



## FROM THE BRIDGE

*with Alan Olivier*

- **Strong balance sheet and cash flows**
- **Headline earnings per share up 95%**
- **Interim ordinary dividend up 100%**

Our recently released results for the first half of 2008 showed earnings were up 95% over the first half of 2007! The very strong shipping markets and much improved earnings from the Freight Services operations helped to achieve these great results.

Thank you to all our staff for their efforts and hard work.

The last six months have again been very eventful with some exciting developments.

The newly built bunker tankers, Southern Venture and Southern Valour, have been delivered to Unicorn Calulo Bunker Services ("Unical"), and are now in service.

Unicorn took delivery of a further 40 000 dwt product tanker, Inyala, which has been chartered to BP UK for three years.

Grindrod and Dubai Port World's acquisition of the controlling stake in the company that manages the Maputo port, is providing exciting opportunities for the significant development of the port.

Freight Services have been very active in expanding the Maputo Coal Terminal and Richards Bay Terminal to double their current capacity.

Grindrod consolidated its position in Trading by increasing its shareholding in both Cockett Marine Oil and Oreport Holdings to 100%.

Grindrod Bank's Diversified Preference Share Fund which was formally launched in May 2008 has reached its R100 million mark. This unit trust fund invests in a variety of preference share investments with the aim of achieving the highest dividend yield possible whilst endeavouring to limit any capital volatility.

It has been a busy six months for the Grindrod group and I congratulate everyone involved in these achievements.



## New tanker

The Inyala was recently delivered to the Unicorn fleet.



## Grindrod Bank news

It has been an eventful six months for Grindrod Bank. In particular, a joint venture with Rand Asia was finalised to offer trade finance facilities, shares in SM Business consultant were purchased, membership of M&A International was granted, and the Diversified Preference Share fund hit R100 million.

Rand Asia, owned by China Construction Bank Corporation, has joined forces with Grindrod Bank to offer trade finance facilities to clients. The management of money, banking, credit, investments and other international trade transactions are offered to typically importers and exporters. "The partnership works well as we are able to offer the smaller client a competitive solution and pass on the bigger clients to Rand Asia," said David Polkinghorne, managing director, Grindrod Bank.

Grindrod Bank earlier this year purchased 25% of SM Business Consultants, a black woman-owned business that project manages donor funds and corporate social investment programmes. This deal has provided a boost to develop this business enterprise and has afforded the bank the opportunity to administer the trusts and manage the cash within the asset management division.

Grindrod Bank is the exclusive South African member of M&A International Inc., the world's leading international M&A alliance.

The mergers and acquisitions market is increasingly global and membership of M&A International Inc. enables Grindrod Bank to provide South African companies with access to international buyers, sellers, funders and strategic partners together with international best-practice advisory services.

M&A International Inc. offers the unparalleled resources of 41 M&A advisory and investment banking firms operating in 40 countries. Our partners are closely linked in a global alliance to advise clients on acquisitions and also divestitures, funding and joint ventures.

Focused on the middle market, M&A International members closed 380 transactions in 2007 worth more than \$21 billion. Eighty-eight of these were cross-border deals.

M&A International is one of the longest es-

tablished mergers and acquisitions organisations. Founded in 1985, today the alliance has more than 500 professional M&A specialists who, on average, complete at least one corporate transaction every day, all year round.

Grindrod Bank formally launched the "Grindrod Diversified Preference Share Fund" in May 2008. The fund, which is a unit trust, will invest in a variety of preference share investments with the aim to achieve the highest dividend yield possible whilst endeavouring to limit any capital volatility. "This type of investment has proven popular in a time when markets generally have been very volatile and investors have been looking for more conservative investments. The listed preference shares were until recently trading at historic lows which supported the 'buy' argument even more, and we believe they are still offering great value," said Gareth Stobie of Grindrod Bank. The fund is generally offered to individuals and trusts who have a high marginal tax rate and who are looking for regular income. The fund is currently offering 12.2% as an after-tax yield, the dividends are paid quarterly and the minimum investment size is R50 000.

For more information, please visit the Grindrod Bank website: [www.grindrodbank.co.za](http://www.grindrodbank.co.za)



### They chased along the streets



A team from Grindrod Bank took part in the JP Morgan Chase Corporate Challenge on the streets of Johannesburg on 3 March.





## New bunker tankers now in service for Unical

After a 42-day voyage, two high-specification harbour bunkering oil tankers arrived in Richards Bay harbour on 2 June. Unusually, they were carried as cargo aboard a semi-submersible heavy-lift transport barge.

The custom-designed mini-tankers were built in China for Unicorn Calulo Bunker Services (Pty) Ltd, a joint venture company 75% owned by Grindrod Ltd through Unicorn Shipping, and Calulo Services (Pty) Ltd.

The ships then proceeded under their own power to Durban where they were fitted with locally supplied specialist bunkering equipment to refuel ships in port in a safe and environmentally friendly manner.

The Southern Valour then sailed to Cape Town. On 23 July, a naming ceremony with 180 guests was held at Jetty 2, Cape Town harbour. After the Reverend Michael Mackintosh had said a prayer, the Lady Sponsor, Lungi Faku, in accordance with the old seafaring tradition and acting as 'godmother' to the ship, named the vessel and cut a ribbon to release a bottle of champagne which broke against the ship's side. The ship has entered service in Cape Town under contract to Chevron.

The Southern Venture remained in Durban and was named at a ceremony at the Dormac wharf on 25 July in front of about 120 guests. After the Reverend Boet van Schalkwyk had said a prayer, the Lady Sponsor, Saskia Voet, wife of SAPREF MD Bart Voet, cut the ribbon. The vessel has entered service in Durban under contract to SAPREF.

Among the most sophisticated vessels of their type in the world, these fully double-hulled vessels were designed with safety, reliability and long service life in mind. Both carry the "Cleanship" environmental notation assigned by the respected ship classification society, Bureau Veritas.

A third identical vessel is currently under construction at Dormac shipyard in Durban for delivery to Unicorn Calulo in May 2009.



Seen at the naming ceremony in Durban are, from left, Alan Olivier, Mpho Diale, Bart Voet, Mkhuseleli Faku and Laurence Stuart-Hill.



Lady Sponsor Lungi Faku cuts the ribbon to bless Southern Valour. Lungi is the wife of Mkhuseleli Faku, the chairman of Calulo. Rob Young was the MC.



Left, the Reverend Michael Mackintosh says a prayer at the Cape Town ceremony, while right, the Reverend Boet van Schalkwyk blesses the Southern Venture.



Saskia Voet makes a presentation to, from left, David Gillot, Bruce Westoby and Fred Theunis, the skippers of Southern Venture. Saskia works on micronutrient deficiencies in developing countries and is a consultant to the World Food Programme in Rome.



## Non-executive directors appointed



**Walter Geach  
CA (SA)**

Independent. Registered chartered accountant and auditor. Advocate of the High Court of South Africa. Senior professor specializing in financial accounting, business and corporate law, corporate finance and taxation. Fellow of the University of KwaZulu-Natal. Business consultant, author and seminar presenter. Appointed 29 July 2008.



**Thina Siwendu  
B.Soc.Sc. (Hons);  
LI.B.**

Corporate and commercial lawyer. Corporate governance consultant and researcher. Director of Siwendu & Partners Inc., Siwendu GHP Incorporated, Abakwa Investments (Pty) Limited, Busara Trade and Investments (Pty) Limited and non-executive director of Grindrod Bank. Appointed 21 May 2008



## People news

### Retired after long service

Roy Balgobind and Elton Zulu retired from Grindrod Tank Terminals at the end of 2007, with 53 years of service between them.

Roy joined Pure Cane Molasses in 1977 as a driver and recorded 16 years of accident-free driving. He moved to the workshop for five years and then to Maydon Wharf Terminal as Terminal Supervisor for the last 8 years of his 31 years of service where, among others, he was responsible for supervising the exporting of more than 800 000 tons of molasses as well as transshipments to Cape Town.

Elton joined Pure Cane Molasses in 1985 as a general worker, joining his father Elliott who was then employed at the terminal. Elton's responsibilities included the physical loading and discharging of road and rail tankers, and maintenance of the terminal which has always been of a very high standard.



### Röhlig-Grindrod moves it



Röhlig-Grindrod Seafreight in Cape Town recently had some T-shirts made to reinforce their slogan: "We like to move it".

*We like to move it!*



### Luud shows the way ...

Luud Koelemeijer at the Richards Bay office of King & Sons recently clocked up 35 years of service. His colleagues say they benefit enormously from Luud's experience, knowledge and advice, and thank him for his support over the years. They especially feel inspired by Luud's strong work ethic.





## Further acquisitions announced

### Cockett Marine Oil

In April 2008, Grindrod announced the acquisition of the remaining 50% in Cockett Marine Oil.

The Grindrod Trading division has traded in marine fuel and lubricants through Cockett Marine Oil since it first acquired a 50% share in this business in July 2005. "This further acquisition supports our overall strategy", said Brendan McIlmurray, CEO Grindrod Trading Division.

Established more than 20 years ago, with

offices in the United Kingdom, Singapore, South Africa, United States, Monaco, Russia, Brazil and Panama, Cockett Marine Oil is one of the world's top suppliers of bunkers and marine lubricants to ship-owners, operators, managers, charterers and private owners around the globe.

The company currently supplies in the region of 5 million tons of marine fuel and lubricants per annum and has a turnover of about \$1 billion.



### Oreport

In July 2008, Grindrod announced the acquisition of the remaining 50% in Oreport.

The Grindrod Trading division has traded in industrial raw products since it first acquired a 50% share in Oreport in June 2005.

Brendan McIlmurray, CEO of Grindrod's Trading division said that all the businesses within this division were now 100%-owned

subsidiaries of Grindrod Limited. He went on to say that there is great growth potential within this division.

Oreport, an international marketing organisation specialising in the worldwide procurement, physical movement and distribution of a range of industrial raw materials, was established in 1985.



### Bay Stevedores

Grindrod recently announced the acquisition of Bay Stevedores (Pty) Ltd.

Bay Stevedores, situated in the port of Richards Bay, was formed in 1993 and is a stevedoring business specialising in the pay-loading and separation of bulk cargo. The business provides services to Grindrod-affiliated companies as well as third parties.

Said Dave Rennie, executive director Grindrod Limited, "Our business is about moving cargo and taking care of all logistical factors en route. The acquisition of Bay Stevedores

is simply the purchase of another piece of the supply-chain puzzle. This business complements our existing terminal operations in Richards Bay and goes hand-in-hand with Grindrod's strategy to grow its service offering to customers in the bulk cargo handling market."

Frank Phillips and "Dup" du Preez, both directors of Bay Stevedores (Pty) Ltd, will continue to run the operation.





## Grindrod in new export channel for SA coal

“Coal of Africa Limited (CoAL) has formed a partnership with Grindrod to become the ‘anchor tenant’ for its Matola export terminal in Maputo in Mozambique, through which it will initially export 1 million t/year. In addition, CoAL will export 900 000 t/year of coal through the Dry Bulk Terminal (DBT) at Richards Bay, using Grindrod’s adjacent Kusasa handling facility.

CoAL has negotiated rights to participate in up to 100% of any increased capacity at Matola and up to 50% of any increased capacity at Kusasa, in return for commitments to help fund the expansion of the terminals.”  
 – *Extract from Mining MX by Brendan Ryan, September 2008.*



Matola Coal Terminal, Maputo.

Well done to Craig Grinyer from Grindrod Terminals in facilitating this deal.



Grindrod exhibition stand.

## FACIM trade fair growing

Grindrod together with other MCLI members, such as MPDC, MIPS, MSC and CFM, participated in the annual FACIM trade fair in Maputo. The fair is visited by many potential customers and business people interested in trading with businesses in Mozambique. It is encouraging to see the popularity of the fair grow each year.



## A thank-you received for Solly’s good deed

Grindrod received this email:

“On Friday 11 July my husband, my nephew and I had lunch in Richmond, Johannesburg. We had parked in the street outside 1 Park Road, which I gather has a few tenants. Five minutes after we’d driven away my nephew, Bradley, received a phone call from the security desk at 1 Park Rd, informing him that he’d dropped his wallet and that your driver had picked it up and handed it in.

Bradley was extremely grateful as it contained more than cash: his credit cards and driver’s licence were also in it. I remained in the car and did not realise until afterwards that he had not rewarded the man as I would have

done but I think that, at the very least, the man’s honesty should be recognised and lauded. My husband remembered seeing the name Grindrod and something about a courier service, on the truck/van.

It would have been very easy for your man to keep the wallet, but he didn’t. Is there any way you can help to ensure that this information goes on his record? Sincerely, Kathy.”

Turns out that the honest man who did the right thing and upheld the Grindrod name is Solly Mako-ma, a driver at Grindrod Logistics Perishable Cargo Division.





## IVS win prestigious supplier award



Mauro Cinti, centre, receives the supplier award.

IVS were recently presented with the 2008 SABIC 5th Recognition Award for their outstanding performance as a supplier in 2007. Mauro Cinti, Director IVSI Dubai, accepted the award for service excellence at a recogni-

tion ceremony.

SABIC's Majed Al-Dybaikel later said no other owner/operator had received such recognition and that he wanted IVS to realise the special status the company holds with SABIC.



## Grindrod Social Club Soccer Tournament



Camaraderie and rivalry were much in evidence at the Grindrod Social Club's annual seven-a-side soccer tournament for shipping companies at Cato Manor, Durban.

A total of 48 men's and six women's soccer teams took part, attracting more than 2 000 spectators.

The team from Channel Freight won the men's section while MSC took the women's tournament, with Eaton Shipping and Idwala Freight being the runners-up respectively.

There were plenty of trophies and prizes to ensure that no one went home a loser.

## Bringing warmth and comfort

Grindrod Travel supported East Coast Radio's "Winter Warmth 2008" drive, and recently received a letter of thanks. It reads, "East Coast Radio would like to express our appreciation for your generosity in support of Winter

Warmth 2008. Your donation has allowed us to bring warmth and comfort to the less fortunate and disadvantaged in KZN. Thank you for making a difference."





## Obituaries

### Nomazizi Mtshotshisa

Nomazizi Mtshotshisa passed away on 22 February 2008. The Grindrod Limited board of directors and staff extend their condolences to her family and friends. Part of her obituary at the memorial service read:

Born into a humble family near East London, she qualified initially as a nurse, later working for and helping to grow the National Association of Democratic Lawyers (NADEL). By this time she had married the up-and-coming trade unionist, Cyril Ramaphosa.

She later went into business and became a successful entrepreneur. She became chairman of MIDI, the consortium that owns e-TV, chairman of Telkom, and a director on the boards of both listed and non-listed companies. She had a reputation as a firm task master who was a stickler for corporate governance.



Nomazizi Mtshotshisa, appointed in 2004 as a non-executive director to the Grindrod Limited board.

### Rodney Whitley



Rodney Whitley served on the Grindrod Limited board as a non-executive director from 2002 to 2006. He sadly passed away in October this year. The Grindrod Limited board and staff extend their deepest condolences to his wife, Rosemary, and his family and friends.

### Captain Bob Hartog

The waterfront has become less colourful since the passing of Captain Bob Hartog on 22 April this year, aged 83. He joined Unicorn Shipping Lines as mate in 1974 and was later master on the Swazi and the Oranjemund. He was popular with his crews and management alike.

He was brought up and received marine training in Holland. After working in the whaling business he joined Unicorn in 1974, retiring in 1988. He served on most of Unicorn's ships, initially the Swazi and the Mkuzi, making many historic and necessary trips to Port Nolloth. He also sailed on the Border and the Oranjemund and had a hand in training many captains on his ships.

He was a hard but fair master, and his daughter Brigitta remembers how he personally paid the deposit on a house for a crew member, who repaid him every month. Time was of the essence for him, and he loved to say 'Time is wasting and the bosses are waiting.' And who will forget his stentorian voice? May the stars guide you to a safe haven, Bob.

### Linda Dafel

All at Grindrod are saddened by the sudden and tragic death of Linda Dafel who was involved in a fatal car accident on 26 September.

For the last five years, Linda worked at the Durban branch of LCL Grindrod and will be missed by all her colleagues, friends and cus-

tomers. "Linda worked in the citrus industry for over 20 years and she was very knowledgeable in her field. Linda was a wonderful and friendly person who loved animals and her passing has left a vacuum in the industry," said Maggie Nel of LCL Grindrod.

The Grindrod Directors and staff extend their deepest condolences to her family and friends.



## 1000 lap desks sponsored

Grindrod has sponsored 1000 Lifeboards, or portable lap desks, which will benefit 1000 pupils in three schools.

On 2 September, Grindrod arrived at Khanyisani Primary School in the Valley of 1000 Hills with 350 Lifeboards for the children. The principal, Mr Sibusiso Mamba, instructed the educators to assemble the children in the dusty courtyard where he explained that Grindrod would be giving "Lifeboards" to each child.

These portable lap desks can be used in the classroom or be taken home to use when doing homework.

When the children realised they were going to receive their very own learning aid, the pride of ownership could be clearly seen on their excited faces.

Grindrod's social responsibility plan has included building classrooms through an or-



Pupils at Khanyisani Primary School celebrate receiving the lifeboards.

ganisation called "Project Build" and other projects focused on education. This latest project was initiated by East Coast Moulders, whose aim it is to supply one million "Lifeboards" to rural schools country-wide.



## Grindrod builds classrooms

In May, Grindrod handed over two newly built classrooms, a kitchen area with serving hatch, and an office to the Ukusakwabasha Primary School (Botha's Hill Valley).

Previously, as the school had no kitchen facilities, the food was prepared at the back of the Grade 1 classroom in big pots on gas burners, which was clearly unsafe.

The Superintendent of Education and Management, Mr Mchunu, attended the handover and said in his speech, "If you build a school you contribute to a nation. Bless the hands that are giving."



Previously, the cooking was done at the back of a classroom.



Some of the learners at Ukusakwabasha Primary School express their happiness at their new classroom.

The serving hatch in the kitchen.



## Grindrod helped Kingsley distribute 300 000 mosquito nets

On 25 April 2007 (Africa Malaria Day) a convoy of 347 Land Rovers escorted "The Holgates", out of Cape Town to mark the start of another expedition undertaken by Kingsley, explorer, author and humanitarian.

Travelling along the outside edge of Africa, the expedition distributed life-saving mosquito nets, eye glasses and books to remote schools.

On Madiba's birthday, 18 July this year, after 448 days, 60 000 kms and 33 countries, the Africa Outside Edge Expedition emptied the much travelled calabash back into the cold South Atlantic at the Cape of Good Hope. Grindrod is proud to have played a role in supporting this world-first humanitarian expedition.

Malaria kills over a million people a year in Africa. Most are women and children. Two to three babies die for every minute of every day – dubbed the silent killer it kills more people than HIV/Aids. The Grindrod-supported 'One Net One Life' distribution of life-saving mosquito nets will keep an estimated 300 000 women and children safe from malaria. The bed nets distributed were WHO-recognized and insecticide-treated, and will last up to four years and allow for 20 washes.



Peter Buchholz of our Dar es Salaam office met with Kingsley and team on 12 May, to sign the Nelson Mandela/Desmond Tutu "Scroll of Peace and Goodwill" and to wish them "Godspeed". Here Peter, left, is seen with Kingsley and his wife Jill and their son Ross, in Dar es Salaam.



A net drop in Mozambique.



Janine Gray from Röhlig-Grindrod welcomes Kingsley home at an event in Cape Town held in July 2008.



## 'Back to Basics': five winners helped Kingsley



In April, Grindrod launched a competition to encourage employees to better understand what services the group offers, ultimately encouraging cross-marketing between the Grindrod companies. Employees had to complete 16 quizzes on the 'Getting Back to Basics' website, to qualify for the draw.

Wynand van Zyl (Unilog), Ruth Dickerson (Vanguard), Melissa Jacobs (Grindrod Terminals), Vimal Chetty (King & Sons) and Gavin le Roux (Grindrod Bank) won a trip to Pemba, Mozambique, where they joined Kingsley Holgate at base camp.

Afterwards, Ruth Dickerson wrote: "I would like to thank you so much for the fantastic opportunity to participate in the trip to Pemba. It was an experience I really will never forget. To meet Kingsley and the team and participate in the distribution of the mosquito nets to the local women and children in Pemba was a real highlight of the year thus far. Please also pass on my thanks to Grindrod Management for this wonderful opportunity. It is a privilege to be part of the Grindrod Group.

Fifteen people won a trip to Shakaland, KwaZulu-Natal, to celebrate Kingsley's homecoming. They were: Senzo Nxumalo, Ingrid Logan, Jeanine Burger, Mahesh Chetty, Adrian Pillay, Chris Croney, Niekolene Strydom,



Fifteen winners meet Kingsley at Shakaland.

Rozanne Raizenburg, Karen Christensen, Pierre Oosthuizen, Nico van Zyl, Jacoba Beeslaar, Eben Joubert, Pratish Singh and Annamarie van Vuuren.

Fifty-one people won "we like to move it" gym bags, gym towels and water bottles. Congratulations to all.



Winners Wynand van Zyl, Ruth Dickerson, Melissa Jacobs, Vimal Chetty and Gavin le Roux with competition organiser Alison Briggs, Kingsley Holgate and members of his team.



## Grindrod Bank donates canoe to development club

Grindrod Bank sponsored a K2 canoe for Shane Price and his partner Rick Stutterheim in the Dusi canoe marathon this year. A top-of-the-range Kevlar Noka, it assisted the pair to come 16th overall and earn a silver medal. It was also Shane's 16th Dusi.

The bank then donated the unscathed canoe to Lembethe Canoe Club, a development club based at Nagle Dam.



Shane Price donates a canoe to Lembethe Canoe Club members including Michael Mbanjwa (first black winner of the Dusi) and chairman, Artwell Mhlope.

## Fruit for refugees



In May, Grindrod Logistics – Perishable Cargo (GPCA) delivered more than a ton of fruit to refugees at the Soetwater camp near Kommetjie. GPCA was working with the Sharon Fruit industry, not only storing the fruit but also delivering it to hospitals and clinics. The growers and workers on the farms had decided to share several hundred tons of this new fruit with the needy.

## Support for sea rescue institute



Grindrod made a cash donation toward the new National Sea Rescue Institute station in Richards Bay, sufficient to pay for the slipway.



## Bursaries for five at Maritzburg College

Part of Grindrod's corporate social investment programme offers support to these five pupils at Maritzburg College.

