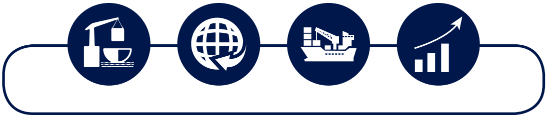
GRINDROD LIMITED

Angola
Australia
Botswana
Brazil
Canada
China
Congo
Brazzaville
Denmark
Democratic
Republic of
Congo
Ecuador
France
Ghana
Hong Kong
Isle of Man
Japan
Kenya
Korea
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Namibia
The Netherlands
Nigeria
Peru
Sierra Leone
Singapore
South Africa
Swaziland
Tanzania
Ukraine
United Arab Emirates
United Kingdom
USA
Zambia
Zimbabwe

UNAUDITED INTERIM RESULTS AND DIVIDEND ANNOUNCEMENT

for the six months ended 30 June 2013

an integrated business



FEATURES

- Headline earnings per share increased **29%** to 76,2 cents (H1 2012: 58,9 cents)
- Earnings per share decreased **12%** to 90,2 cents (H1 2012: 103,1 cents), largely due to the profit of R414,9 million on sale of 35% of the Maputo coal terminal in the prior period
- Gross interim ordinary dividend per share increased **14%** to 20,0 cents (H1 2012: 17,5 cents)
- Freight Services earnings from trading activities increased **75%** to R299,9 million (H1 2012: R171,7 million)
- Financial Services earnings increased **120%** to R47,8 million (H1 2012: R21,7 million)

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Unaudited 30 June 2013 R000	Unaudited 30 June 2012# R000	Audited 31 December 2012* R000
Revenue	**6 980 782**	18 785 950	27 262 223
Earnings before interest, taxation, depreciation and amortisation	**535 360**	546 705	929 904
Depreciation and amortisation	**(218 356)**	(196 714)	(412 430)
Operating profit before interest and taxation	**317 004**	349 991	517 474
Non-trading items	**83 964**	239 318	199 689
Interest received	**75 497**	100 816	206 941
Interest paid	**(119 164)**	(119 425)	(227 398)
Profit before share of joint venture and associate companies' profit	**357 301**	570 700	696 706
Share of joint venture companies' profit after taxation	**294 423**	189 263	340 029
Share of associate companies' profit after taxation	**10 648**	5 843	9 385
Profit before taxation	**662 372**	765 806	1 046 120
Taxation	**(76 184)**	(124 833)	(140 828)
Profit for the period	**586 188**	640 973	905 292
Attributable to:			
Ordinary shareholders	**533 197**	608 439	836 745
Preference shareholders	**27 450**	29 223	57 297
Owners of the parent	**560 647**	637 662	894 042
Non-controlling interests	**25 541**	3 311	11 250
	586 188	640 973	905 292
Exchange rates (R/US$)			
Opening exchange rate	**8,48**	8,11	8,11
Closing exchange rate	**9,93**	8,34	8,48
Average exchange rate	**9,23**	7,95	8,22

		Unaudited 30 June 2013 R000	Unaudited 30 June 2012# R000	Change %	Audited 31 December 2012*# R000
Reconciliation of headline earnings					
Profit attributable to ordinary shareholders		**533 197**	608 439	(12)	836 745
Adjusted for:		**(82 703)**	(260 709)		(231 117)
Impairment of goodwill		**–**	–		21 045
Impairment of other investments		**–**	8 274		11 208
Impairment of ships, plant, intangibles and equipment		**–**	116 686		178 648
Net profit on disposal of investments		**(83 006)**	(386 668)		(410 245)
Net (profit)/loss on disposal of plant and equipment		**(952)**	1 012		2 023
FCTR adjustment on disposal of investment		**(6)**	(13 853)		(33 965)
Joint ventures:					
Negative goodwill realised		**(5 920)**	–		–
Net profit on disposal of plant and equipment		**(53)**	–		–
Impairment of ships, plant and equipment		**–**	13 840		20 305
Total taxation effects of adjustments		**7 234**	–		(20 136)
Headline earnings		**450 494**	347 730	29	605 628
Ordinary share performance					
Number of shares in issue less treasury shares	(000's)	**590 986**	590 336		590 486
Weighted average number of shares (basic)	(000's)	**590 870**	590 081		590 097
Diluted weighted average number of shares	(000's)	**593 519**	590 465		592 728
Earnings per share	(cents)				
Basic		**90,2**	103,1	(12)	141,8
Diluted		**89,8**	103,0		141,2
Headline earnings per share	(cents)				
Basic		**76,2**	58,9	29	102,6
Diluted		**75,9**	58,9		102,2
Dividends per share	(cents)	**20,0**	17,5		32,9
Interim		**20,0**	17,5	14	17,5
Final		**–**	–		15,4
Dividend cover	(times)	**4,5**	5,9		4,4

* *Restated due to the application of IAS 19 Employee Benefits, as amended.*

\# *Restated due to compliance with the Headline Earnings Circular 2/2013.*

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Unaudited 30 June 2013 R000	Unaudited 30 June 2012 R000	Audited 31 December 2012* R000
Profit for the period	**586 188**	640 973	905 292
Other comprehensive income			
Exchange differences on translating foreign operations	**1 200 000**	162 936	263 750
Cash flow hedges	**(523)**	(3 375)	(7 204)
Business combination release	**–**	–	5 998
Actuarial gains	**–**	–	16 521
Fair value loss arising on available-for-sale instruments	**(25 029)**	–	(25 000)
Total comprehensive income for the period	**1 760 636**	800 534	1 159 357
Total comprehensive income attributable to:			
Owners of the parent	**1 727 324**	790 744	1 145 519
Non-controlling interest	**33 312**	9 790	13 838
	1 760 636	800 534	1 159 357

** Restated due to the application of IAS 19 Employee Benefits, as amended.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Unaudited 30 June 2013 R000	Unaudited 30 June 2012 R000	Audited 31 December 2012 R000
Ships, property, terminals, vehicles and equipment	**6 382 383**	5 396 345	5 443 757
Investment property	**122 785**	26 526	33 826
Intangible assets	**815 872**	651 922	679 643
Investments in associates	**566 745**	69 319	512 646
Investments in joint ventures	**2 234 742**	1 537 893	1 668 233
Deferred taxation	**109 058**	61 007	107 435
Other investments and derivative financial assets	**314 894**	367 566	325 888
Recoverables on cancelled ships	**222 545**	374 267	379 050
Total non-current assets	**10 769 024**	8 484 845	9 150 478
Loans and advances to bank customers	**3 606 323**	2 413 115	3 188 454
Liquid assets and short-term negotiable securities	**432 505**	200 971	626 378
Short-term loans	**638 888**	872 301	518 819
Bank balances and cash	**3 146 578**	3 810 059	4 226 367
Other current assets	**4 576 329**	4 065 097	4 089 390
Non-current assets held for sale	**277 916**	72 607	273 615
Total assets	**23 447 563**	19 918 995	22 073 501
Shareholders' equity	**11 733 480**	9 913 596	10 114 356
Non-controlling interests	**123 984**	99 668	126 533
Total equity	**11 857 464**	10 013 264	10 240 889
Interest-bearing borrowings	**1 998 180**	2 061 375	2 028 392
Financial services funding instruments	**881 903**	325 733	813 947
Deferred taxation	**152 985**	153 098	147 004
Other non-current liabilities	**154 357**	87 477	108 037
Total non-current liabilities	**3 187 425**	2 627 683	3 097 380
Deposits from bank customers	**3 816 019**	3 901 667	4 661 346
Current interest-bearing borrowings	**2 521 976**	1 834 915	1 987 398
Financial services funding instruments	**241 979**	–	193 519
Other liabilities	**1 707 058**	1 541 466	1 741 914
Non-current liabilities associated with assets held for sale	**115 642**	–	151 055
Total equity and liabilities	**23 447 563**	19 918 995	22 073 501
Net worth per ordinary share – at book value (cents)	**1 860**	1 554	1 609
Net debt:equity ratio	**0,12:1**	0,05:1	0,07:1
Capital expenditure	**671 442**	322 018	1 209 563
Capital commitments	**1 421 000**	1 755 000	647 324
Authorised by directors and contracted for	**1 014 000**	1 574 000	185 857
Due within one year	**535 000**	1 469 000	185 857
Due thereafter	**479 000**	105 000	–
Authorised by directors, not yet contracted for	**407 000**	181 000	461 467

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Unaudited 30 June 2013 R000	Unaudited 30 June 2012 R000	Audited 31 December 2012 R000
Operating profit before working capital changes	**388 486**	451 654	890 190
Working capital changes	**(58 809)**	438 976	532 465
Cash generated from operations	**329 677**	890 630	1 422 655
Net interest (paid)/received	**(43 667)**	25 108	(20 457)
Net dividends paid	**(120 053)**	(62 355)	(215 472)
Taxation paid	**(77 084)**	(43 079)	(101 985)
	88 873	810 304	1 084 741
Net bank advances to customers and other short-term negotiables	**(1 069 323)**	555 896	667 876
Net cash flows (utilised in)/generated from operating activities before ships sales and purchases	**(980 450)**	1 366 200	1 752 617
Refund on ships under construction cancelled	**205 718**	16 290	16 846
Capital expenditure on ships	**(182 937)**	(148 686)	(242 372)
Net cash flows (utilised in)/generated from operating activities	**(957 669)**	1 233 804	1 527 091
Acquisition of property, terminals, vehicles and equipment	**(468 980)**	(167 298)	(949 300)
Disposal/(acquisition) of other investments	**9 521**	(143 120)	(95 046)
Proceeds from disposal of property, terminals, vehicles, equipment and investments	**121 268**	568 448	499 936
Intangible assets acquired	**(19 525)**	(6 035)	(17 891)
Proceeds from disposal of intangible assets	**–**	3 180	–
Loans advanced to/(from) joint venture and associate companies	**47 733**	–	(73 186)
Acquisition of joint ventures	**–**	(321 492)	–
Net cash flows utilised in investing activities	**(309 983)**	(66 317)	(635 487)
Repurchase of ordinary share capital	**6 255**	5 900	7 839
Proceeds from disposal of treasury shares	**–**	–	2 989
Long-term interest-bearing debt raised	**365 784**	542 448	1 432 603
Payment of capital portion of long-term interest-bearing debt	**(541 325)**	(521 161)	(834 015)
Short-term interest-bearing debt raised/(repaid)	**226 350**	(362 046)	(126 514)
Net cash flows generated from/(utilised in) financing activities	**57 064**	(334 859)	482 902
Net (decrease)/increase in cash and cash equivalents	**(1 210 588)**	832 628	1 374 506
Cash and cash equivalents at beginning of the period	**4 250 250**	2 901 050	2 901 050
Difference arising on translation	**19 032**	(15 731)	(25 306)
Cash and cash equivalents at end of the period	**3 058 694**	3 717 947	4 250 250

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Unaudited 30 June 2013 R000	Unaudited 30 June 2012 R000	Audited 31 December 2012* R000
Share capital and share premium	**2 031 510**	2 020 387	2 025 255
Balance at beginning of the period	**2 025 255**	2 014 427	2 014 427
Share options exercised	**6 255**	5 960	7 839
Treasury shares sold	**–**	–	2 989
Preference share capital	**2**	2	2
Balance at beginning of the period	**2**	2	2
Equity compensation reserve	**46 251**	38 087	42 126
Balance at beginning of the period	**42 126**	37 947	37 947
Share-based payments	**4 125**	140	4 179
Foreign currency translation reserve	**2 201 207**	900 555	1 005 260
Balance at beginning of the period	**1 005 260**	744 098	744 098
Foreign currency translation adjustments	**1 195 947**	156 457	261 162
Other non-distributable reserves	**(67 235)**	(15 134)	(37 965)
Balance at beginning of the period	**(37 965)**	(11 759)	(11 759)
Fair value adjustment of available-for-sale financial instrument	**(25 029)**	–	(25 000)
Foreign currency translation adjustments	**(3 718)**	–	–
Cash flow hedge	**(523)**	(3 375)	(7 204)
Business combination release	**–**	–	5 998
Movement in accumulated profit	**7 521 745**	6 969 699	7 079 678
Balance at beginning of the period	**7 079 678**	6 432 054	6 432 054
Business acquisitions/(disposals)	**–**	–	(31 160)
Actuarial gains	**–**	–	16 521
Profit for the period	**560 647**	637 662	894 042
Ordinary dividends paid	**(91 130)**	(70 794)	(174 482)
Preference dividends paid	**(27 450)**	(29 223)	(57 297)
Total interest of shareholders of the company	**11 733 480**	9 913 596	10 114 356
Equity attributable to non-controlling interests of the company	**123 984**	99 668	126 533
Balance at beginning of the period	**126 533**	94 336	94 336
Foreign currency translation adjustments	**7 771**	6 479	2 588
Business acquisitions/(disposals)	**(34 000)**	–	23 397
Non-controlling interest disposed	**–**	–	2 849
Profit for the period	**25 541**	3 311	11 250
Dividends paid	**(1 861)**	(4 458)	(7 887)
Total equity attributable to shareholders of the company	**11 857 464**	10 013 264	10 240 889

** Restated due to the application of IAS 19 Employee Benefits, as amended.*

SEGMENTAL ANALYSIS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Unaudited 30 June 2013 R000	Unaudited 30 June 2012 R000	Audited 31 December 2012* R000
Revenue			
Freight Services	**2 375 855**	1 853 166	3 929 411
Trading	**10 263 220**	15 496 462	27 074 222
Shipping	**1 914 174**	2 213 782	4 009 832
Financial Services	**155 917**	94 331	252 686
Group	**1 358**	322	911
	14 710 524	19 658 063	35 267 062
Segmental adjustments#	**(7 729 742)**	(872 113)	(8 004 839)
	6 980 782	18 785 950	27 262 223
Earnings before interest, taxation, depreciation and amortisation			
Freight Services	**577 581**	358 112	730 048
Trading	**32 908**	197 380	258 660
Shipping	**287 239**	158 289	311 759
Financial Services	**80 093**	43 998	127 702
Group	**(10 543)**	6 101	(37 925)
	967 278	763 880	1 390 244
Segmental adjustments#	**(431 918)**	(217 175)	(460 340)
	535 360	546 705	929 904
Operating profit/(loss) before interest and taxation			
Freight Services	**463 200**	252 613	510 137
Trading	**24 618**	188 699	241 815
Shipping	**137 228**	46 951	68 523
Financial Services	**79 054**	43 432	126 380
Group	**(12 514)**	4 596	(41 557)
	691 586	536 291	905 298
Segmental adjustments#	**(374 582)**	(186 300)	(387 824)
	317 004	349 991	517 474
Share of associate companies' profit/(loss) after taxation			
Freight Services	**12 031**	5 843	10 200
Trading	**(1 383)**	–	(815)
	10 648	5 843	9 385
Profit/(loss) attributable to ordinary shareholders			
Freight Services	**375 694**	580 225	793 540
Trading	**711**	96 172	113 546
Shipping	**106 166**	(121 061)	(167 284)
Financial Services	**47 843**	21 727	65 145
Group	**2 783**	31 376	31 798
	533 197	608 439	836 745

**Restated due to the application of IAS 19 Employee Benefits, as amended.*

 # 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.

BUSINESS REVIEW

Overview

The first half of 2013 recorded solid performances across Grindrod. The management and staff continually adapt to the dynamic business environment, delivering sustainable profit and long-term growth for Grindrod shareholders.

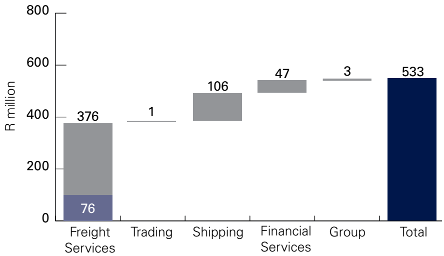
Within the Freight Services division, Ports, Terminals and Rail reported exceptional growth in profits and expanded operational capacity. Logistics businesses were well ahead of the prior year and continue to reposition the Automotive and Petrochemical transport businesses.

In Trading, Marine Fuels reported increased volumes and profit. The Industrial commodities business remained profitable despite the reduced commodity volumes. Agricultural commodity volumes were deliberately restrained to counter the effect of the inverted market.

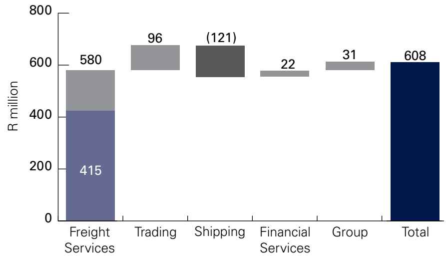
Shipping reported a profit with improved earnings from tankers and the Unical tanker operating business. The drybulk market remains poor.

Financial Services continued its good earnings growth.

H1 2013 Attributable income by division



H1 2012 Attributable income by division



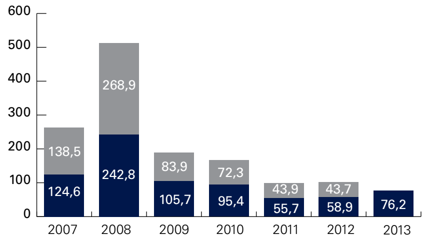
Revenues are not comparable due to the sale of 50% of Cockett in June 2012.

The group's attributable earnings were R533,2 million (H1 2012: R608,4 million). This represents a 12% decrease in earnings which includes the non-trading profit of R75,8 million on the Grindrod Tank Terminals business and in the prior year a profit of R414,9 million on the sale of 35% of the Maputo coal terminal.

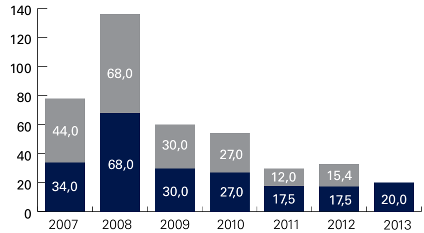
Headline earnings of R450,5 million were up by 29% (H1 2012: R347,7 million). Headline earnings per share increased by 29% to 76,2 cents (H1 2012: 58,9 cents per share). Prior year headline earnings were restated to exclude the compensation for impairment of Ocean Africa Container Lines (Pty) Ltd in compliance with the new Headline Earnings Circular 2/2013.

An interim ordinary dividend of 20,0 cents per share (H1 2012: 17,5 cents per share) has been declared.

Headline earnings per share (cents)



Dividends/distribution per share (cents)



H1 H2

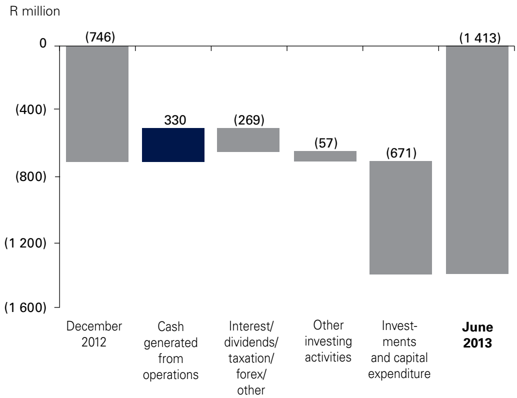
Statement of financial position

As at 30 June 2013, the total number of ordinary shares in issue is 600 165 314. 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 29 May 2013.

Equity increased by R1,8 billion largely from an increase in foreign currency translation of R1,2 billion and the attributable earnings of R560,7 million.

The group's balance sheet remains sound with total assets of R23,4 billion (December 2012: R22,1 billion). The net debt:equity ratio has increased to 12% as at 30 June 2013 (December 2012: 7%) following investments and capital expenditure.

Net debt analysis



Capital expenditure and commitments

Total capital expenditure for the six months to 30 June 2013 was R1,0 billion. Subsidiary capital expenditure and investment for the six months to 30 June 2013 amounted to R671,4 million (H1 2012: R322,0 million), of which 80% was expansionary and the balance maintenance or replacement capital expenditure. The capital expenditure mainly comprised payments on two product tankers, four drybulk ships, the Maputo coal terminal Phase 3,5 expansion project, locomotives, car terminal expansion and fleet investment.

Future capital continues to be committed to the expansion of terminal capacity, rail infrastructure, locomotives and ships. The commitments exclude the planned expansion of the terminal capacity in Maputo and Richards Bay as well as the development of a bulk liquid storage facility at Coega, each of which is subject to final board consideration.

(R million)	Capital expenditure H1 2013	H2 2013	Capital commitments 2014	2015	2016+	Total	Split as follows Approved not contracted	Approved and contracted
Freight Services	**431**	**786**	**83**	**20**	**7**	**896**	**397**	**499**
Ports and Terminals	188	368	20	20	–	408	391	17
Rail	85	146	23	–	–	169	–	169
Logistics	158	272	40	–	7	319	6	313
Trading	**38**	**64**	**1**	**1**	**2**	**68**	**42**	**26**
Shipping	**422**	**258**	**202**	**312**	**–**	**772**	**–**	**772**
Financial Services	**105**	**28**	**–**	**–**	**–**	**28**	**–**	**28**
Group	**37**	**3**	**–**	**–**	**–**	**3**	**3**	**–**
	1 033	**1 139**	**286**	**333**	**9**	**1 767**	**442**	**1 325**
Split as follows:								
Subsidiary	671	802	284	333	2	1 421	407	1 014
Joint venture	362	337	2	–	7	346	35	311

Cash flow and borrowings

Operating profit before working capital adjustments was R388,5 million (H1 2012: R451,7 million). The group's working capital position reflects a net outflow for the period of R58,8 million.

The group has adequate funding for all capital commitments through its cash resources and bank facilities.

Divisional operating reviews

Freight Services

The division contributed earnings of R375,7 million which included a profit on the sale of Grindrod Tank Terminals to Oiltanking Grindrod Calulo Holdings of R75,8 million. Current earnings from trading activities before the profit on sale was R299,9 million, which reflected a 75% growth on the prior period's trading performance.

Ports, Terminals and Rail

Ports, Terminals and Rail achieved earnings from trading activities of R250,5 million before the profit on sale of Grindrod Tank Terminals (H1 2012: R138,8 million before the profit on sale of Maputo coal terminal), a growth of 81% on the prior period.

On 18 February 2013, a derailment on the Ressano Garcia railway line resulted in the collapse of the Tenga bridge and subsequent line closure which lasted for 60 days. The resulting 1,2 million tonnes lost tonnage was partially offset by insurance proceeds. The line was fully operational by 26 April 2013 with volume ramp-up progressing ahead of expectation.

The Maputo coal terminal Phase 3,5 expansion project was commissioned in July 2013. This project will increase the terminal's throughput capacity by 1,3 to 7,3 million tonnes per annum.

Key work-streams on the Phase 4 development of the Maputo coal terminal, Coega tank terminal and Navitrade in Richards Bay are progressing as planned.

Strong performances were reported from the Maputo car and sized coal terminals.

The Rail business is starting to perform to expectation. As at 30 June the leasing business had 60 locomotives on lease to various mining houses. The rail engineering business manufactured and rebuilt a total of 23 locomotives for various customers in sub-Saharan Africa. Production capability is now 100 locomotives per annum.

The performance of the New Limpopo Bridge Projects rail concession in Zimbabwe and Zambia and the Gear rail control, communication and signalling businesses are in line with expectations. The offer to shareholders to acquire shares in RACEC Limited will further strengthen Grindrod's position in the rail value chain.

Logistics

Logistics earnings from trading activities of R49,4 million (H1 2012: R32,9 million) were 50% higher than prior period, driven by strong results in the freight handling businesses.

Intermodal and Clearing and Forwarding continued to perform well, with the Automotive and Petrochemical transport operations much improved. The Petrochemical transport sector in South Africa was impacted by excess capacity following the commissioning of the Transnet fuel pipeline between Durban and Johannesburg. Outperformance from Petrologistics in Botswana and the expansion into Mozambique and Namibia will mitigate the impact.

The merger of Grindrod and Sturrock ships agency in a 50:50 joint venture is complete following the Competition Commission approval in Namibia.

Outlook

Performance at Ports, Terminals and Rail is expected to further improve during the second half of this year. The depressed coal market is expected to continue in the short to medium term, hampering coal exports. Magnetite will increasingly underpin performance at Maputo terminals as the market fundamentals of iron ore and steel, continue to support exports. The outlook for the Rail business is positive due to a good manufacturing order book and increased opportunities as the business integration delivers a competitive offering in a sector which is showing exciting growth prospects.

Challenges in the Logistics business segment continue. There is, however, a positive outlook for the Automotive business in the second half of this year as a result of a focus to improve utilisation of the Maputo corridor and storage facilities. Performance at the Petrochemical business will be supported by the expected increase in demand for fuel supply in Botswana, finalisation of the expansion into Mozambique and the consolidation of operations in Namibia.

Trading

The Trading division generated earnings of R0,7 million. The Marine Fuels business produced volume growth in the first half of 2013 despite the tough trading period, characterised by compressed margins and slower demand from the market. The business continues to grow its global presence with a group of brokers joining Cockett in the United States during the period.

Weak global and domestic industrial commodity pricing led to margin pressure in all ferrous and ferro alloy products. The 2012 mining strikes and unrest led to a decline in chrome shipments in the first half of 2013. Coal trading performed well, despite the lack of available coal to trade.

Earnings in the Agricultural business were disappointing. As a result of the volatile and inverted agricultural markets, the business embarked on a deliberate strategy to limit volumes traded in the first half of 2013. This resulted in losses for the period due to an inability to cover overheads. The business continues to transform from a pure trading company to a fully integrated agricultural business with investments made in businesses operating oilseed crushing plants, maize and wheat mills.

Outlook

The Marine Fuels business is expected to perform reasonably well as it grows its business in difficult market conditions.

A strategic alliance concluded in the Oreport business will provide the business with additional opportunities for growth.

The restructure and repositioning of the Agricultural business will continue.

Shipping

The Shipping division's earnings of R106,2 million is a significant improvement on the R121,1 million loss in the first half of 2012.

While rates achieved in the tanker segment were higher than the corresponding period in the previous year, drybulk rates achieved were all lower.

The medium-range product tankers under Vitol commercial management produced above market earnings.

The Ship Operating businesses, in particular the South African coastal tanker operation, Unical, performed well on the back of steady volumes.

As in previous periods, average daily earnings achieved were above average spot rates due to forward contract cover, operational efficiencies and good pool performances.

Profits were assisted through the settlement negotiated on cancelled long-term chartered chemical tankers, while the default on a panamax bulk carrier negatively impacted earnings.

During the period, a 32 750 dwt handysize bulk carrier and in a joint venture, a 51 800 dwt eco fuel efficient Korean product tanker were delivered. In addition, two long-term charter eco fuel efficient 52 000 dwt product tankers were delivered.

Orders were placed for the acquisition of three eco fuel efficient handysize bulk carriers and the long-term charters of four eco fuel efficient supramax bulk carriers, all for delivery in 2014 and 2015.

The shipping fleet decreased from 36,5 at December 2012 to 35 in June 2013.

Outlook

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

Demand is recovering in the products market which, when allied to minimal deliveries of newbuilding vessels, is resulting in sharply improved tanker rates.

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 high levels and the newbuilding order book going forward is limited. This is leading to a rebalancing of the supply/demand equation, in particular on the smaller size ships.

The owned and long-term chartered fleet has a reasonable level of cover for the remainder of 2013, combined with solid ship operating forecast earnings. Forward contracts on 36% (weighted by revenue) of vessels in the second half of 2013 will lock in US$1,6 million of operating profit, with 22% (weighted by revenue) of vessels already under contract for 2014, resulting in contracted operating profits of US$8,5 million.

Financial Services

The Financial Services division's attributable earnings of R47,8 million are 120% better than the first half of 2012. The first half performance was driven by strong earnings from the Banking division, with both net interest margin and fee income ahead of expectations, as well as a growing contribution of annuity revenue from the Asset Management and Retail businesses.

The Bank's credit and liquidity positions remain solid for the period and a healthy cash liquidity surplus. In the first half of the year, core funding increased by 14% to R4,1 billion and advances increased by 13,1% to R3,6 billion from December 2012.

Assets under management in both the preference share portfolios and the Exchange Traded Funds remain steady with revenue in line with budget. Total assets under management are up 12% from December 2012 to R12,3 billion. Performance in the majority of funds managed by Grindrod Asset Management exceeded benchmarks.

In April 2012, the South African Social Security Agency (SASSA) project commenced. This involved significant undertaking for the Bank, with currently 9,7 million account holders having been issued with bank cards.

Outlook

Financial Services is currently positioned for a strong second half performance as it is relatively well insulated from the continuing credit problems facing global financial markets. Increasing regulatory requirements, particularly with respect to liquidity, will increase the cost pressures in the sector and inevitably reduce overall net interest margins. The growing level of annuity-based income will, however, counter these costs to some extent and also reduce the historic volatility in earnings from this division.

Fee income from an increased card base is expected to be significant, while low levels of corporate activity place pressure on corporate finance fees. Focus will continue on well-secured loans with low risk of default and maintaining a good interest margin. Strong fund performance is expected to continue to attract new assets under management and growth in the Exchange Traded Fund market is anticipated.

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 Listings 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 group has complied with IAS 19 Employee Benefits (as amended 2011) and Headline Earnings Circular 2/2013 (as revised in 2013). The net impact on earnings of the application of IAS 19 Employee Benefits is nil for the six months ended 30 June 2012 and R16,5 million for the 12 months ended 31 December 2012. In terms of the new Headline Earnings Circular 2/2013, headline earnings have been restated (30 June 2012: R61,9 million and 31 December 2012: R97,4 million) to exclude compensation for impairment in Ocean Africa Container Lines (Pty) Ltd.

The accounting for the acquisitions and disposals made by the group has been provisionally determined as at 30 June 2013. The group disposed of net assets of R19,7 million during the period. At the date of finalisation of these results, the necessary market values and other calculations had not been finalised and they have therefore been provisionally determined based on the directors' best estimates of the likely values.

The unaudited interim results have been prepared under the supervision of the Group Financial Director, AG Waller, CA(SA).

Statements contained throughout this announcement regarding the prospects of the group have not been reviewed or reported on by the group's external auditors.

These condensed consolidated unaudited interim results were approved by the board of directors on 30 August 2013.

Change in directorate

As a result of his relocation to Shanghai, Mr PJ Liddiard (as alternate to Mr JJ Durand) resigned from the board on 29 August 2013. The board of directors expresses its appreciation for his contribution and wishes him well with his future endeavours. Mr PJ Uys was appointed to the board as alternate to Mr JJ Durand with effect from 30 August 2013. Mr Uys joined Remgro in 2013 from Vodacom Group (Pty) Ltd where he was Group Chief Executive Officer. Mr Uys acts as director for a number of companies and brings a wealth of experience and expertise to the board.

Prospects

Grindrod is well positioned for growth.

For and on behalf of the board

IAJ Clark
Chairman

AK Olivier
Chief Executive Officer

DECLARATION OF INTERIM DIVIDENDS

Preference dividend

Notice is hereby given that an interim gross dividend of 371,0 cents per cumulative, non-redeemable, non-participating and non-convertible preference share (H1 2012: 395,0 cents) has been declared for the six-month period ended 30 June 2013, payable to preference shareholders in accordance with the timetable below.

In terms of the dividend tax effective 1 April 2013, the following additional information is disclosed:

- The local dividend tax rate is 15%;
- No STC credits will be utilised for the interim preference dividend;
- 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares are in issue;
- The net preference dividend is 315,350 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 an interim gross dividend of 20,0 cents per share (H1 2012: 17,5 cents) has been declared for the six-month period ended 30 June 2013, payable to ordinary shareholders in accordance with the timetable below.

In terms of the dividend tax effective 1 April 2013, the following additional information is disclosed:

- The local dividend tax rate is 15%;
- No STC credits will be utilised for the interim ordinary dividend;
- 600 165 314 ordinary shares are in issue;
- The net ordinary dividend is 17,000 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.

Timetable

Last day to trade cum dividend	Thursday, 19 September 2013
Shares commence trading ex dividend	Friday, 20 September 2013
Record date	Friday, 27 September 2013
Dividend payment date	Monday, 30 September 2013

No dematerialisation or rematerialisation of shares will be allowed for the period Friday, 20 September 2013, to Friday, 27 September 2013, both days inclusive.

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

By order of the board

Mrs CI Lewis
Group Company Secretary
30 August 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#, DA Polkinghorne, DA Rennie, PJ Uys (Alternate)*, MR Wade (British), AG Waller, 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** www.grindrod.co.za