AUDITED RESULTS AND DIVIDEND ANNOUNCEMENT

for the year ended 31 December 2012

GRINDROD
LIMITED

Freight

Trading

Shipping

Finance

CONTENTS

FEATURES

Group

- Attributable income up 61% to R853,3 million (2011: R530,9 million)
- Headline earnings per share up 22% to 121,9 cents (2011: 99,6 cents)
- Earnings per share up 30% to 144,6 cents (2011: 111,0 cents)
- Net interest-bearing debt to total shareholders' interest of 7% (2011: 10%)
- Cash generated from operations R1,4 billion
- Final ordinary dividend up 28% to 15,4 cents per share (2011: 12,0 cents)
- Conclusion of significant joint ventures and acquisitions across coal, fuel, seafreight, rail and agency service businesses

Freight Services

- Earnings (including a profit of R414,9 million on disposal of 35% of the Maputo coal terminal) up 150% to R793,3 million (2011: R317,8 million)
- Drybulk terminals' volume up 26% to 12,0 million tonnes (2011: 9,5 million tonnes)
- Port of Maputo volumes up 27% to 15,0 million tonnes (2011: 11,8 million tonnes)
- Intermodal's mining and minerals handling business increased 90% on prior year

Trading

- Earnings (adjusted for marine fuels joint venture) up 12% to R113,5 million (2011 100% earnings: R143,9 million)
- Operating margin per tonne up 17% to US$3,90 (R32,02) in 2012 from US$3,33 (R24,22)

Shipping

- Earnings before ship impairments remained positive despite declining rates
- Average earnings per day outperformed average spot market rates for the period across all sectors
- R173,3 million impairment of ship values due to weaker shipping markets

Financial Services

- Earnings up 11,5% to R65,1 million (2011: R58,4 million)
- Assets under management increased to R11,0 billion (2011: R6,1 billion)
- Rollout of South African Social Security Agency (SASSA) bank cards commenced in April 2012 with 5,5 million in issue at year-end

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2012

	Change %	Audited 31 December 2012 R000	Audited 31 December 2011 R000
Revenue	(24)	**27 262 223**	35 885 258
Earnings before interest, taxation, depreciation and amortisation	(5)	**953 825**	1 005 537
Depreciation and amortisation		**(412 430)**	(362 979)
Operating profit before interest and taxation		**541 395**	642 558
Non-trading items		**199 689**	60 152
Interest received		**206 941**	169 709
Interest paid		**(227 398)**	(218 647)
Profit before share of associate and joint venture companies' profit	10	**720 627**	653 772
Share of associate companies' profit after taxation		**9 385**	4 291
Share of joint venture companies' profit after taxation		**340 029**	114 024
Profit before taxation		**1 070 041**	772 087
Taxation		**(148 228)**	(175 363)
Profit for the year	54	**921 813**	596 724
Attributable to:			
Ordinary shareholders	61	**853 266**	530 905
Preference shareholders		**57 297**	53 271
Owners of the parent		**910 563**	584 176
Non-controlling interests		**11 250**	12 548
		921 813	596 724
Exchange rates (R/US$)			
Opening exchange rate		**8,11**	6,62
Closing exchange rate		**8,48**	8,11
Average exchange rate		**8,22**	7,27

		Change %	Audited 31 December 2012 R000	Audited 31 December 2011 R000
Reconciliation of headline earnings				
Profit attributable to ordinary shareholders			**853 266**	530 905
Adjusted for:			**(133 759)**	(54 543)
IAS 38 – Impairment of goodwill			**21 045**	9 168
IAS 38 – Impairment of other investment			**11 208**	5 849
IAS 16 – Impairment/(reversal of impairment) of ships, intangibles, plant and equipment			**178 648**	(18 067)
IFRS 3 – Net profit on disposal of investments			**(312 887)**	(48 180)
IAS 16 – Net loss/(profit) on disposal of plant and equipment			**2 023**	(8 922)
IAS 21 – FCTR adjustment on disposal of investment			**(33 965)**	–
Joint ventures:				
IAS 16 – Impairment of ships, plant, equipment and property			**20 305**	–
Total taxation effects of adjustments			**(20 136)**	5 609
Headline earnings		51	**719 507**	476 362
Ordinary share performance				
Number of shares in issue less treasury shares	(000's)		**590 486**	589 536
Weighted average number of shares on which earnings per share are based	(000's)	23	**590 097**	478 234
Diluted weighted average number of shares on which diluted earnings per share are based	(000's)	24	**592 728**	479 192
Earnings per share	(cents)			
Basic		30	**144,6**	111,0
Diluted		30	**144,0**	110,8
Headline earnings per share	(cents)			
Basic		22	**121,9**	99,6
Diluted		22	**121,4**	99,4
Dividends per share	(cents)	12	**32,9**	29,5
Interim			**17,5**	17,5
Final			**15,4**	12,0
Dividend cover	(times)		**4,4**	3,8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

	Audited 31 December 2012 R000	Audited 31 December 2011 R000
Profit for the year	**921 813**	596 724
Other comprehensive income		
Exchange differences on translating foreign operations		
Exchange differences arising during the year	**263 750**	901 974
Cash flow hedges		
(Losses)/profits during the year	**(6 345)**	161 735
Reclassification adjustments for amounts recognised in assets	**(859)**	(2 070)
Business combination release	**5 998**	–
Fair value loss arising on available-for-sale investments	**(25 000)**	–
Total comprehensive income for the year	**1 159 357**	1 658 363
Total comprehensive income attributable to:		
Owners of the parent	**1 145 519**	1 648 400
Non-controlling interests	**13 838**	9 963
	1 159 357	1 658 363

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

		Audited 31 December 2012 R000	Audited 31 December 2011 R000
Ships, property, terminals, vehicles and equipment		**5 443 757**	5 267 565
Investment property		**33 826**	22 096
Intangible assets		**679 643**	547 931
Investments in associates		**512 646**	266 081
Investments in joint ventures		**1 668 233**	719 528
Deferred taxation		**107 435**	89 472
Other investments and derivative financial assets		**325 888**	129 478
Recoverables on cancelled ships		**379 050**	380 566
Total non-current assets		**9 150 478**	7 422 717
Loans and advances to bank customers		**3 188 454**	2 542 048
Liquid assets and short-term negotiable securities		**626 378**	190 259
Short-term loans		**518 819**	303 513
Bank balances and cash		**4 226 367**	2 979 172
Other current assets		**4 089 390**	3 616 122
Non-current assets held for sale		**273 615**	3 467 286
Total current assets		**9 734 569**	10 556 352
Total assets		**22 073 501**	20 521 117
Shareholders' equity		**10 114 356**	9 216 769
Non-controlling interests		**126 533**	94 336
Total equity		**10 240 889**	9 311 105
Interest-bearing borrowings		**2 028 392**	2 226 575
Financial services funding instruments		**813 947**	–
Deferred taxation		**147 004**	124 796
Provision for post-retirement medical aid		**49 426**	52 336
Other non-current liabilities		**58 611**	33 669
Non-current liabilities		**3 097 380**	2 437 376
Deposits from bank customers		**4 661 346**	2 910 945
Current interest-bearing borrowings		**1 987 398**	2 017 190
Financial services funding instruments		**193 519**	130 514
Other liabilities		**1 741 914**	1 297 037
Non-current liabilities associated with assets held for sale		**151 055**	2 416 951
Total current liabilities		**4 073 887**	5 861 692
Total equity and liabilities		**22 073 501**	20 521 117
Net worth per ordinary share – at book value	(cents)	**1 609**	1 454
Net debt:equity ratio		**0,07:1**	0,10:1
Capital expenditure		**1 209 563**	1 166 228
Capital commitments		**647 324**	472 423
Authorised by directors and contracted for		**185 857**	247 016
Due within one year		**185 857**	199 190
Due thereafter		**–**	47 826
Authorised by directors, not yet contracted for		**461 467**	225 407

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2012

	Ordinary share capital R000	Preference share capital R000	Share premium R000	Equity compen-sation reserve R000	Foreign currency translation reserve R000
Balance at 31 December 2010	9	2	28 671	37 300	(160 461)
Share options exercised			2 612		
Share-based payments				647	
Share issue	3		1 999 997		
Share issue expenses			(18 810)		
Treasury shares sold			1 945		
Non-controlling interest acquired					
Profit for the year					
Other comprehensive income					904 559
Total comprehensive income					
Ordinary dividends paid					
Preference dividends paid					
Balance at 31 December 2011	12	2	2 014 415	37 947	744 098
Share options exercised			7 839		
Share-based payments				4 179	
Treasury shares sold			2 989		
Business acquisitions/(disposals)					
Non-controlling interest disposed					
Profit for the year					
Other comprehensive income					261 162
Total comprehensive income					
Ordinary dividends paid					
Preference dividends paid					
Balance at 31 December 2012	**12**	**2**	**2 025 243**	**42 126**	**1 005 260**

Business combination reserve R000	Hedging reserve R000	Other non-distributable reserve R000	Accumulated profit R000	Interest of owners of the parent R000	Non-controlling interests R000	Interest of all shareholders R000
–	(152 706)	–	6 104 046	5 856 861	113 854	5 970 715
				2 612		2 612
				647		647
				2 000 000		2 000 000
				(18 810)		(18 810)
				1 945		1 945
(18 718)				(18 718)	(26 277)	(44 995)
			584 176	584 176	12 548	596 724
	159 665			1 064 224	(2 585)	1 061 639
				1 648 400	9 963	1 658 363
			(202 897)	(202 897)	(3 204)	(206 101)
			(53 271)	(53 271)	–	(53 271)
(18 718)	6 959	–	6 432 054	9 216 769	94 336	9 311 105
				7 839		**7 839**
				4 179		**4 179**
				2 989		**2 989**
			(31 160)	**(31 160)**	23 397	**(7 763)**
				–	2 849	**2 849**
			910 563	**910 563**	11 250	**921 813**
5 998	(7 204)	(25 000)		**234 956**	2 588	**237 544**
				1 145 519	13 838	**1 159 357**
			(174 482)	**(174 482)**	(7 887)	**(182 369)**
			(57 297)	**(57 297)**	–	**(57 297)**
(12 720)	**(245)**	**(25 000)**	**7 079 678**	**10 114 356**	**126 533**	**10 240 889**

SEGMENTAL ANALYSIS
for the year ended 31 December 2012

	Audited 31 December 2012 R000	Audited 31 December* 2011 R000
Revenue		
Freight Services	**3 929 411**	3 190 083
Trading	**27 074 222**	29 756 780
Shipping	**4 009 832**	3 914 926
Financial Services	**252 686**	193 558
Group	**911**	433
	35 267 062	37 055 779
Segmental adjustments**	**(8 004 839)**	(1 170 521)
	27 262 223	35 885 258
Earnings before interest, taxation, depreciation and amortisation		
Freight Services	**729 753**	680 726
Trading	**258 660**	218 474
Shipping	**308 390**	245 322
Financial Services	**127 702**	81 512
Group	**(10 340)**	(1 312)
	1 414 165	1 224 722
Segmental adjustments**	**(460 340)**	(219 185)
	953 825	1 005 537
Operating profit before interest and taxation		
Freight Services	**509 842**	480 689
Trading	**241 815**	202 866
Shipping	**65 154**	53 729
Financial Services	**126 380**	80 462
Group	**(13 973)**	(4 623)
	929 218	813 123
Segmental adjustments**	**(387 823)**	(170 565)
	541 395	642 558
Share of associate companies' profit after taxation		
Freight Services	**50 196**	4 291
Trading	**(815)**	–
	49 381	4 291
Segmental adjustments**	**(39 996)**	–
	9 385	4 291
Profit/(loss) attributable to ordinary shareholders		
Freight Services	**793 328**	317 831
Trading	**113 546**	143 989
Shipping	**(169 710)**	6 801
Financial Services	**65 145**	58 398
Group	**50 957**	3 886
	853 266	530 905

* *Restated due to segmental adjustments in relation to IFRS and operating segments.*

** *Joint venture earnings are reviewed together with subsidiaries by the key decision maker. Segmental adjustments relate to joint ventures necessary to reconcile to IFRS presentation.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2012

	Audited 31 December 2012 R000	Audited 31 December 2011 R000
Operating profit before working capital changes	**890 190**	1 069 342
Working capital changes	**532 465**	(1 264 377)
Cash generated from/(utilised in) operations	**1 422 655**	(195 035)
Net interest paid	**(20 457)**	(125 180)
Net dividends paid	**(215 472)**	(230 115)
Taxation paid	**(101 985)**	(63 004)
	1 084 741	(613 334)
Net bank advances to customers and other short-term negotiables	**667 876**	453 489
Net cash flows generated from/(utilised in) operating activities before ships sales and purchases	**1 752 617**	(159 845)
Refund on ships under construction cancelled	**16 846**	–
Capital expenditure on ships and locomotives	**(242 372)**	(842 831)
Net cash flows generated from/(utilised in) operating activities	**1 527 091**	(1 002 676)
Acquisition of property, terminals, vehicles and equipment	**(949 300)**	(320 494)
Acquisition of other investments	**(95 046)**	(30 190)
Proceeds from disposal of property, terminals, vehicles and equipment and investments	**499 936**	111 061
Proceeds from repayment of share capital by joint venture	**–**	262 235
Intangible assets acquired	**(17 891)**	(2 903)
Loans advanced to joint venture and associate companies	**(73 186)**	(13 249)
Net cash flows (utilised in)/generated from investing activities	**(635 487)**	6 461
Net proceeds from issue of ordinary share capital	**7 839**	1 983 803
Proceeds from disposal of treasury shares	**2 989**	1 945
Long-term interest-bearing debt raised	**1 432 603**	1 548 382
Payment of capital portion of long-term interest-bearing debt	**(834 015)**	(708 718)
Short-term interest-bearing debt (repaid)/issued	**(126 514)**	179 130
Net cash flows from financing activities	**482 902**	3 004 542
Net increase in cash and cash equivalents	**1 374 506**	2 008 327
Cash and equivalents at beginning of the year	**2 901 050**	903 846
Difference arising on translation	**(25 306)**	(11 123)
Cash and cash equivalents at end of the year	**4 250 250**	2 901 050

BUSINESS COMBINATIONS

for the year ended 31 December 2012

Acquisition of subsidiaries, joint ventures and associates

During the year, the group acquired the following additional interests:

Company acquired	Nature of business	Percentage acquired	Interest acquired 2012	Purchase consideration R000
Ocean Africa Container Lines (Pty) Ltd	Seafreight	51,0	1 January	–
Petrologistics Botswana (Pty) Ltd	Logistics	75,5	1 June	28 891
JFM Sturrock Holdings (Pty) Ltd	Ships agencies	50,0	1 November	–
Grey Haven Riches 27 Limited (Plexus)	Financial	95,1	31 July	50 414
Vitol Coal South Africa BV	Trading	35,0	1 January	156 643
New Limpopo Bridge Projects Limited	Rail	46,4	1 July	388 478
Russelstone Protein (Pty) Ltd	Soybean crushing	30,0	1 September	29 060
Total purchase consideration				**653 486**

Reasons for acquisitions

The primary reasons for the business acquisitions were to acquire outstanding non-controlling interests to consolidate Grindrod's position and to expand Grindrod's presence into new markets and geographical areas.

Impact of the acquisitions on the results of the group

From the dates of their acquisition, the acquired businesses contributed attributable profit of R79 486 000.

Net assets acquired in the subsidiaries' transactions and the goodwill/intangible assets arising, are as follows:

Net assets acquired	Acquirees' carrying amount before combination at fair value R000
Property, plant and equipment	54 707
Interest in associate companies	208 899
Interest in joint venture companies	156 643
Investments	4 304
Taxation	1 687
Working capital	(90 320)
Cash and bank	158 954
Non controlling interest	(8 037)
Long-term liabilities	(27 431)
Deferred taxation	(5 260)
Total	454 146
Goodwill and intangible assets arising on acquisition	170 280
Purchase consideration relating to associate	29 060
	653 486

The goodwill arising on the acquisition of these businesses is attributable to the anticipated profitability of these businesses and synergies expected.

Disposal of subsidiaries, joint ventures and associates

During the year the group disposed of the following interests:

Company disposed	Nature of business	Percentage disposed	Interest disposed 2012	Disposal consideration R000
Terminal De Carvo da Matola Limitada (Mozambique)	Terminals	35,0	1 January	444 379
Röhlig-Grindrod (Pty) Ltd	Clearing and forwarding	7,5	1 June	–
Grindrod Ships Agencies (Pty) Ltd	Ships agencies	50,0	1 November	–
Grindrod Ships Agencies (Mozambique) Limited	Ships agencies	50,0	1 November	–
Sinpor Trading (Pty) Ltd	Steel trading	100,0	9 November	456
Cockett Holdings Limited	Marine fuel and lubricants	50,0	30 June	16 045
Grindrod Trading and Bunkering Netherlands BV (Bunker trading)	Bunker trading	50,0	30 June	11 298
Equus Investments Limited	Marine fuel and lubricants	50,0	30 June	132 608
Cockett Marine Oil Asia, a division of Grindrod Trading Asia Pte Ltd	Marine fuel and lubricants	50,0	30 June	50 319
Cockett Marine South Africa (Pty) Ltd	Marine fuel and lubricants	50,0	30 June	673
Total disposal consideration				**655 778**

Reason for disposals

The primary reason for the disposals was to expand Grindrod's presence into new markets and geographics together with chosen partners.

BUSINESS COMBINATIONS continued…

for the year ended 31 December 2012

Net assets disposed	Fair value R000
Property, plant and equipment	5 975
Intangible assets	13 388
Interest in associate companies	28 862
Investments	(98 775)
Working capital	(148 701)
Cash and bank	199 223
Non-controlling interest	(8 037)
Short-term liabilities	(1 476)
Deferred taxation	3 666
Non-current assets disposed	622 460
Total	616 585
Profit on disposal	39 193
	655 778

CONTINGENT ASSETS/LIABILITIES

The company has guaranteed loans and facilities of subsidiaries and joint ventures amounting to R6 422 946 000 (2011: R5 101 000 000) of which R3 104 728 000 (2011: R2 372 000 000) had been utilised at year-end.

The company has guaranteed charter hire payments and other guarantees of subsidiaries amounting to R1 524 356 000 (2011: R1 501 250 000). The charter hire payments are due by the subsidiaries in varying amounts from years 2012 to 2019.

On disposal of an interest in an entity, the acquirer has agreed to compensate the group if certain targets are met. At reporting date, the achievability of these targets was undetermined.

LEASES AND SHIPCHARTERS

	Audited 31 December 2012 R000	Audited 31 December 2011 R000
Operating leases and ship charters		
Income	**763 267**	659 412
Expenditure	**2 652 727**	3 768 860
Finance lease liabilities	**75 861**	56 817

PREPARER OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2012

These annual financial statements have been prepared under the supervision of AG Waller, CA (SA).

AG Waller

Group Financial Director

26 February 2013

BUSINESS REVIEW

Overview

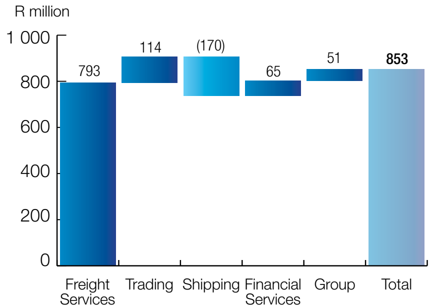
With Grindrod's businesses focused on offering end-to-end commodity supply chain solutions in the movement of liquid bulk, drybulk and containerised and vehicle commodities, a concerted effort was made during the year to remain focused on executing the strategy, managing risks and meeting financial targets.

Notable strategic initiatives to progress the strategy of delivering an integrated freight and logistics service and investing in infrastructure assets and opportunities with high barriers to entry, include:

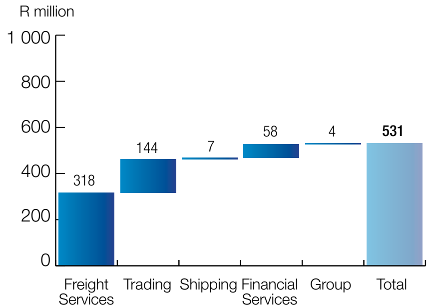
- Developing infrastructure to expand the capacity of the Port of Maputo;
- Increasing the capacity of the Maputo coal terminal;
- Investing in rail through increasing the locomotive manufacturing capacity and investments in rail technology and concession businesses; and
- Partnering with Vitol, one of the world's largest energy trading businesses, in a number of Grindrod's coal and fuel related businesses to increase access to global markets.

These initiatives, along with a number of others, are positioning the group for further growth.

2012 Attributable income by division



2011 Attributable income by division



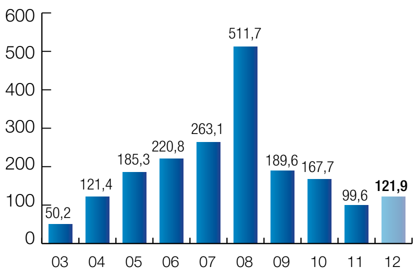
The group generated earnings of R853,3 million for the year ended 31 December 2012 (2011: R530,9 million), representing a 61% increase on the prior year. Earnings growth on the prior year was achieved in the Freight Services and Financial Services divisions. Trading was up 12% on a comparable basis when adjusting for the sale of 50% of the marine fuels business at the end of June 2012. Shipping continues to be impacted by the weak shipping markets which necessitated some impairments of the vessels.

Headline earnings per share increased by 22% to 121,9 cents (2011: 99,6 cents). The non-trading items include the profit on sale of a share in the Maputo coal terminal, loss on disposal of 50% of the marine fuels business and the impairment of ships, equipment and goodwill.

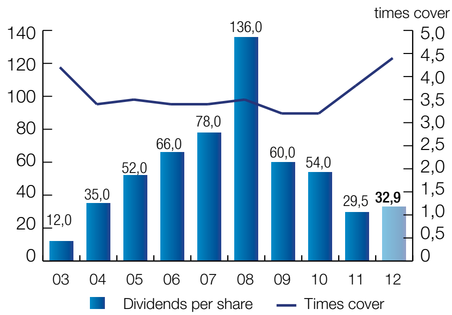
Earnings per share is calculated on a weighted average of 590 million shares, up 112 million from the previous year, primarily as a result of the specific issue in November 2011.

A total ordinary dividend of 32,9 cents per share (2011: 29,5 cents per share) has been declared.

Headline earnings per share (cents)



Dividends/distribution per share (cents)*



* The dividend cover has increased due to the exclusion of capital and non-cash items in calculating the dividend.

The group's statement of financial position remains sound with total assets of R22,1 billion (2011: R20,4 billion). The net debt:equity ratio is 7% at 31 December 2012 (2011: 10%). Book net asset value per share is R16,09 (2011: R14,54).

Capital expenditure and commitments

Capital expenditure and investments, for the year ended 31 December 2012 amounted to R1 305 million (2011: R1 166 million), of which 85% was expansionary and the balance maintenance or replacement capital expenditure. The capital expenditure comprised payments on two drybulk ships, two tankers, the Maputo coal terminal Phase 3,5 expansion project, locomotives, a rail concession business and coal trading contracts.

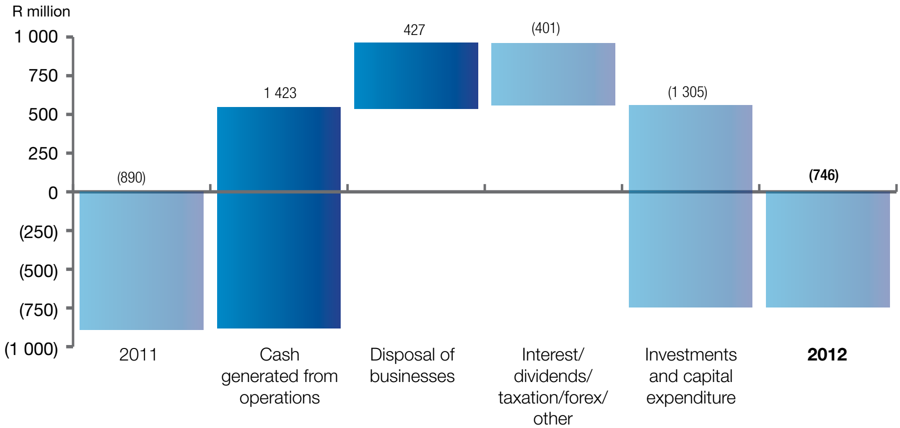
R million	Capital expenditure 2012	Capital commitments 2013	2014	2015+	Total	Split as follows Approved not contracted	Approved and contracted
Freight Services	**982**	597	84	18	699	442	257
Logistics	**219**	252	66	–	318	198	120
Ports and Terminals	**189**	329	18	18	365	244	121
Rail	**574**	16	–	–	16	–	16
Trading	**203**	32	1	1	34	10	24
Shipping	**591**	470	8	–	478	9	469
Drybulk	**359**	103	8	–	111	9	102
Tankers	**232**	367	–	–	367	–	367
Financial Services	**66**	–	–	–	–	–	–
Group	**7**	6	4	3	13	12	1
	1 849	1 105	97	22	1 224	473	751
Split as follows:							
Subsidiaries	**1 370**	537	89	22	648	461	187
Joint ventures	**479**	568	8	–	576	12	564

The group is confident that it has adequate funding for capital commitments through its cash resources and banking facilities.

Cash flow and borrowings

Operating profit before working capital adjustments was R890,2 million (2011: R1 069 million). The group's working capital position reflects a net inflow for the period of R532,5 million, largely due to the disposal of a 50% interest in the marine fuels business, now treated as a joint venture. Capital expenditure on ships, locomotives and terminals was offset by proceeds from the sale of a 35% interest in the Maputo coal terminal. These movements resulted in the net debt position at 31 December 2011 of R889,7 million decreasing to R745,5 million at 31 December 2012 and the net debt:equity ratio declined to 7% (2011: 10%).

Net debt analysis



Shareholders' equity

The total number of ordinary shares in issue is 599 665 314. The 9 179 348 ordinary shares repurchased in prior years continue to be held in treasury. Of these, 2 302 884 shares have been allocated to the group forfeitable share plan, as approved by shareholders at the Annual General Meeting on 30 May 2012.

Divisional operating reviews

Freight Services

Freight Services contributed 93% to the group's earnings (2011: 60%). Attributable income increased 150% to R793,3 million (2011: R317,8 million) which includes a profit of R414,9 million from the disposal of 35% of the Maputo coal terminal. Trading profit of R364,4 million reflects a 27% growth on the prior year's trading performance.

The increased earnings were achieved through increased terminal utilisation, rail efficiency improvements and greater market demand in the locomotive manufacturing business. The Maputo coal terminal volume was up 15% at 4,5 million tonnes (2011: 3,9 million tonnes), whilst the port of Maputo handled 15,0 million tonnes of cargo, up 27% on the prior year (2011: 11,8 million tonnes), resulting in strong growth in profitability over 2012.

Ports, Terminals and Rail

Ports, Terminals and Rail earnings of R338,2 million from trading activities grew 69% despite product shortages being experienced at the Maputo coal terminal during the first half of 2012.

The Phase 3,5 expansion project to increase capacity by a further 1,3 million tonnes, commenced during April 2012 and is progressing as scheduled with commissioning planned for the second half of 2013. This will increase the terminal's throughput capacity to 7,3 million tonnes per annum which is fully supported by current rail capacity.

Phase 4 of the Maputo coal terminal project to expand terminal capacity to 20 million tonnes of coal and 10 million tonnes of magnetite ore is progressing according to plan, with feasibility studies having been completed in the final quarter of 2012. The expansion project will involve excavation and land reclamation of 120 hectares, construction of two additional berths, a stockyard and associated railway infrastructure. Grindrod introduced Vitol, one of the world's largest energy trading businesses, as a 35% strategic partner in the concession.

The rail resource utilisation on the Maputo corridor has improved and Maputo Port Development Company continues to actively pursue further initiatives to increase the Maputo port utilisation.

The rail operations conducted through the RRL Grindrod group of companies experienced strong growth during 2012 with the expansion of the locomotive fleet from 31 to 65 during the year. The most significant new contract secured during 2012 was the construction and lease of an additional 14 locomotives for African Minerals Limited in Sierra Leone, to supplement the 20 already on lease and in operation. Ten were delivered by year-end with the remainder due for delivery in early 2013.

During the second half of 2012, Grindrod acquired a 46,4% interest in New Limpopo Bridge Projects Limited, the 56% shareholder in NLPI Limited, which owns and operates two rail concessions in Zimbabwe and Zambia. Grindrod is participating as the strategic operational partner.

Logistics

Logistics earnings of R97,8 million were 8% lower than the prior year's earnings (2011: R106,0 million). The road transport operations were impacted by lower commodity volumes, the commissioning of the Transnet fuel pipeline between Durban and Gauteng in early 2012 and general labour unrest. The business benefited from improvements in operating efficiencies during the latter part of 2012.

During June 2012, Grindrod acquired the remaining 75,5% shareholding in Petrologistics Botswana (Pty) Ltd. This has resulted in the fleet being transferred to Botswana to take advantage of the increased demand in that market. The Fuelogic business also expanded to Namibia during the second half of 2012 and further regional expansion into selected markets in southern Africa is being undertaken.

The strategic relationship with the Calulo group was extended during the year. Röhlig-Grindrod acquired the Calulo group's clearing and forwarding company, for a 15% shareholding in Röhlig-Grindrod. Additionally, the ships agency of Grindrod and Sturrock merged into a 50:50 joint venture. Both businesses are now level 3 Broad Based Black Economic Empowerment (BBBEE) compliant.

Outlook

Ports, Terminals and Rail operations are expected to continue to show improved performance in 2013 due to increasing utilisation and operating efficiencies on the back of an expected increase in commodity demand. Rail resource availability and stability of the labour force will remain key critical success factors.

Performance of the Logistics business segment is expected to strengthen during 2013 as volumes improve and greater benefits are extracted from the optimisation of the operations. The South African petrochemical sector is expected to continue to experience some instability as the impact of the new pipeline is fully absorbed by the sector.

Trading

The Trading division generated revenue of R27,1 billion (2011: R29,8 billion), a decline of 9% for 2012. Volumes decreased from 8,0 million tonnes in 2011 to 6,1 million tonnes in 2012, impacted by the disposal of 50% of the marine fuels business to Vitol as well as the combination of the coal trading books of Vitol and Grindrod into a joint venture.

The operating margin per tonne was up 17% to US$3,90 (R32,02) in 2012 from US$3,33 (R24,22) in 2011. Earnings were R113,5 million, up 12% on previous year after adjusting for the marine fuels joint venture.

Marine fuels performed exceptionally well, achieving a 35% increase in earnings on a comparative basis, through higher volumes, improved margins and changes to the product mix. The business continues to grow its global presence and secure further supply contracts. The Vitol joint venture concluded during the year provides the business with additional opportunities for growth with a number of initiatives underway.

The industrial raw materials business showed improvement in its core businesses in a difficult and turbulent year for demand, supply and credit availability. The unrest in the mining industry over the past year resulted in the three chrome recovery plants not being operational for over two months of the year. The coal trading joint venture with Vitol, combining the respective sub-Saharan coal trading businesses was concluded during 2012. The business performed well despite the lack of available coal to trade.

The agricultural commodity business had a challenging year impacted by unprecedented volatility in the global markets. The latter part of 2012 saw the development of a new growth strategy for what will be a significant and sustainable integrated value chain agricultural commodity business.

Outlook

The marine fuels business should see growth in volumes in its physical supply and broking businesses. Growth in volumes in the trading business may be undermined by the lack of credit in the market.

Demand for commodities is expected to be supported by urbanisation in China and India and tentative growth in the United States of America.

The long-term bull market for agricultural commodities remains intact. Demand for grains remains robust and any supply disruption will be met with large price spikes. Increased volume and growth in the agricultural commodity business is anticipated.

Shipping

The Shipping division's loss for the year of R169,7 million includes impairments of vessels of R173,3 million. The impairments made are based on value in use, in terms of the accounting policy and recognise the reduced residual value of the ships.

The division's drybulk business had a steady performance with the panamax ships continuing to generate profits under their fixed income charters, whilst the capesize ships benefited from a high level of contract cover. Losses were made on the handysize vessels due to the poor market and low level of contractual cover during 2012.

The ship operating businesses performed well on the back of steady volumes with the South African coastal tanker operation in particular, having a good year.

The tanker market remained challenging with losses on all sizes of vessels. Earnings on the product fleet improved in the second half of the year under the commercial agreement with Vitol.

As in previous years, average daily earnings achieved were above average spot rates for the year through forward contract cover, operational efficiencies and good pool performances.

During the year, a 28 000 dwt handysize bulk carrier was delivered into a joint venture. In addition, a purchase option on a 32 400 dwt handysize bulk carrier was exercised.

The shipping fleet decreased from 38,5 in 2011 to 36,5 in 2012. Forward contracts on 40% (weighted by revenue) of vessels in 2013 will lock in US$11 million of operating profit with 24% (weighted by revenue) of vessels already under contract for 2014.

Additional contract cover information and a fleet overview are included in the 2012 Additional information for investors and analysts presentation on www.grindrod.co.za.

Outlook

Commodity demand remains strong and world seaborne trade continues to grow.

The outlook for the dry cargo market remains weak due to the number, albeit reduced from 2012 levels, of new ships delivering into an already oversupplied market. On the positive side, scrapping of older drybulk tonnage continues at historical record levels and there is a sharp drop in newbuilding orders. This is leading in particular on the smaller size ships, to a rebalancing of the supply/demand equation.

There are signs of demand recovery in the products market which is resulting in improved tanker rates.

The owned and long-term chartered fleet had a good level of cover for 2013 which combined with ship operating activities should mitigate against any further market weakness.

Financial Services

Financial Services earnings of R65,1 million represented an increase of 11,5% (2011: R58,4 million). The year’s performance was driven by a strong performance from the Banking division, with both net interest margin and fee income ahead of expectations, good profits in the Investment Banking portfolio and a growing contribution of annuity revenue from the Asset Management division.

In April 2012, the South African Social Security Agency (SASSA) project commenced in conjunction with Net1. This is a significant undertaking for the Bank with 5,5 million cards having been issued to government grant recipients at 31 December 2012.

The Bank’s credit and liquidity position remains sound with nominal bad debts for the period and a healthy cash liquidity surplus. Bank deposits increased 60% to R4,7 billion (including R1,7 billion of SASSA funding) and advances increased 25% to R3,2 billion.

In March 2012, the Bank launched its first Exchange Traded Fund (ETF), Prefex, a preference share ETF which has grown to over R209 million. Total assets under management increased 77% to R11 billion, following the purchase of Plexus Asset Management. The performance of the core underlying portfolios and products was particularly pleasing.

In September 2012, the Bank increased its funding base by R500 million through the listing of a three year bond on the JSE at 180 basis points above JIBAR.

Outlook

Fees from the increased card base will become meaningful in 2013, while low levels of corporate activity continue to place pressure on corporate finance fees. Financial Services will continue to focus on well secured loans with low risk of default and growth in assets under management.

Basis of preparation

The condensed consolidated financial information has been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the listing requirements of the JSE Limited, the information as required by IAS 34: Interim Financial Reporting and the requirements of the South African Companies Act 71 of 2008. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 31 December 2012.

These condensed consolidated annual financial statements were approved by the board of directors on 26 February 2013.

Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the condensed consolidated annual financial statements are in terms of IFRS and are consistent with those of the consolidated annual financial statements for the year ended 31 December 2011.

Audit opinion

The auditors, Deloitte & Touche have issued their opinion on the group's financial statements for the year ended 31 December 2012.

The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These condensed consolidated annual financial statements have been derived from the group financial statements and are consistent in all material respects with the group financial statements. A copy of their audit report is available for inspection at the company's registered office.

Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

The auditor's report does not necessarily cover all of the information contained in this announcement/ financial report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of that report together with the accompanying financial information from the registered office of the company.

Directorate/executive

Messrs JJ Durand and PJ Liddiard (as alternate) were appointed to the board with effect from 9 May 2012 due to the tragic loss of Mr MH Visser on 26 April 2012. Mr Visser's contribution will be missed by the group.

Messrs AC Brahde and GG Gelink were appointed to the board with effect from 1 January 2013.

Mr WP Hartmann, responsible for the Trading division, was appointed to the executive committee on 1 June 2012 following the resignation of Mr AF Stewart from the board on 31 May 2012. The board of directors express appreciation for Mr Stewart's contribution.

Ms B Ntuli was appointed to the executive committee in the position of Executive of Corporate Services on 1 December 2012.

Mr CAS Robertson resigned as Company Secretary on 1 February 2013 and was replaced by Mrs CI Lewis.

Post balance sheet events

There are no material post balance sheet events to report.

Prospects

Grindrod is well positioned for growth, however drybulk shipping markets are likely to remain under pressure which will continue to impact the shipping earnings.

For and on behalf of the board

IAJ Clark
Chairman

AK Olivier
Chief Executive Officer

DECLARATION OF FINAL DIVIDEND

Preference dividend

Notice is hereby given that a gross final dividend of 379,0 cents per cumulative, non-redeemable, non-participating and non-convertible preference share (2011: 363,0 cents) has been declared for the year ended 31 December 2012, payable to preference shareholders in accordance with the timetable.

In terms of the dividend tax effective 1 April 2012, the following additional information is disclosed:

- The local dividend tax rate is 15%;
- No secondary tax on companies (STC) credits will be utilised for the final preference dividend;
- 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares are in issue;
- The net preference dividend is 322,15000 cents per share for preference shareholders who are not exempt from dividends tax; and
- Grindrod Limited's tax reference number is 9435/490/71/0.

Ordinary dividend

Notice is hereby given that a gross final dividend of 15,4 cents per ordinary share (2011: 12,0 cents) has been declared for the year ended 31 December 2012, payable to ordinary shareholders in accordance with the timetable.

In terms of the dividend tax effective 1 April 2012, the following additional information is disclosed:

- The local dividend tax rate is 15%;
- STC credits of 1,48784 cents per share will be utilised for the final ordinary dividend;
- 599 665 314 ordinary shares are in issue;
- The net ordinary dividend is 13,31318 cents per share for ordinary shareholders who are not exempt from dividends tax; and
- Grindrod Limited's tax reference number is 9435/490/71/0.

DECLARATION OF FINAL DIVIDEND continued…

Timetable

Last day to trade cum-dividend	Thursday, 14 March 2013
Shares commence trading ex-dividend	Friday, 15 March 2013
Record date	Friday, 22 March 2013
Dividend payment date	Monday, 25 March 2013

No dematerialisation or rematerialisation of shares will be allowed for the period Friday, 15 March 2013 to Friday, 22 March 2013, both days inclusive.

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

By order of the board

CI Lewis
Group Company Secretary
26 February 2013

CORPORATE INFORMATION

Directors

IAJ Clark (Chairman)*, AK Olivier (Chief Executive Officer), H Adams**, AC Brahde** *(Norwegian),* JJ Durand*, MR Faku*, WD Geach**, GG Gelink**, IM Groves**, MJ Hankinson**, PJ Liddiard (Alternate)*, DA Polkinghorne, DA Rennie, MR Wade *(British),* AG Waller (Group Financial Director), SDM Zungu**

*Non-executive, ** Independent non-executive

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Registration number: 1966/009846/06

Incorporated in the Republic of South Africa

Share code: GND & GNDP

ISIN: ZAE000072328 & ZAE000071106

For more information, please refer to **www.grindrod.co.za**

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