small bump and the cells could thaw resulting in us losing everything! It took an immense amount of planning. According to the European suppliers of the storage tank, this is the first time in the world (that they are aware of) that these tanks have been moved with cryogenically stored stem cells in them!"

"Our true godsend was finding Hannes van der Merwe from Vanguard, who specialises in moving highly specialised medical equipment



One of the stem cell tanks is loaded onto a Vanguard truck.

all over the world. They brought in cranes, forklifts, a brand new auto cat, a special suspension truck, escort vehicles and everything else you could think of. His team were brilliant and we have them to thank for a successful move."



## International accolade for Vanguard

Vanguard recently won acclaim at the Specialized Carriers and Rigging Association (SC&RA) conference held in Florida, USA. Vanguard won the prize for the best rigging job in projects valued up to \$150 000. The SC&RA has a membership of over 1 300 companies from 47 countries.

According to Bryan Hodgkinson, Vanguard managing director, the winning job was completed in South Africa for a high-pressure pressing company. "We won the award for demonstrating the use of hydraulic gantries in the standing up and positioning of press frames weighing more than 120 tons each."

This was the first time that Vanguard had participated in the internationally renowned conference that was attended by 300 global companies, including the largest and most prominent heavy-lifting concerns.



The SC&RA trophy won by Vanguard.





## Freight Services acquires a fuel transport business

Grindrod Freight Services (GFS) has made the strategic decision to extend its service offering to the Petrochemical sector through its Logistics and Terminals divisions. As a result of this strategy, the business of WM Translogistics was recently acquired.

WM Translogistics (WM) provides fuel-bridging services in the southern African region, with its primary market being Zambia and Zimbabwe. WM is Johannesburg-based, and operates a fleet of 22 fuel tankers, providing services to all the fuel majors.

WM is being incorporated into the Bulk Transport Division of Grindrod Logistics, and will be relocated to Kliprivier (south of Johannesburg) during 2009. The fleet is currently being rebranded into the prominent Grindrod Logistics livery.

The division will take delivery of a further ten tanker units during the first quarter of 2009.



One of the 22 WM Translogistics petrochemical tankers that are now part of Grindrod Freight Services.



## Höegh Autoliners joins Grindrod at Maputo Car Terminal

Höegh Autoliners recently announced that they have entered into an agreement with Grindrod to acquire an interest in Maputo Car Terminal Ltda in Mozambique. The parties intend co-operating on issues such as cargo operations quality, with the objective of developing the terminal as a major hub port for the region.

Grindrod commenced construction of the terminal in 2007 with a concession from the Maputo Port Development Company (MPDC) to build and develop a car terminal in the port of Maputo. The first phase of the car terminal with an annual throughput capacity of 57 000 vehicles was completed in November 2007. The potential capacity of a fully developed terminal is 255 000 vehicles annually. Höegh Autoliners recently announced a “test drive” of the Maputo Car Terminal allowing customers to evaluate the terminal and its logistics.



An aerial view of the Maputo Car Terminal.



## Bank celebrates Mrs Sampson's 99th birthday

At 99-years-old, Mrs Mary Sampson is Grindrod Bank's oldest client. Here she is seen on her 99th birthday, 15 January, visiting the bank, assisted by, from left, David Polkinghorne, Managing Director - Grindrod Bank, Ivan Clark, Chariman - Grindrod, and Bennie van den Berg - Grindrod Bank Treasury.

Mrs Sampson plays bridge four times a week and believes the secret to a happy and long life is sharing and caring, and enjoying all life has to offer.



## Beyond tough - that's our Mark

When Voigt Shipping's Port Elizabeth Branch Manager, Mark van Thiel, entered the toughest ocean-paddling race in the world, the company got right behind him with sponsorship and moral support.

Said Mark on successful completion of the 250-km race between Port Elizabeth and East London, held over four days in early December, "It was bigger and harder than I expected - I've never had to dig so deep down in my life both mentally and physically. Funny how the exhaustion, nausea, blisters, tendonitis, sunburn, dehydration, numb bum and aching back / shoulders / lats all fade away when you cross over the finishing line - replaced by pure exhilaration. Wow what a rush!

"All I can say is thank you for the sponsorship and time off to train. This event has changed my life. To be so physically broken and have to dig so deep is almost spiritual. In that broken state the beauty of the ocean and nature itself really manifests itself - it was a very humbling experience. I found myself on the verge of tears a few times. It was so cool having my wife Tania second me - eissshhh I felt the love, the event really pulled us together."

The event is called the Southern Shamaal



Mark van Thiel with Shamaal medal.

Surfski Challenge and this year involved paddling in severe heat for five to eight hours each day, often into headwinds and against the current. However, the presence of whales and dolphins, awesome views of the coast and wonderfully clean water, made up for it. One of the best moments, Mark said, was being welcomed at the finish in East London by the local Branch Manager, Tom Titmuss.

