



“Well done on these winning numbers!”

2005 Interim Results

- **80%** increase in profit attributable to ordinary shareholders
- **73%** increase in headline earnings per share
- **100%** increase in interim dividend

Winning news!

Standard Bank KZN Business Growth Awards - 13th Oct 2005

- **No.1** in Listed and Large National and Multinational Corporate Sector

The year continues to fly by and I seem to do more and more travel these days. However it is all for a good cause and Grindrods continues to power ahead and is today one of South Africa's top companies.

“Well done to everyone for the great effort this year and in previous years! We really do have a wonderful company and I hope that in whatever way you as a reader are associated with Grindrods, you feel the same.”

We have spent a lot of time over the last quarter meeting with our investors both locally and internationally and Alison Briggs has very kindly included in this issue an update on the investor relations front.

We have slowed down somewhat on acquisitions and I think this is good. It is really necessary for us to consolidate our strong position in world shipping and Southern African logistics before we leap forward again to further growth.

If there is one single key factor in my position at the moment, it is to ensure that we invest our hard earned cash well going into the future. We must be very careful that we don't buy for the sake of buying and we are very aware of the long term nature of our business and of Grindrods. I, as Chief Executive Officer, pledge to all employees of Grindrods that our future growth and stability will be carefully planned and that Grindrods in three years time would have doubled from its current size to be one of the jewels in the South African business community.

On a different note, I haven't been around the country to see many people in the group for quite some time and I really do hope that later in the year and going into 2006 I will have an opportunity to see you all and give you a face-to-face overview of where the group is heading and how it affects your particular business. It is always

so much fun to go to the various group businesses and to meet with all the wonderful people that keep Grindrods alive and well and I look forward to doing that when the current storm of business activity around me settles down.

I am writing this message on Thursday afternoon 29th September when I spent the morning being Programme Director for World Maritime Day which was celebrated at the "N" Shed in Durban and hosted by the Ministry of Transport.

I was extremely proud to be Programme Director and to be able to introduce the key note speaker, The Hon. Minister of Transport Jeff Radebe as well as other senior dignitaries, including the MEC of Transport KZN the Hon. Bheki Cele.

There really is a new breath of fresh air flowing through the Ministry of Transport and Minister Radebe and his various departments are giving more attention to maritime matters than ever seen before in South Africa's history. This is likely to see the use of the South African flag by international shipping companies becoming far more attractive as various legislations are adjusted to meet the world competition as regards ship registration and allows South Africa to grow its maritime status. The South African Maritime Safety Authority (SAMSA) is also to be congratulated. It has an important role to play in ensuring world

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safety and the regulation thereof in South African waters and ports and with our substantial shipping infrastructures, they play an imperative role.

The National Ports Authority together with the Department of Trade & Industry and the South African Ports Operations also have a refreshingly new approach as does the whole of Transnet under Maria Ramos. We are finding day by day a more open door approach to proposals to improve efficiencies and work with private enterprise and we must work with all divisions of Transnet to ensure that we play our part in working together with them to reduce transport costs and to improve the efficiencies of cargo movement for our customers.

I really see a new era developing of Public Private sector co-operation in all fields of transportation and we must embrace it, work hard at it and look for opportunities where actions taken can be of mutual

benefit for all the players involved in transportation in Southern Africa.

We have recently created a separate arm of our operations to deal with new business and the whole structure of Landfreight Logistics has changed to take advantage of the huge opportunities that are out there in the logistics arena. We welcome on board Andy Challis, Patrick Caley, Ronnie Holtshausen, Jens Opara, and Sandile Keswa who form the nucleus of this new business development team and we wish Laurence Stuart-Hill great success with his new structure and team of people. In order to cope with our growth, we will be opening offices in Johannesburg shortly for Grindrod itself and are also looking to expand our offices on the Victoria Embankment in Durban.

Hey man, it is all go and I hope you are enjoying the ride. It makes me so proud to be part of the Grindrod team!



Certainly an Investor focused quarter

In the last edition of Making Waves, we announced Grindrod's award as the most improved communicator and reporter to investors during 2004. The last quarter has been jam-packed with investor communications as Grindrod continues to convey pertinent facts about the Group to all its stakeholders.

The month of June saw Grindrod's very first "investor site visit" which proved to be an enormous success. Close to 40 fund managers, analysts and investors flew to Durban from all over the country. Our Chief Executive Officer, Ivan Clark and his executive directors were at the airport to meet the guests and spent the day presenting various aspects of the Group. The highlight of the day was definitely the tour and lunch on board the Southern Unity. A big thank you to Captain Gerry Savy, Robert Young, Richard Snook and Nikki Stanhope-Jones for making this possible.

August kicked off with presentations to Investec, Sanlam and Marriott – the distributors of the Grindrod preference shares. The objective was to raise capital to grow the group's rail operations, pursue private-public partnerships, fund major acquisitions and take advantage of shipping opportunities. The preference share issue raised R500 million.

On 17 August, Grindrod announced the interim results for the 6 months ending 30 June 2005. The

interest from the media and investor community was overwhelming. Ivan Clark's mobile phone became a hotline as newspaper publications, television stations and radio stations all wanted comment.

Following the interim results announcement, Ivan Clark delivered feedback presentations to investors, analysts and fund managers. The first of these was held in Johannesburg on the 18th August followed by presentations in Cape Town and Durban. Venues were all packed to capacity and buzzed with interest as to what the future held for Grindrod.

The message was and is loud and clear: The Grindrod of today is very different to the Grindrod of six or seven years ago and the Grindrod of the future will be very different, bigger and better than the Grindrod of today!

Grindrod's "Foreign Investor Relations" kicked off in September with one-on-one presentations at a conference organised by UBS in London. These presentations follow much international interest and will contribute to raising Grindrod's profile internationally as a precursor to a possible international listing.

Please visit "investor relations" at www.grindrod.co.za to view interim results, presentations and the latest press releases.



Oreport and Cockett Marine Oil

As you may have read in the press and in the last edition of Making Waves, Grindrod has made significant progress in expanding the freight operations, specifically in rail, bulk product trading and terminals.

In the first half of the year, Grindrod acquired shares in African Portland Industries (bulk terminal operator in Namibia and Mozambique), a 50% share in Sheltam Rail (locomotive operator), Uniroute's warehousing facilities, Sea Munye (bulk product warehousing operation in Richards Bay), Atlas Trading & Shipping (worldwide supplier of agricultural commodities) and then of course the two businesses which will be highlighted in this edition of Making Waves, Oreport and Cockett Marine Oil.

Atlas Trading and Shipping was the first "Bulk Product Trading" business to appear in the Grindrod stable, followed by Oreport and Cocket Marine Oil. In both the latter transactions, Grindrod's 50% shareholding was effective in July 2005.

Grindrod's "Bulk Product Trading" division now trades in agricultural, industrial raw materials, marine fuels and lubricants.

Oreport is an international marketing organisation specialising in worldwide procurement, physical movement and distribution of a range of industrial raw materials. All aspects from marketing to logistics through to final payment are incorporated to provide customers with a holistic service managing the chain of events from the origin of materials through to their final use.

While being truly South African, Oreport's network of business extends to every market that offers the right products at the right price, whilst maintaining high service levels.



Oreport Industrial Raw Materials

Cockett Marine Oil is one of the World's top suppliers of bunkers and marine lubricants to shipowners, operators, managers, charterers and private owners around the globe currently supplies in the region of 5 million tons of bunkers and marine lubricants per annum and has a turnover of \$700 million.



Cockett Marine Oil Marine Fuel & Lubricants

Established over twenty years ago, Cockett Marine Oil has offices in the United Kingdom, Singapore, South Africa, United States, Monaco, Russia, Brazil and Panama, providing a professional service and offering economic bunker solutions on a truly global basis.

oreport

COCKETT MARINE OIL

PMR Africa award for Grindrod

The findings of a survey on businesses in KwaZulu-Natal conducted by PMR* Africa magazine in July this year, was recently published in the magazine. Grindrod received the highest rating, a 4 out of a possible 5, in the business Sector: Import and Export Facilitators in KZN and received the Golden Arrow Award in recognition of this achievement. Allister Donald received the award on behalf of Grindrod at a breakfast at the Royal Hotel on the 16th September.



Allister Donald receives the PMR Golden Arrow

GRINDROD LIMITED

*PMR - Professional Management Review

IVS Kenso

The naming and delivery ceremony of mv "IVS Kenso" took place at the Kanda Shipyard in Japan on September 20th, 2005.

She is owned by the company Shichisuku. 




left to right:

- Mr Takashi Saito (*Mitsui & Co., Ltd*)
- Mr Jeremy Poyntz (*H. Clarkson & Co. Ltd*)
- Mrs Matsumura (*Owner's wife*)
- Mr Kenso Matsumura (*Owner*)
- Dru Stuart-Hill (*Sponsor of vessel*)
- Laurence Stuart-Hill (*Director, Grindrod Ltd*)
- Justin Immelman (*IVS*)
- Axel Krumhoff (*IVS*)
- Mr Steve Emmott (*H. Clarkson & Co. Ltd*)
- Mr Kenji Kanda (*Kanda Shipbuilding Co. Ltd*)



IVS Merlot

The naming and delivery ceremony of mv "IVS Merlot" took place at the Tsuneishi Yard in Tadotsu, Japan on April 6th, 2005. "IVS Merlot" is a 76,000dwt Panamax Bulk Carrier with an overall length of 225m and beam of 32m. 



left to right:

- Mr Tomoichi Shiraishi (*MD of Iyo Bank*)
- Mr Kazuyoshi Abe (*President of Nissen Kaiun*)
- Mr Peter Lang (*Director IVS*)
- Mr Hendrik Leusink (*Director IVS Cape*)
- Mrs Karin Leusink (*Sponsor*)
- Mrs Anne Tubb
- Mr Roger Tubb (*Director Clarksons*)
- Mr Seiichi Hashimoto (*Snr Co-ordinator Mitsui & Co*)
- Master and Chief Engineer of mv "IVS Merlot"



left to right:

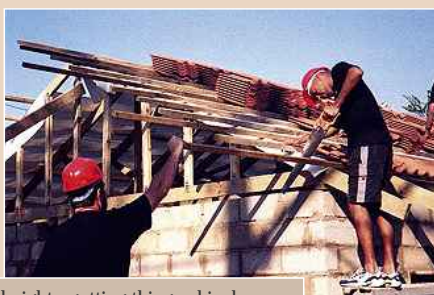
- Mr Peter Lang (*Director, IVS*)
- Mr Hendrik Leusink (*Director, IVS Cape*)
- Mrs Karin Leusink (*Sponsor*)
- Mr Roger Tubb (*Director, Clarksons*)
- Mrs Anne Tubb
- Mr Seiichi Hashimoto (*Snr Co-ordinator Mitsui & Co*)



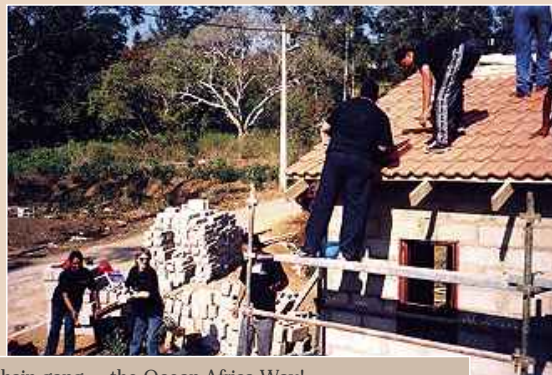
Mr Hendrik Leusink, (*Director IVS Cape*) named the vessel; Mrs Karin Leusink, (*Sponsor*) cut the supporting cord

Ocean Africa builds houses for Habitat for Humanity

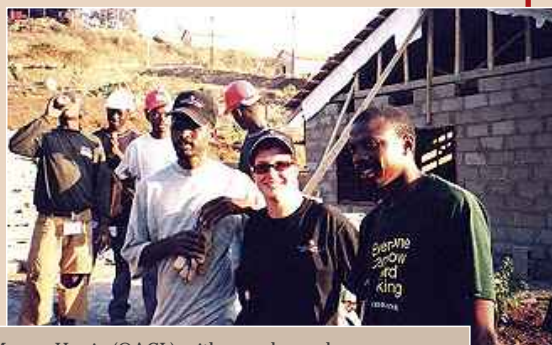
From the 25-29th July 2005, Ocean Africa put 5 teams together and built 2 houses for Habitat for Humanity, a community development non-profit organization which assists communities in addressing their housing needs for themselves. Assistance was given by 2 master builders on site, as well as the recipients of the houses, Vincent Khumalo and Jabulani Sithole. Both Vincent and Jabulani had been waiting 3 years for their houses. The houses and the families were blessed at a closing ceremony, at which housewarming gifts were presented, and a cold beer or two cracked to end a sweaty but constructive week! Congratulations on a fantastic effort to everyone who participated!



At roof height - getting things shipshape



Chain gang.....the Ocean Africa Way!



Megan Harris (OACL) with proud new home owners Vincent Khumalo (left), and Jabulani Sithole (right)



PicPack Grindrod keep it cool

In June 2004 PicPack Grindrod was offered the challenge of resolving Whirlpool South Africa's distribution problems in the Lowveld, Limpopo, North West and surrounding areas of Gauteng.

This challenge was unique as not only did it involve the fine distribution of their fridges and freezers to the various Retail Outlets directly from branches in Johannesburg, Polokwane and Nelspruit, but also included the receipt of freight at the multi-principle facility in Jet Park, Johannesburg from the Whirlpool factory in Isithebe and the subsequent on-forwarding to each of the branches.

As a provider of innovative logistical solutions, PicPack Grindrod delivered an added value solution that combines two separate operational functions into one seamless part of the supply chain.

As partners in a extremely competitive and price sensitive market, both companies focus on client retention through proactive after sales service to ensure sustained growth. Therefore by positioning itself as an extension of Whirlpool, PicPack Grindrod through their hands on management style at branch level, have developed an extremely close and solid working relationship with the Whirlpool Regional

Sales Teams. The benefit has been significant growth, primarily through improved service levels that reflect a far more consistent delivery service with an average on-time delivery performance in excess of 98%.

PicPack Grindrod is excited at the progress made since taking over the operation - best seen during last season's peak where on certain days, each of the Branches were handling up to 5 Super Link loads directly from the factory.

The branches in Polokwane and Nelspruit have established impressive regional networks, which have not only provided Whirlpool with a timeous service but also assisted PicPack Grindrod in expanding its own capabilities and national infrastructure. This service will be enhanced in early 2006, through the introduction of RF scanners at the regional branches, allowing for instant track and trace ability throughout the network.

Such has been the success of this project that Whirlpool has extended the contract for another three years, so you can be assured that Rolf Calitz, the Distribution Manager and his committed staff in Johannesburg, Nelspruit and Polokwane, will be keeping things cool up north...



New facilities for Kusasa Bulk Terminals in Richards Bay

Kusasa Bulk Terminals is currently a major player in the import and export of bulk material from the port of Richards Bay. Market growth potential is significant with new Richards Bay developments and the upgrade of port side facilities. As part of the Grindrod family, Kusasa is positioning itself to provide an efficient and professional service to all their current and future clients. This process includes significant capital investment, sourcing of best in business human resources, focusing on efficiency and professionalism, building relations within the industry and exploring opportunities with other companies within the Grindrod stable.

Already concluded this year was the acquisition of Sea Munye Port Holdings (Pty) Ltd providing additional warehouse capacity approximately 8km from the port of Richards Bay. With this acquisition, Kusasa not only gained additional capacity but also an experienced team in bulk handling.

The Sea Munye facility consists of four main warehouses in excess of 17 000m² providing currently more than 50 000t of under cover storage with relevant workshops required to maintain the equipment required for the operations. Included in the warehousing is a blending and bagging plant for fertilizers that are currently extensively used. Significant office space, hard standing of 15 000m² for uncovered storage and a couple of hectares coke fields complete the acquired facility.

Recently undertaken, is a significant capital investment to increase warehouse capacity at the Kusasa site. This facility will also be belt connected to the port of Richards Bay enabling vessel loading of 2 000 tons per hour. The new warehouse will have a foot print of 10 000m² providing 55 000m² covered warehousing capacity. Special attention was given to the design to ensure the maximum capacity at the lowest cost without influencing the integrity and quality of the facility.

The Valley Terminal Warehouse marks the beginning of the second major development of Grindrod in Richards Bay. The development will take place on a piece of land adjacent to the port with the import and export conveyor system of the Dry Bulk Terminal of SAPO ending on this land. The development is aimed at providing importers and exporters of bulk commodities with storage and cargo handling facilities which will be modern, affordable and be able to serve vessels with high speed operations. The development cost will be some R900 per 1000m³ of serviced storage capacity



Kusasa Bulk facility in Richards Bay

compared with the normal R1600 per 1000m³.

This development is earmarked for the storage of salt with a direct conveyor link to the bulk import berths. Once commissioned, it will be possible to discharge vessels at an efficient 1200t per hour improving vessel turnaround time significantly. At present discharge rates of only 300t per hour into road trucks can be achieved.

Grindrod future in Richards Bay:

Once the current projects are concluded, capacity for handling bulk cargo will be:

Under cover storage:	280 000t bulk cargo
Hard standing:	15 000m ²
Coke fields (open):	2 Ha

Material handling efficiency will be as follows:

Road import / export:	300t per hour
Rail wagon tippler:	720t per hour
	(Navitrade site – port & warehouse connected)
Conveyor import:	1 200t per hour
Conveyor export:	2 000t per hour

The Kusasa team is excited about the future prospects and challenges associated with the new warehouses. With the marketing team already negotiating several different contracts it is believed that the warehouses will be filled before Easter 2006. Further developments can be explored on the Valley Terminal and Navitrade sites with approximately 30Ha available...

Mitchell Cotts in the zone

Mitchell Cotts Jhb on strike again!

Friday, 12th August saw the very best ten-pin bowlers from Johannesburg take to the Zone at Rosebank, for the most intense ten-pin bowling competition the city has seen! The air was tight with concentration, the lights dimmed, the players ready to roll... the question in everyone's mind: "Who will take this year's prestigious and much sought after hand crafted plastic trophy?" Would it be last year's South Champion Clint Carmicheal or perhaps newcomer debutante Proshon Mohanlal? Wait a minute, what was that on lane 1... a strange looking fuzz ball...oh no! actually that was Cheryl Moodley lying face down with the pins ahead and the ball rolling slowly down the gutter! There was no doubt Cheryl wasn't in it for the trophy or perhaps was it the spiked up drinks coach & bar tender Lenni D was serving up??



Mitchell Cotts in action

At the end of a grueling but fun evening and to no surprise, this years MCM JHB Ten Pin Trophy was presented to South African born Phillip Seemela. When asked about his success, Phillip replied, "Eish, you know brue, we know how to strike!!"



a morning harbour cruise

King & Sons host WFP delegates

On Friday the 1st July 2005, King & Sons Durban hosted delegates of the World Food Programme on a morning port cruise. 21 delegates joined us, including Deputy Executive Director, Mr Jean Jacques Greisse from WFP in Rome, as well as Deputy Regional Director for WFP in Southern Africa, Mr Thomas Yanga.

We met on the vessel *Allen Gardiner* at 11h00 and enjoyed light snacks with a typically South African flavour as we cruised around Durban Harbour. King & Sons General Manager, Mahomed Kajee and Non-Liner Branch Manager, Ronnie Naidoo were on hand to answer the many port and shipping related questions posed by the guests. The vessel berthed back at Wilson's Wharf on time at 12h30 and judging from the smiles, everyone enjoyed the ride!



Aboard the Allen Gardiner

King & Sons have acted as WFP agents on the chartering side for the past 25 years and over the past 5 years, our role has increased to handling the FOB shipments from South Africa to various African destinations.



CMCG having a great year

CMC Grindrod Flying

CMCG, the container depot operation 50% owned by Grindrod, is having a great year.

Despite having taken on additional space in Cape Town, Port Elizabeth and Johannesburg, the company has, for the past few months, been operating at more than 100% of its capacity.

Since CMCG was formed some 4 years ago, the company has steadily invested in equipment, IT systems, infrastructure and its staff and today, with positive container volumes, we are seeing the benefits of these investments. Going forward, CMCG hopes

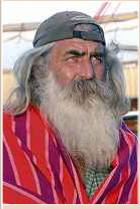


The CMC Grindrod container park

to play an important role in the development of Grindrod's landside services.



Grindrod fights Africa's silent killer - Mozambican part of the mission accomplished!



When modern day adventurer Kingsley Holgate walked into the offices of Grindrod, he proposed a most unusual attack on Malaria on the East coast of Africa. Under the name "African Rainbow", he and his family partnered by Grindrod and a team of volunteers and sponsors have certainly delivered on their "One Net - One Life" promise - to save lives distributing insecticide impregnated mosquito nets to mums with babies in isolated rural villages. We pick up the story in Kingsley's words, sent in a final Mozambican dispatch by HF Radio from the Rovuma, a somewhat unexplored river separating Northern Mozambique from Southern Tanzania...



"Mozambique has been an incredible challenge - the expedition has survived a rolled Land Rover, several attacks of malaria, the near fatal stabbing of one of the team members by a boat thief, the danger of unexploded land mines and unusually high seas as we continue to make our way by Swahili sailing Dhow, inflatable expedition boats and a convoy of Land Rovers from Durban South Africa to the Somali border.

The objective of our grass roots One Net - One Life Rainbow Expedition remains focused; to use high adventure to reach places that regular health services seldom get to. In Mozambique we certainly achieved just that. The crocodiles of the Rovuma, the pushing of boats through mangrove mud, the roads with no bridges that turned into goat tracks, a rat that ate the Land Rover wiring, an inflatable pontoon to ferry the Land Rovers, pitching camp wherever we end up or brave the weather on the deck of Amina - The Spirit of Adventure.

Backed by the Mozambican Ministry of Health it's been a fascinating odyssey made worthwhile by the gratitude of the people. The Grindrod banners, the mums with babies who hang on every word as we conduct the exciting Malaria Prevention educationals, the singing and dancing, drum beats and hand clapping, songs about fighting Malaria, how to use and care for your mosquito net, bicycle races for the young men with prizes of Grindrod t-shirts. The village elders, some endorsing the Scroll of Peace and Goodwill with messages in support of Malaria Prevention, others with just a simple cross. It's been extremely humbling and I am honoured to have had such a great Mozambican team fully backed by Grindrod.

Given that mums will share the nets with their babies and young children, we estimate that in Mozambique alone at least 10,000 lives could be saved through Grindrod's support for the African Rainbow Expedition. It's not just about giving out nets, it's also the anti-malaria message and knowledge that we leave behind; not to mention the goodwill and carefully documented malaria report sheets that will allow for detailed follow up. As we leave Mozambique behind us, the Spirit of Adventure loaded with mosquito nets and sailing only with the wind, I know we will face new and exciting challenges, the greatest of which will be to continue to make a difference in an area where for every minute of every day and night a baby dies from the blood sucking bite of the female anopheles mosquito.

To the team at Grindrod - thank you for caring. And to the people of Mozambique - muito obrigado! 