GRINDROD LIMITED

Shipping • Freight • Trading • Financial

Proposed R2 billion capital raising supported by Remgro

20 September 2011

Highlights

- Landmark transaction to facilitate the next stage in Grindrod's corporate development
- Proposed R2 billion capital raising supported by Remgro at a premium to market
- Introduction of Remgro as a long-term shareholder and provider of growth capital
- Innovative implementation mechanism
  - Fresh issue of new Grindrod ordinary shares to Remgro at a premium to 30-day VWAP up to and including 19 August 2011 (R13.79)
  - Non-renounceable offer by Remgro to qualifying Grindrod shareholders to subscribe for the new Grindrod ordinary shares in its stead
- Proceeds will be used to reinforce Grindrod's balance sheet in order to fund Grindrod's exciting pipeline of growth projects
- Board recommended

Support sought for the initiatives set out in this document

Proposed transaction and salient terms

Proposed transaction structure	▪ Issue and allotment of 133 333 334 new Grindrod ordinary shares to Remgro ▪ Approximately 22.3% of post-issue ordinary share capital of Grindrod
Proposed subscription price	▪ R15 per new Grindrod ordinary share ▪ Implied 8.8% premium to 30-day VWAP up to and including 19 August (day prior to cautionary announcement) ▪ Implied 5.4% premium to 120-day VWAP up to and including 19 August
Remgro offer	▪ Offer extended by Remgro directly to qualifying Grindrod shareholders (Grindrod not a party) ▪ Non-renounceable right to subscribe for the new Grindrod ordinary shares in Remgro's stead ▪ Entitlement to 28.6657 new ordinary shares for every 100 Grindrod shares held at the relevant record date ▪ Capable of partial acceptance
Board representation	▪ One non-executive director nominated by Remgro to be appointed to the Grindrod board ▪ Subject to confirmation at the next Grindrod AGM (May 2012)
Lock-up and Disposal	▪ 18 months, if Remgro holds more than 7.5% of the post-issue ordinary share capital of Grindrod ▪ Post lock-up period, Remgro to notify the Grindrod board of its intention to sell
Conditions precedent	▪ Grindrod shareholder approval in general meeting (75% majority) ▪ JSE approval for the listing of new Grindrod ordinary shares ▪ No material adverse change prior to the subscription date (15% drop in the MSCI World Index notified by Remgro)
Irrevocable undertakings	▪ Irrevocable undertaking from investment holding companies controlled by the Grindrod family (representing 18% of the pre-issue ordinary share capital of Grindrod) to (1) vote in favour of all resolutions to be proposed at the general meeting and (2) not to accept the Remgro offer

Rationale is in line with Grindrod's strategy

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Stated objective of being an integrated logistics service provider

Reinforces balance sheet strength

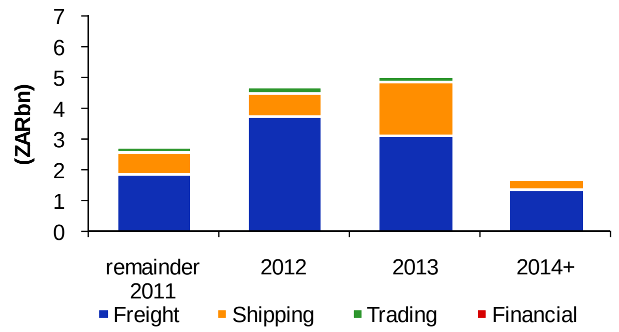
- Significant capital raising to reinforce Grindrod's balance sheet
- Pro forma net debt-to-equity equal to 10.8% post transaction
- Enable the acceleration of Grindrod's significant capex programme over the next five years
- Maintain adequate financial flexibility to respond to new opportunities as and when they arise

In line with stated strategy

- Stated strategy of becoming a fully integrated freight and logistics services provider
- Development of strategically positioned Port and Terminal capacity positions the group for accelerated growth
- Shipping remains key to the stated strategy and opportunity
- Ability to offer full end-to-end services a key competitive advantage resulting in improved returns

Accelerate exciting capital project pipeline

- Shipping markets remain depressed
- Opportune time to accelerate an exciting R10 billion plus capital project pipeline that will further diversify the group's portfolio of businesses
- Substantial envisaged investment in strategically positioned Ports and Terminals capacity, in particular, phase 4 of the Maputo Coal Terminal
- Continued investment in shipping, logistics and trading businesses



Rationale for introducing Remgro

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Attractions of Remgro	▪ Pre-eminent investor in corporate South Africa highly regarded by the market ▪ Track record of support and being an involved but non-intrusive shareholder ▪ Long-term outlook ▪ No conflict of interests
Value proposition specific to Grindrod	▪ Introduction of a strong supportive shareholder ▪ Strong endorsement of Grindrod's strategy and prospects ▪ Access to strategic insight and technical competence ▪ Shared vision regarding Grindrod's growth strategy in Ports and Terminals ▪ Access to significant financial resources
Benefits of the Remgro proposal	▪ Facilitates a certain and efficient capital raising ▪ Issue of new ordinary shares at a premium ▪ Accompanying offer on same terms made to Grindrod shareholders to manage dilution ▪ Partial acceptance allowed ▪ Expedited implementation timetable
Resultant shareholding	▪ Shareholding of between 4.0% and 22.3% of the post-issue ordinary share capital of Grindrod as a result of the subscription - No acceptance of the Remgro offer, Remgro will retain a 22.3% shareholding - Full acceptance of the Remgro offer (excluding the Grindrod family), Remgro will retain a 4.0% shareholding

Potential shareholding development and *pro forma* financial effects

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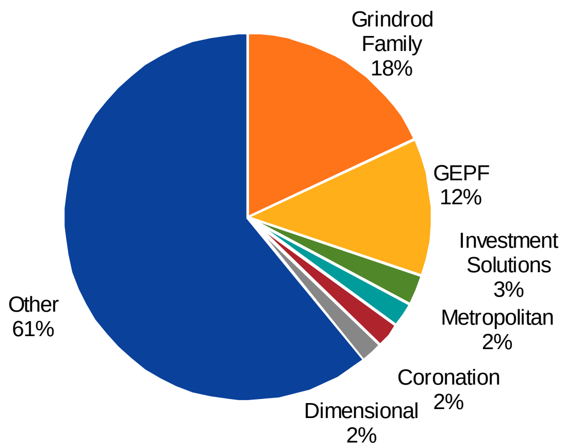
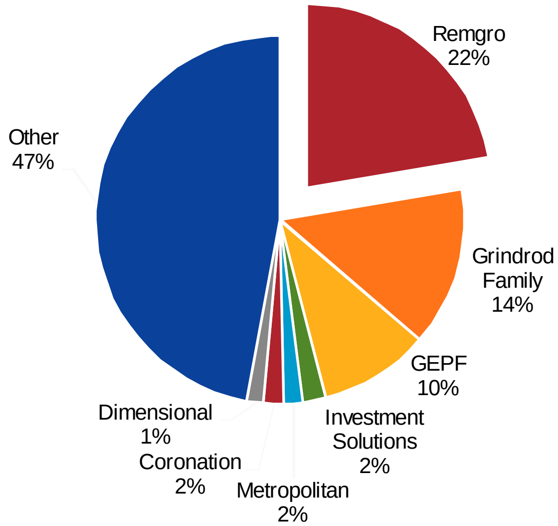
Potential shareholder development

Before



After (a)



***Pro forma* financial effects**

Per ordinary share	Before the transaction	After the transaction(b)	Change (%)
Earnings (cents)	60.8	47.1	(23)%
Headline earnings (cents)	55.7	43.1	(23)%
Net asset value (Rand)	13.6	13.9	2%
Net tangible asset value (Rand)	11.4	12.2	7%
Number of shares ('000)	455 953	589 286	

a) Assuming no qualifying Grindrod shareholders accept the Remgro Offer
b) Assuming no change to Grindrod's income statement from new projects or interest savings

Summary transaction timetable

September						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October						
M	T	W	T	F	S	S
31					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Joint terms announcement published on SENS	Tuesday, 20 September
Circular posted to shareholders	Monday, 26 September
Last day to trade to vote at the general meeting	**Wednesday, 12 October**
Last day to trade to participate in the Remgro offer	**Friday, 14 October**
Voting record date	Wednesday, 19 October
Last date to lodge proxy forms	**Thursday, 20 October**
Remgro offer record date	Friday, 21 October
Grindrod general meeting	**Monday, 24 October**
Last date to accept the Remgro offer	**Tuesday, 25 October**
Issue of shares to Remgro	Monday, 31 October
Issue of shares to qualifying Grindrod shareholders who accepted the Remgro offer	Monday, 31 October

Q&A