

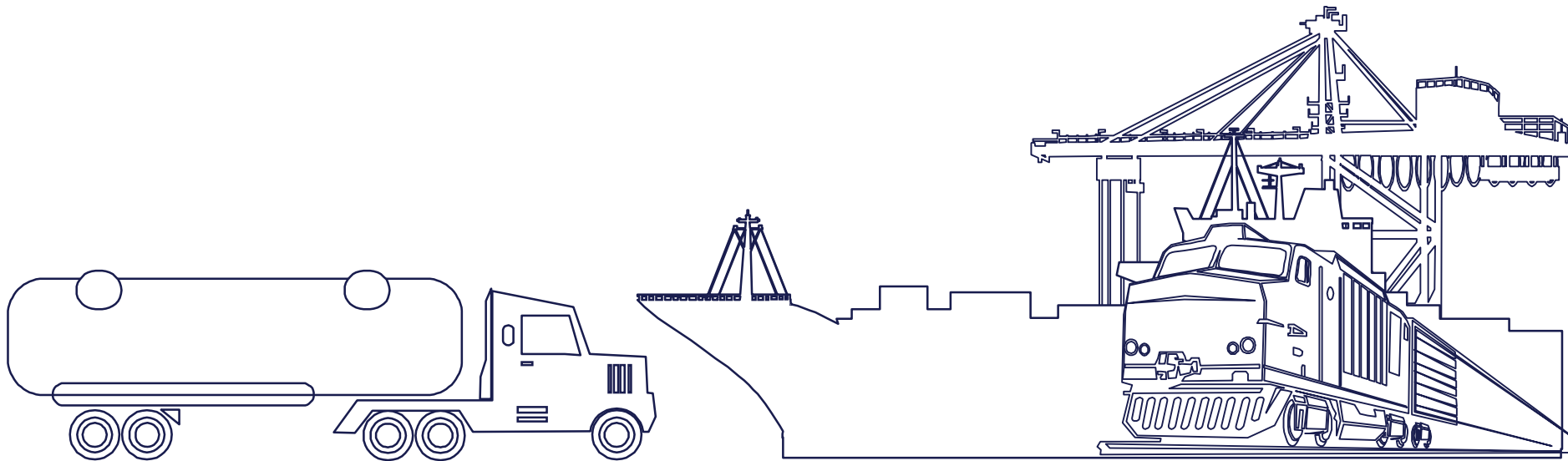


UNAUDITED
INTERIM RESULTS AND
DIVIDEND ANNOUNCEMENT
for the six months ended 30 June 2016





HIGHLIGHTS



FINANCIAL HIGHLIGHTS



Headline loss per share

50.8 cents

(Earnings per share H1 2015: 43.6 cents)

Total assets

R33 916 million

(December 2015: R36 457 million)

Net asset value

2 228 cents

(H1 2015: 2 316 cents)

Loss per share

149.2 cents

(Earnings per share H1 2015: 40.3 cents)

- Low gearing of 4% (H1 2015: net cash)
- The group declared no interim ordinary dividend (H1 2015: 13.6 cents per share)



BUSINESS ENVIRONMENT



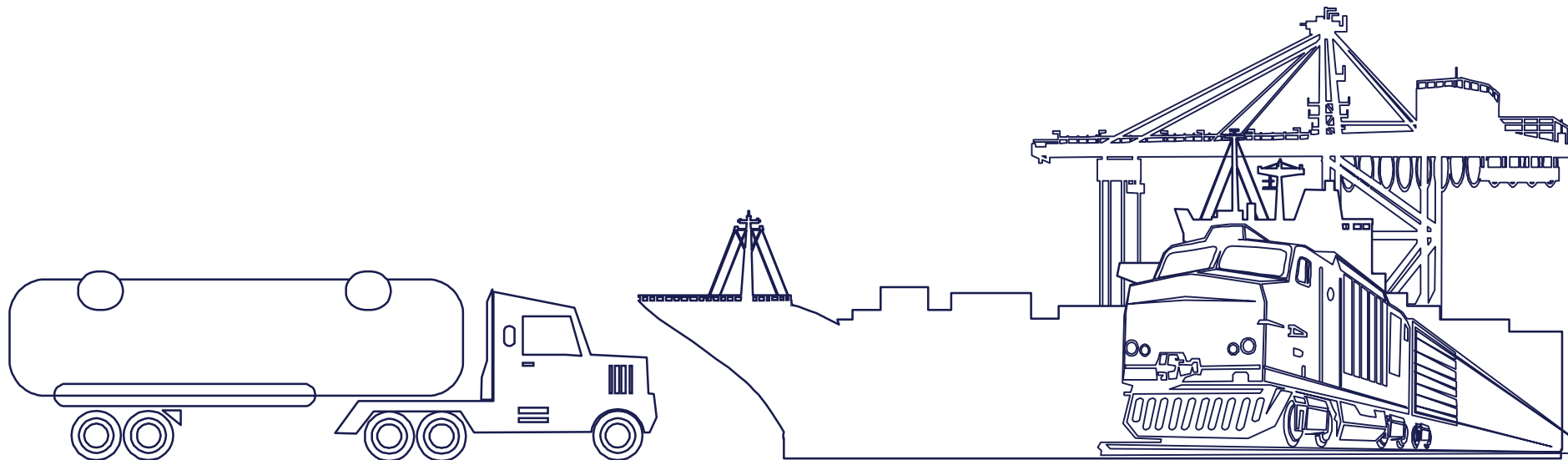
- China's economic growth forecast at 6.8% to ease in 2017
- US growth trimmed to 2.0% and to remain flat
- South Africa GDP forecast to decrease to 0.1% for 2016 and to remain weak
- Eurozone growth expected to decelerate to 1.4% for 2016 to remain flat in 2017 due to Brexit
- Commodity prices off their lows
- Dry-bulk shipping markets off their lows
- Tanker shipping markets off their highs



(Additional market information can be accessed on the Grindrod website)



INTERIM RESULTS 2016



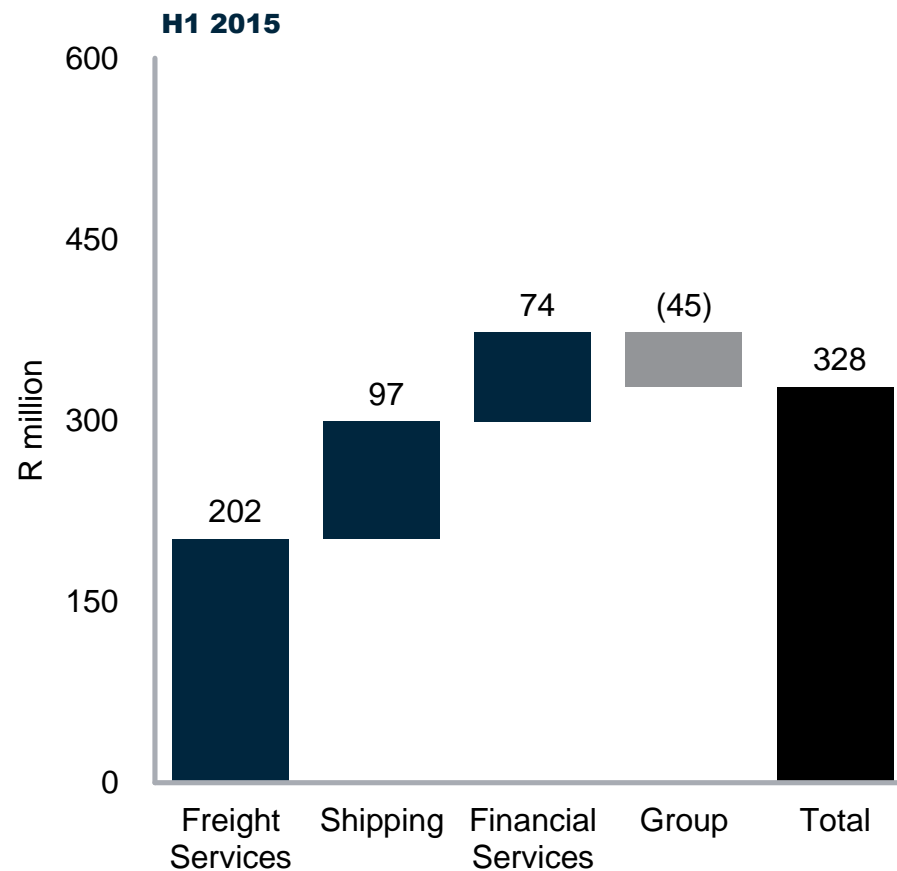
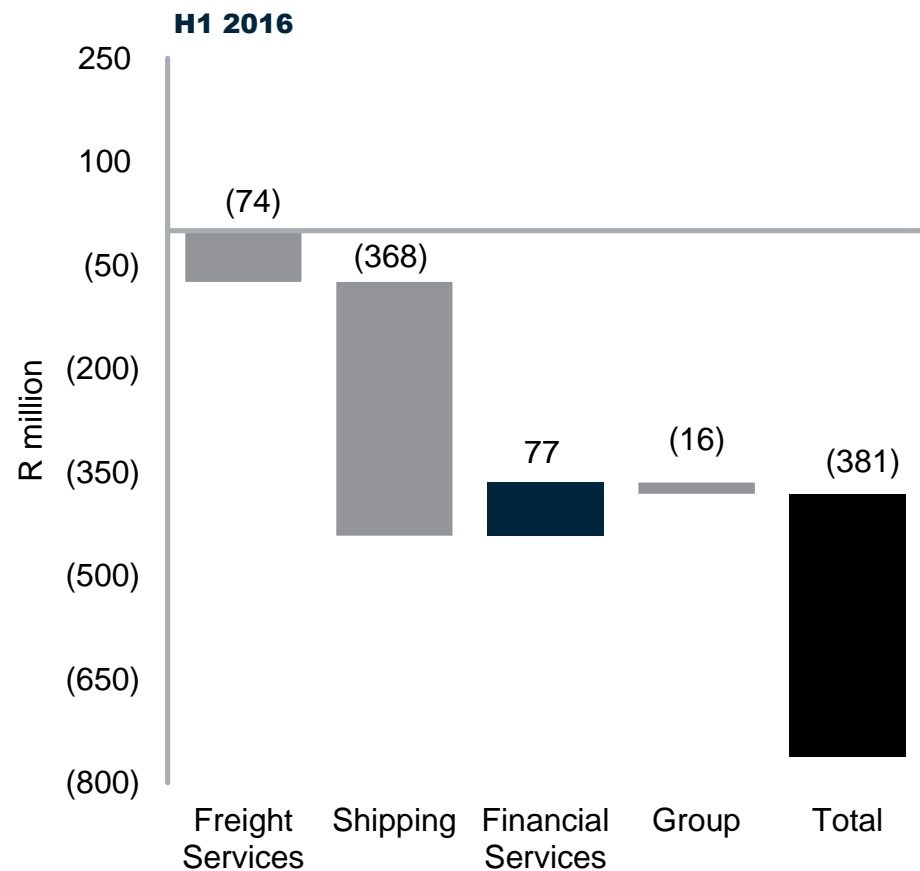
MANAGEMENT INCOME STATEMENT – H1 2016



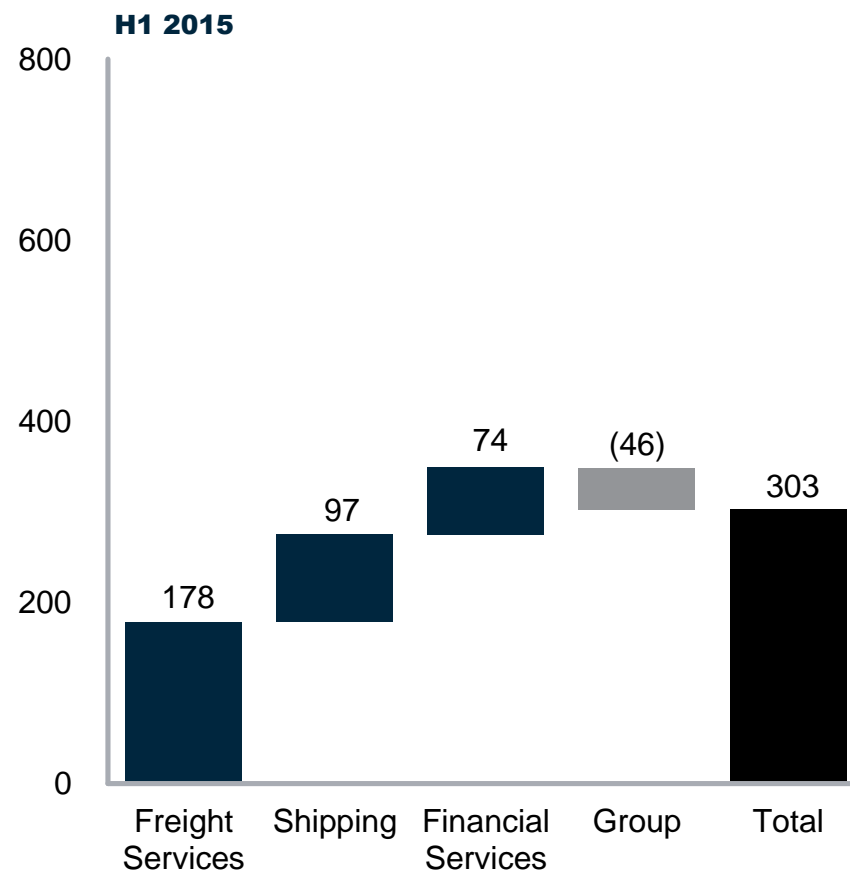
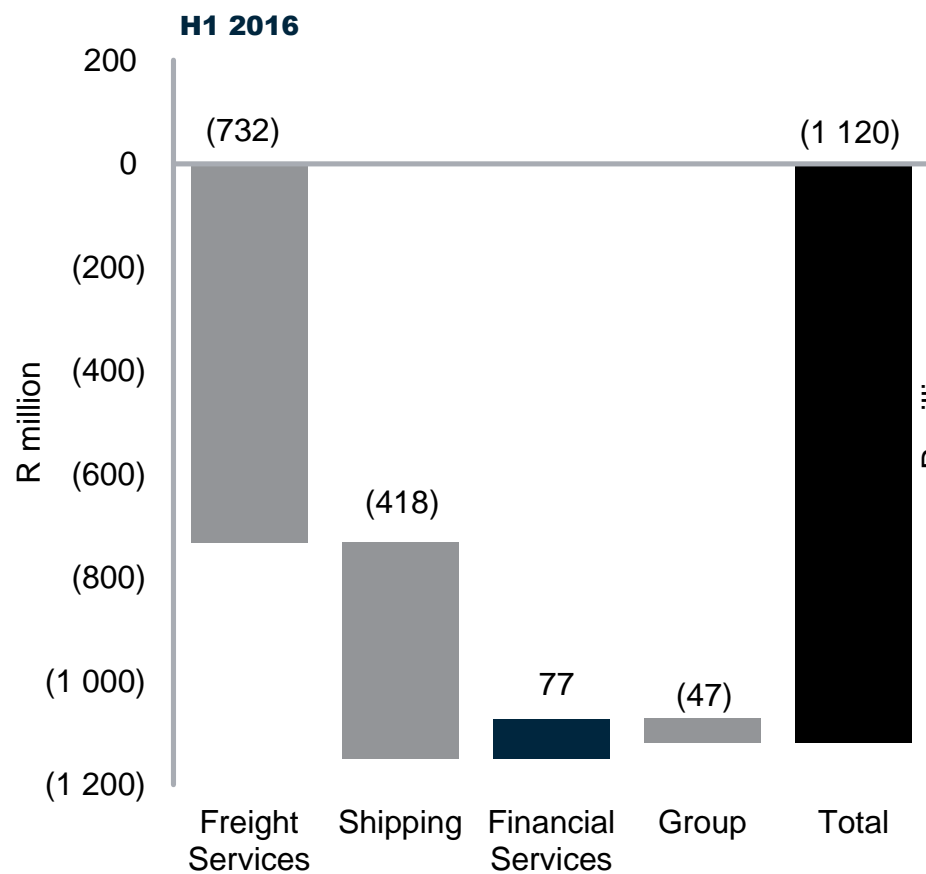
R million	H1 2016	H1 2015	Comments
Revenue	11 071	14 441	Lower volumes and rates
Trading profit	299	943	Reduced volumes, rates and foreign exchange losses
Depreciation and amortisation	(464)	(422)	Ships delivered
Non-trading items after tax	(760)	(25)	Impairment of Rail businesses and a tanker
Net interest paid	(59)	(29)	Increase in ship loans
Share of (loss)/profits from associates	(7)	18	Impact of drought
Taxation	(80)	(146)	
Non-controlling shareholders' interest	(15)	(6)	
Preference dividends	(34)	(30)	Increase in interest rates
(Loss)/profit attributable to ordinary shareholders	(1 120)	303	
Average rate of exchange	ZAR/US\$ 15.38	11.92	



HEADLINE EARNINGS BY DIVISION



ATTRIBUTABLE INCOME BY DIVISION



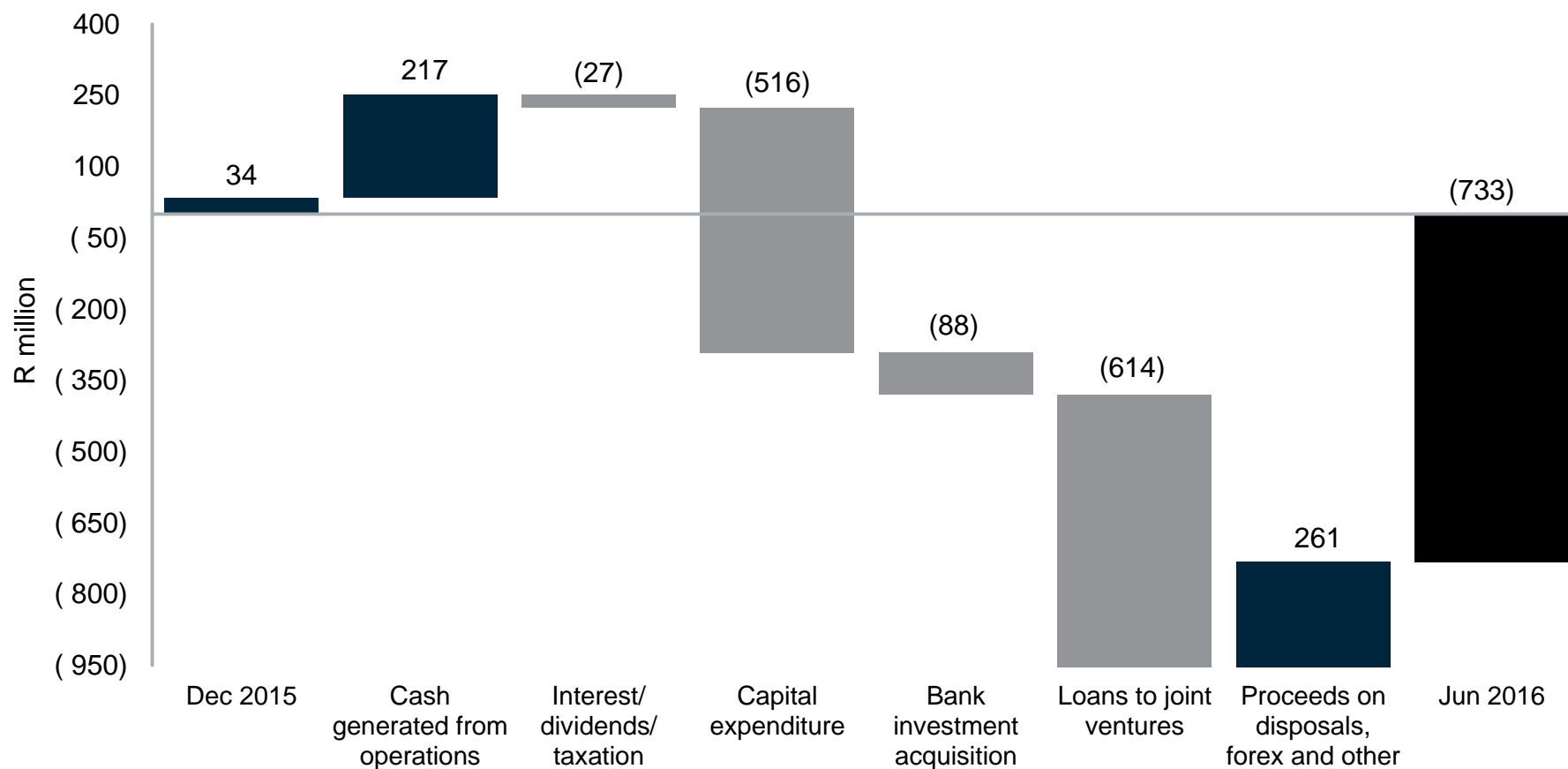
MANAGEMENT BALANCE SHEET



R million	30 June 2016	30 Dec 2015	Growth %	Comments
Property, plant and equipment				
Freight Services	3 174	4 118	(23)	Transfer to non-current assets held for sale and currency
Shipping	7 701	7 943	(3)	Ships delivered offset by lower exchange rate
Financial Services	187	184	2	
Group	67	73	(8)	
Intangible assets	1 683	2 173	(23)	Rail impairment
Investments in associates	1 689	1 763	(4)	
Other assets	7 087	6 696	6	Bank advances
Non-current assets held for sale	1 456	326	347	Rail business
Current assets	14 680	17 253	(15)	Transfer to non-current assets held for sale and decrease in cash due to timing of SASSA cut-off
Total assets	37 724	40 529	(7)	
Shareholders' equity	17 480	19 149	(9)	Loss and foreign exchange translation
Interest-bearing borrowings	5 935	6 691	(11)	Repayment of ship loans and currency
Deposits from bank customers	9 364	9 932	(6)	
Non-current liabilities held for sale	752	134	461	Rail business
Other liabilities	4 193	4 623	(9)	Transfer to non-current liabilities held for sale
Total equity and liabilities	37 724	40 529	(7)	
Closing rate of exchange ZAR/US\$	14.73	15.60		



NET DEBT ANALYSIS



CAPITAL COMMITMENTS AND EXPENDITURE



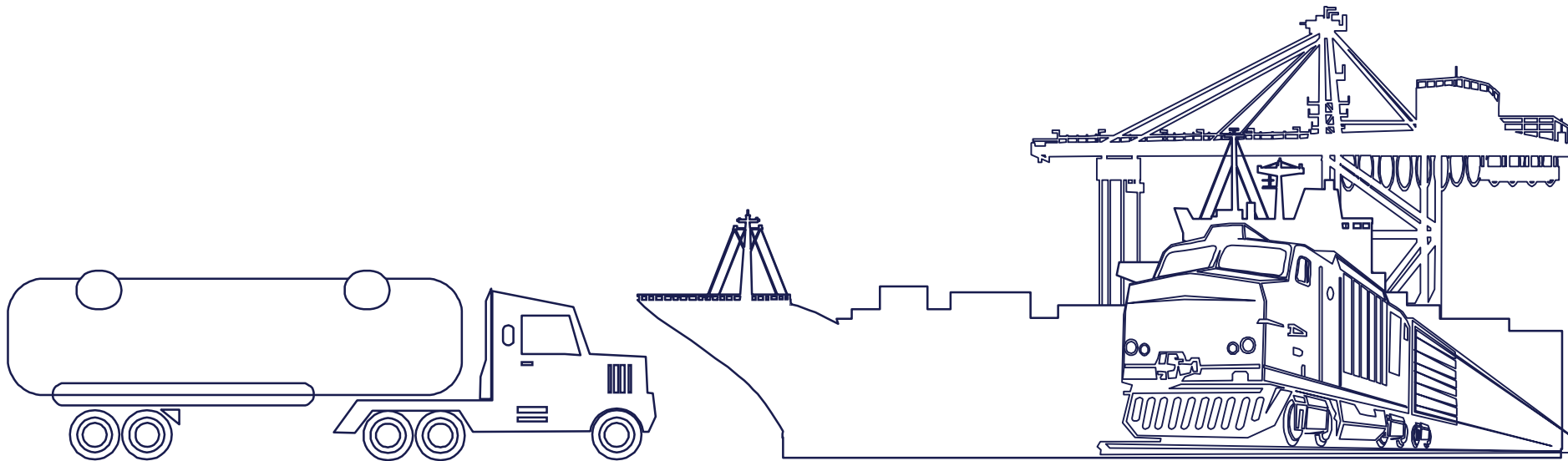
R million	Capital expenditure		Capital commitments		Total	Split as follows	
	H1 2016	H2 2016	2017	2018+		Approved not contracted	Approved and contracted
Freight Services	98	612	114	-	726	27	699
Port and Terminals	31	207	2	-	209	5	204
Rail	23	83	-	-	83	-	83
Carrier Logistics	25	30	2	-	32	9	23
Integrated Logistics	18	14	110	-	124	13	111
Agricultural Logistics	1	278	-	-	278	-	278
Shipping	711	74	-	-	74	-	74
Dry-bulk	317	57	-	-	57	-	57
Tankers	394	17	-	-	17	-	17
Financial Services	3	2	-	-	2	-	2
Group	-	-	-	-	-	-	-
	812	688	114	-	802	27	775
Split as follows:							
Subsidiaries	516	371	114	-	485	27	458
Joint ventures	296	317	-	-	317	-	317



The above represents board-approved capital commitments
 These commitments exclude planned expenditure, which is subject to final board consideration



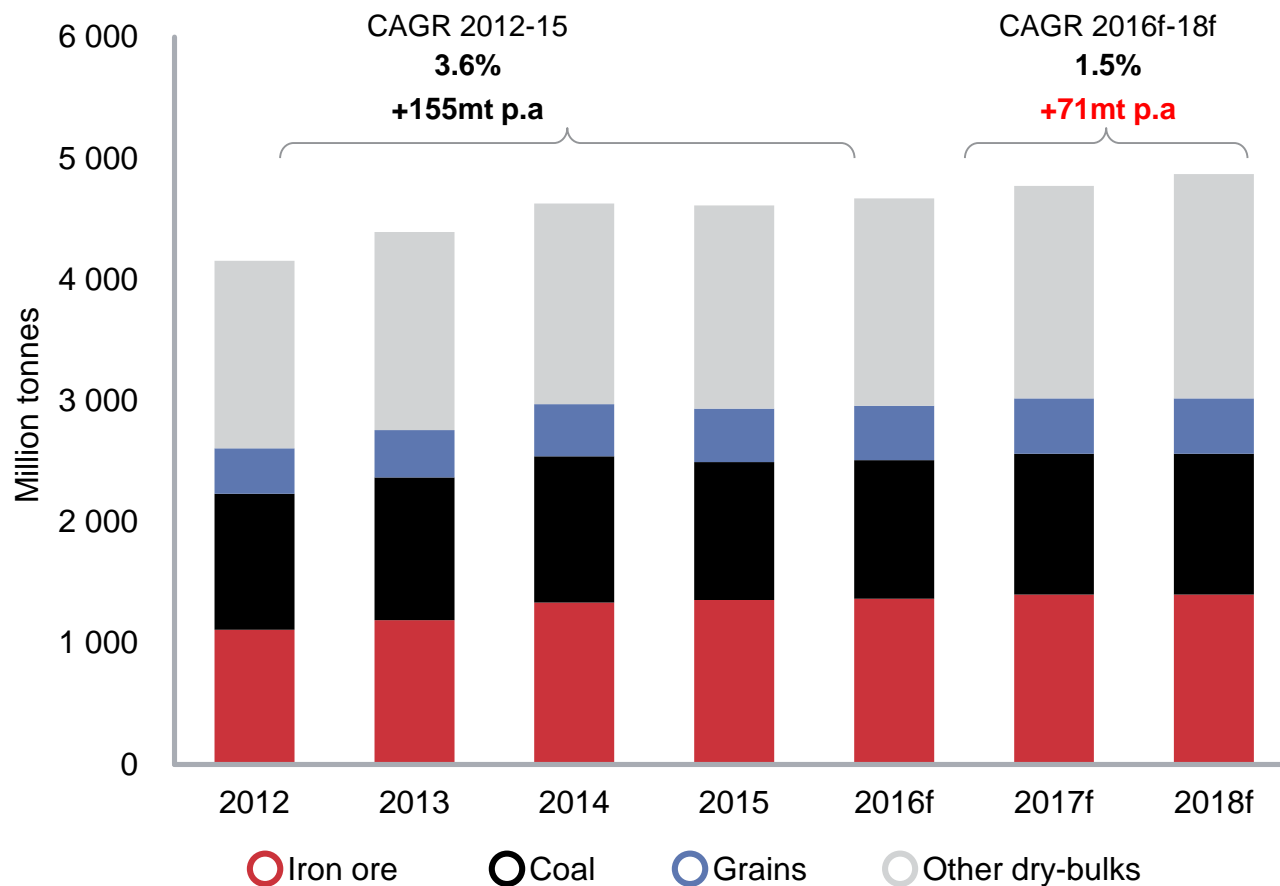
MARKETS



DRY-BULK SEABORNE TRADE



GLOBAL SEABORNE TRADE GROWTH



Global seaborne trade expanded rapidly between 2012 and 2015, adding over 155 million tonnes of new cargo every year on average.

Over the next few years, growth will be slower at around 70 million tonnes of new cargo on average per year.

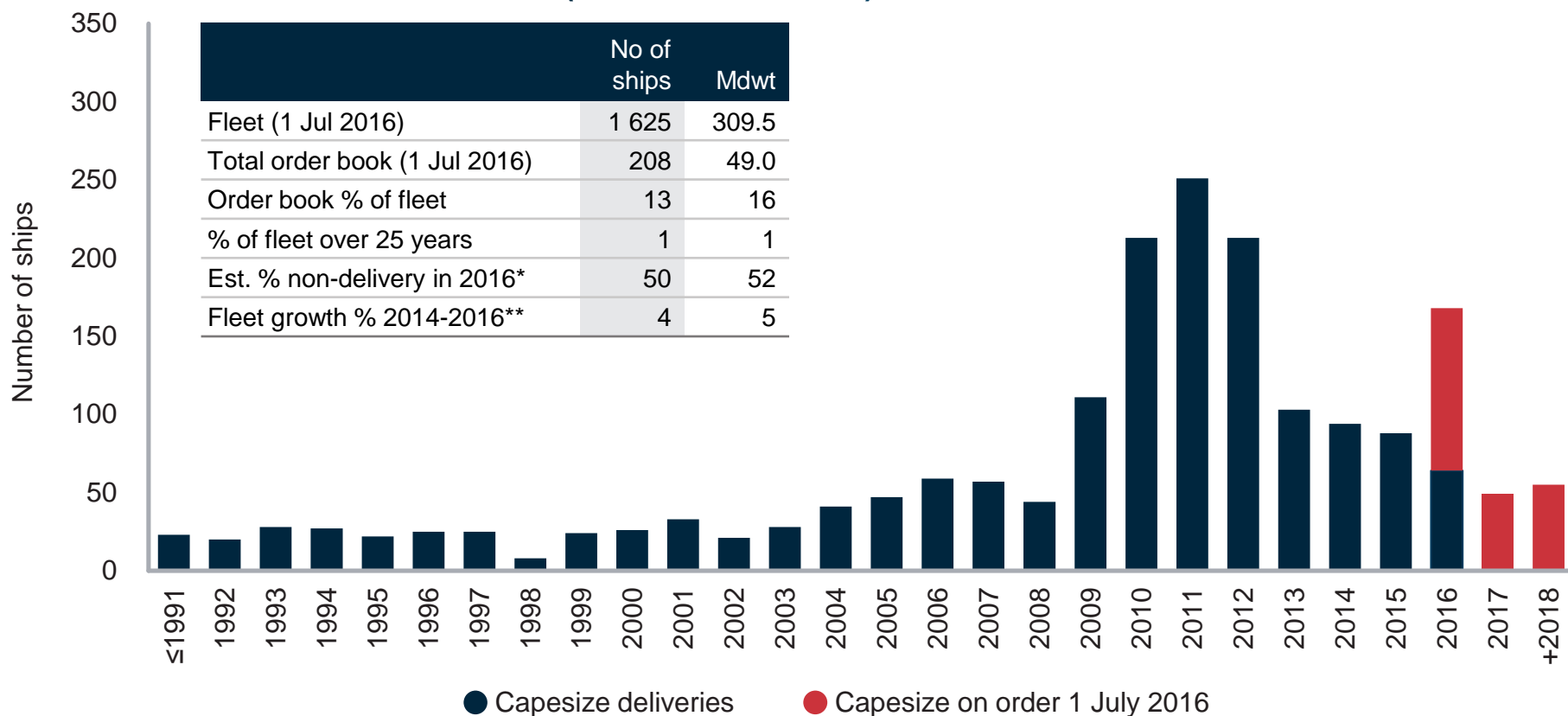
The pace of growth will pick up gradually from 2016 onwards.



f = forecast CAGR – compound annual growth rate

Source: Thomson Reuters, Hartland Shipping Services Ltd, July 2016

CAPE SIZE BULK CARRIERS (100 000+ dwt tonnes)



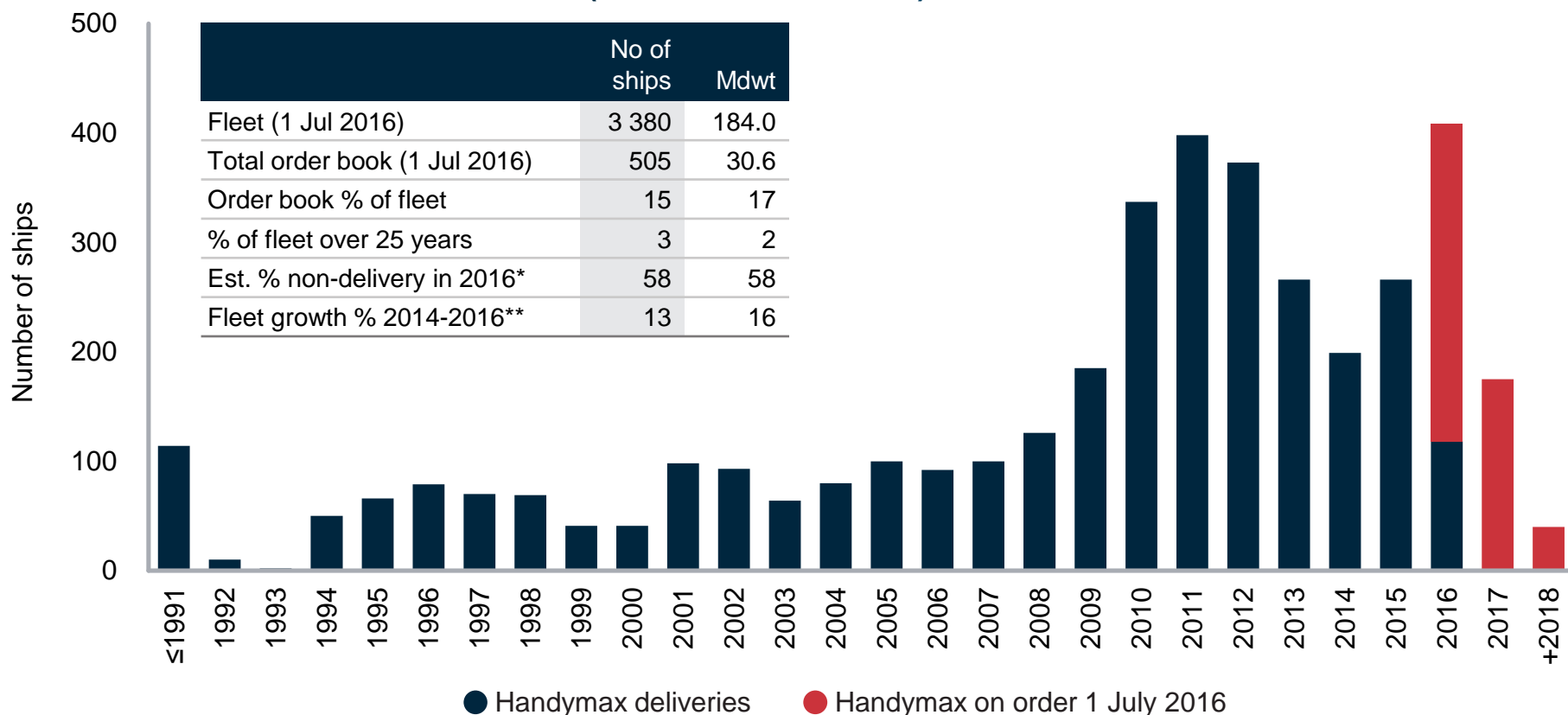
* Non-deliveries are estimates based on vessels that were expected deliveries, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2014 until 1 July 2016

Source: Clarksons Research, July 2016



HANDYMAX BULK CARRIERS (40 – 62 999 dwt tonnes)



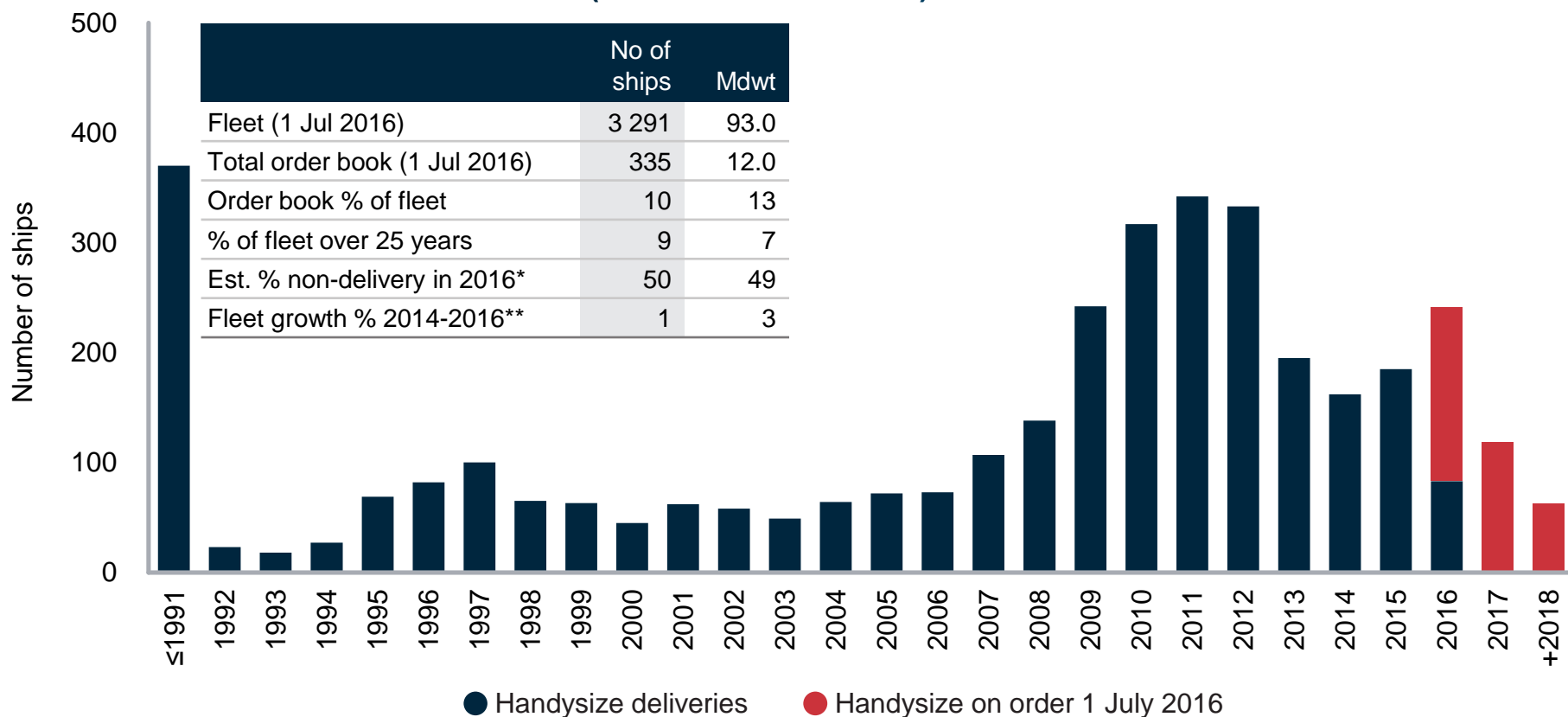
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** Fleet growth is from 1 January 2014 until 1 July 2016

Source: Clarksons Research, July 2016



HANDYSIZE BULK CARRIERS (10 – 39 999 dwt tonnes)



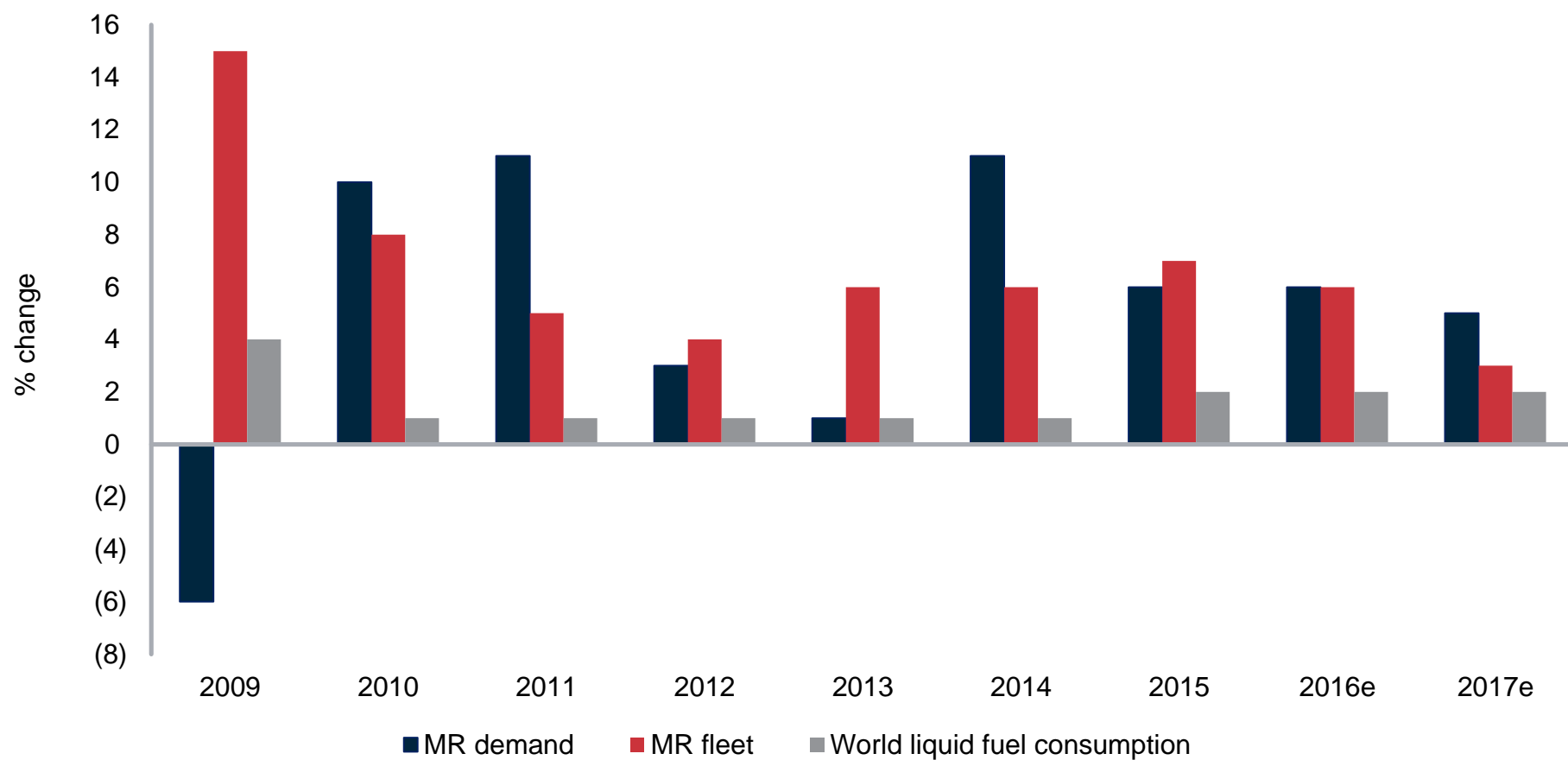
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Source: Clarksons Research, July 2016



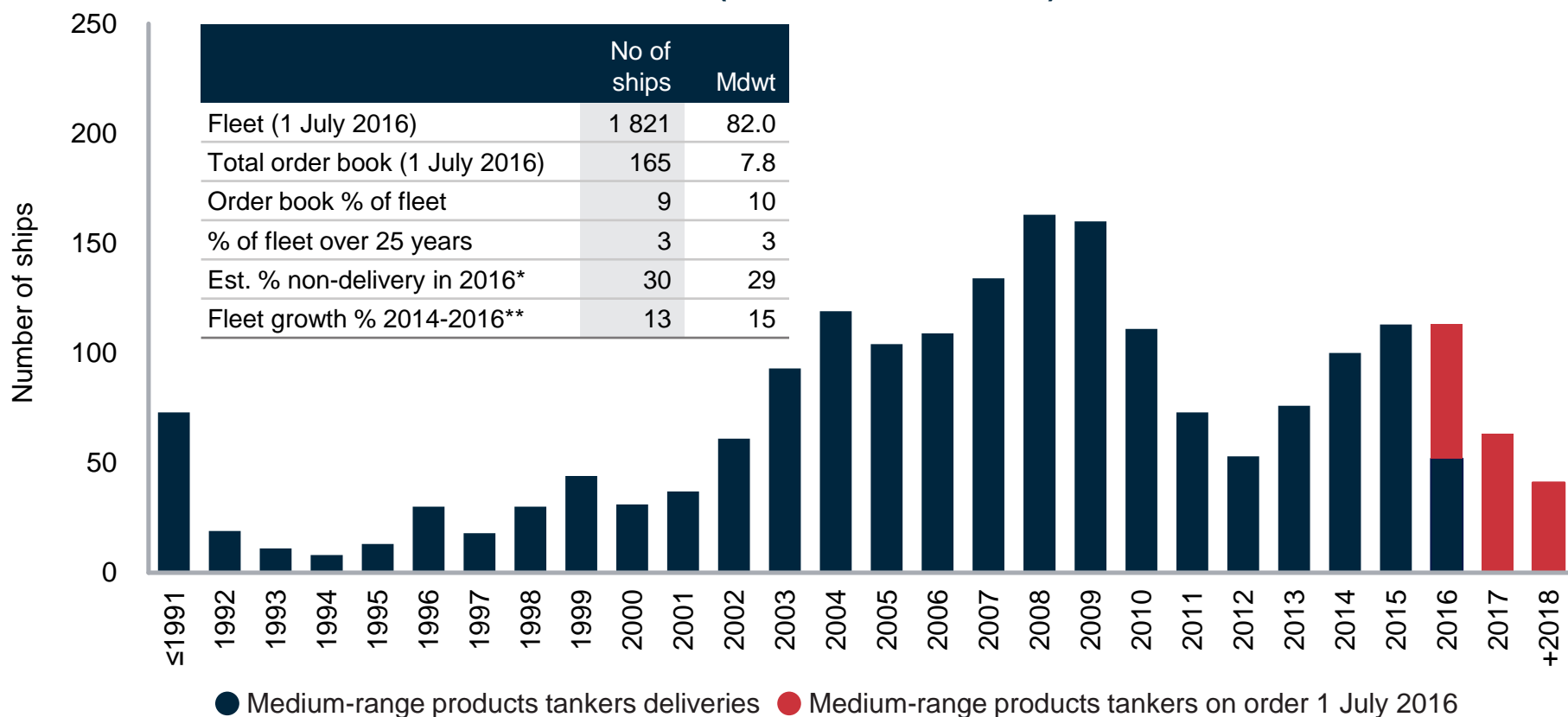
PRODUCT TANKER DEMAND



Source: Affinity (Shipping) Ltd, July 2016

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MEDIUM-RANGE PRODUCTS TANKERS (25 – 54 999 dwt tonnes)



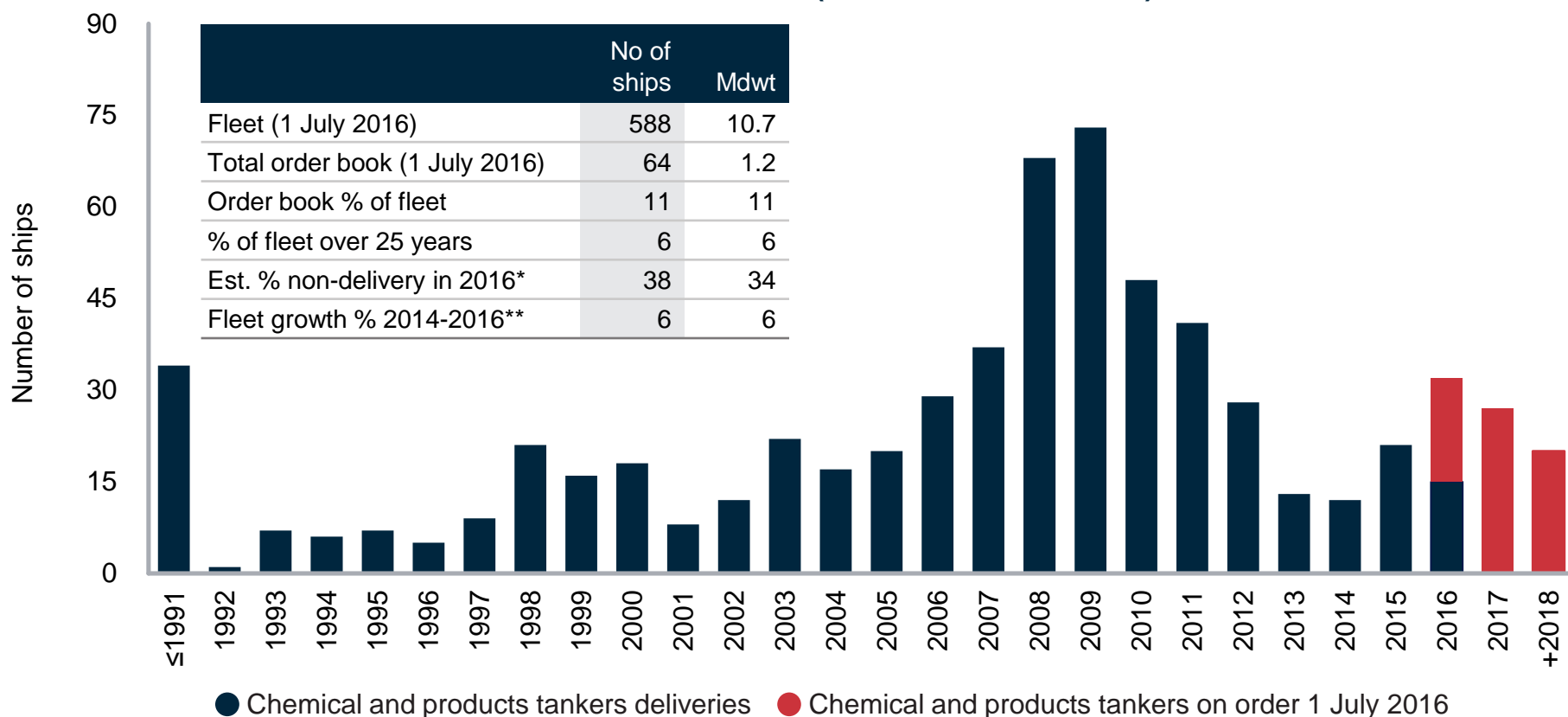
* Non-deliveries are estimates based on vessels that were expected deliveries, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2014 until 1 July 2016

Source: Clarksons Research, July 2016



SMALL CHEMICAL AND PRODUCTS TANKERS (15 – 19 999 dwt tonnes)



* Non-deliveries are estimates based on vessels that were expected deliveries, but due to delays, cancellations, renegotiations of contracts and new market information, have not yet entered the fleet

** Fleet growth is from 1 January 2014 until 1 July 2016

Source: Clarksons Research, July 2016





OPERATIONAL OVERVIEW

FREIGHT SERVICES



OPERATIONAL HIGHLIGHTS – PORT AND TERMINALS



- Maputo Port dredge to 14.2m in execution phase – approximately 40% complete
- Matola terminal berth deepening and quay offset commenced
- Matola terminal magnetite contract extended and coal contracts concluded
- Maputo car terminal train trials with BMW in process
- Maputo terminal sized coal customer contracted
- Richards Bay terminal rail tippler complete
- Richards Bay terminal and Transnet agreement on integrated tariff and rail resources
- Richards Bay terminal coal customers contracted
- Revenues and volumes in all terminals and the port down on prior period due to the low commodity pricing during H1 2016



OPERATIONAL HIGHLIGHTS – RAIL



- Rail Leasing businesses achieved good earnings
- Rail Operations businesses achieved good results
- Bollore's locomotive delivery programme to complete in September 2016
- Locomotive assembly and rail construction businesses reported low revenue in H1 2016
- Strategic review completed - Rail to focus on operations and leasing - Locomotive assembly business to be sold



OPERATIONAL HIGHLIGHTS – LOGISTICS



- Carrier Logistics:
 - › Auto business gained market share benefiting from the reset cost-base
 - › Fuel business restructure complete and growing from the new base
- Integrated Logistics agency and clearing and forwarding businesses held up well despite the lower mineral and oil volumes in Ghana and Angola
- Integrated Logistics Intermodal container business turnaround is not yet positive
- Agri-business earnings impacted by lower yields due to the drought
- As with terminals and rail, the logistics businesses operating in Mozambique booked large currency losses



STRATEGY

- Terminals: drive dry-bulk capacity utilisation, deliver liquid-bulk terminal
- Rail: refocus on freight-cargo origination and services along key rail corridors
- Resolute focus on enhancing our Integrated Logistics services across the customer base
- Grow Carrier Logistics using the good base
- Diversification: reduce weighting to mineral commodities

OUTLOOK

- Magnetite and coal volumes will improve however with lower margins
- Restructured Logistics businesses are now well placed to grow





OPERATIONAL OVERVIEW

SHIPPING



OPERATIONAL HIGHLIGHTS



- Rates in the tanker sector were high for the most part of H1 2016 but ended lower
- Rates in the dry-bulk sector recovered from their lowest levels but remain below profitable levels
- 13 handysize and 4 supramax third-party owned vessels now commercially managed by IVS
- Solid performance in the ship-operating businesses
- Re-fleeting exercise nearing completion and sales of old vessels commencing
 - › Delivery of three next-generation eco fuel-efficient bulk carriers and one MR tanker
 - › Re-delivery of a handysize bulk carrier
 - › Delivery of a further three supramax bulk carriers in 2016/2017 (one in joint venture)
 - › One 13 year old tanker sold after half year and another marked for sale



STRATEGY

- Strategic size and sector focus and balance between owned and operated fleet ensuring relative strength in the shipping market
- Careful management of owned fleet to maximise market
- Further expand fleet under commercial management

OUTLOOK

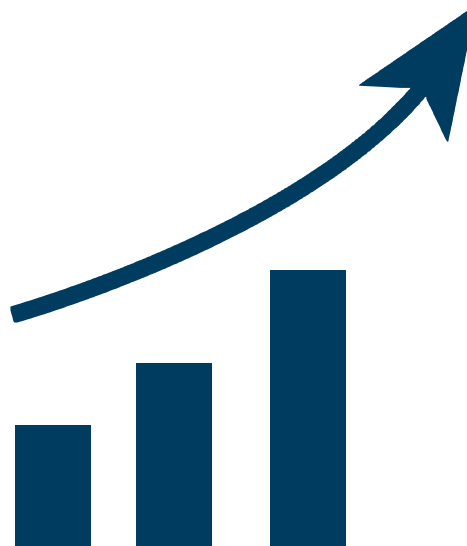
- Dry-bulk fleet continues to move toward a balanced position but will incur losses in the next half
- Tanker rates decline should improve into the northern hemisphere winter
- Ship-operating result expected to decline as the dry-bulk shipping rates improve





OPERATIONAL OVERVIEW

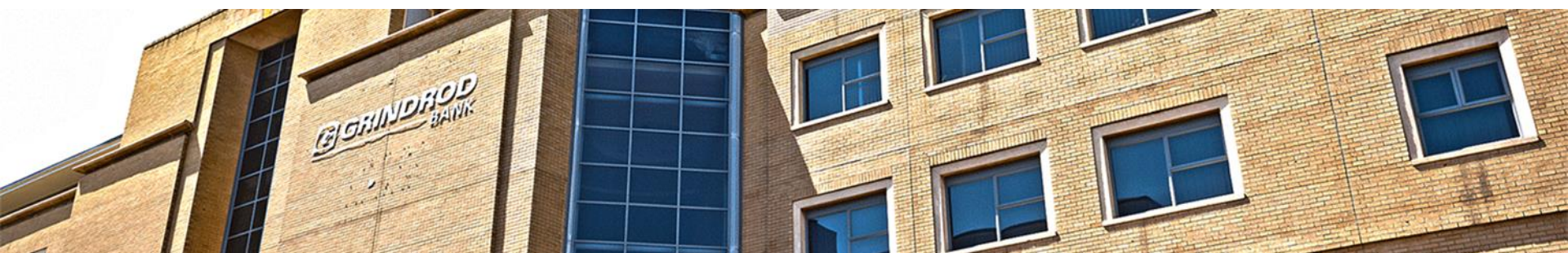
FINANCIAL SERVICES



OPERATIONAL HIGHLIGHTS



- Above target earnings in both the Bank and Asset Management
- Private Equity investment continues to increase and valuations rise
- Retail SASSA
 - › Grant payments continue to be efficiently managed
 - › Over 1 000 ATMs deployed
 - › Contractual 3rd party service provider deductions from grant recipient accounts under review
- Assets under management increased to R16.5 billion (H1 2015: R15.0 billion)



STRATEGY AND OUTLOOK



STRATEGY

- Drive focused business growth
- Pursue growth in assets under management
- Secure appropriate investment banking opportunities
- Focus on well-secured loans with low-risk of default
- Expand Retail offering
- Expand the UK Property portfolio

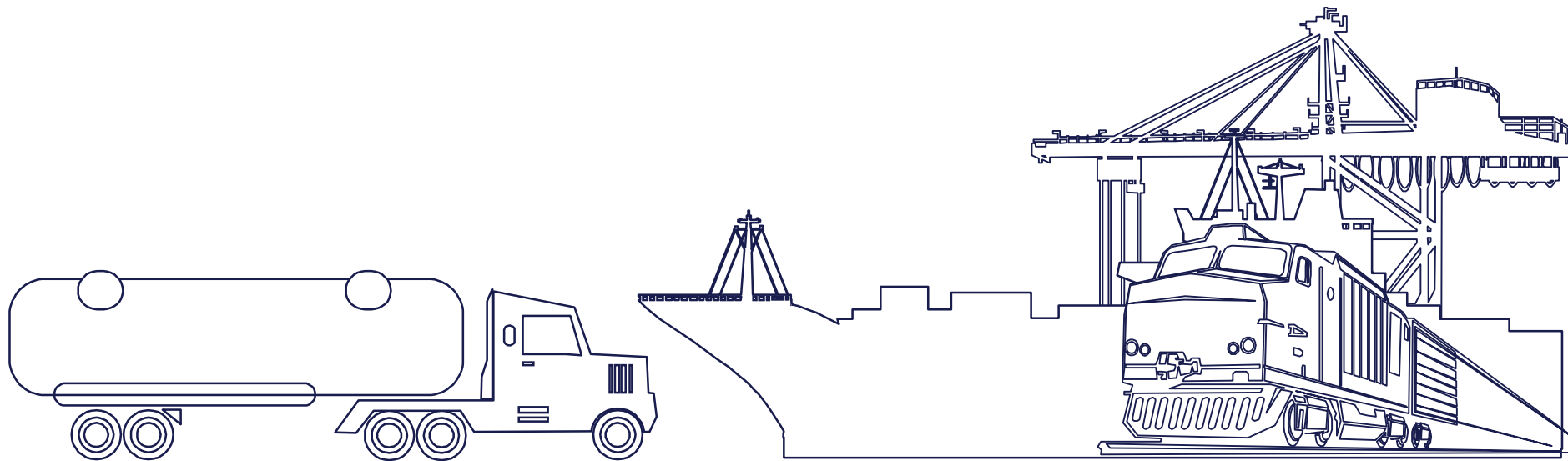
OUTLOOK

- Steady growth expected
- Volatile stock market could impact asset management fees
- Cost of funding impacted by country rating





CAPITAL PROJECTS UPDATE



CAPITAL PROJECTS UPDATE

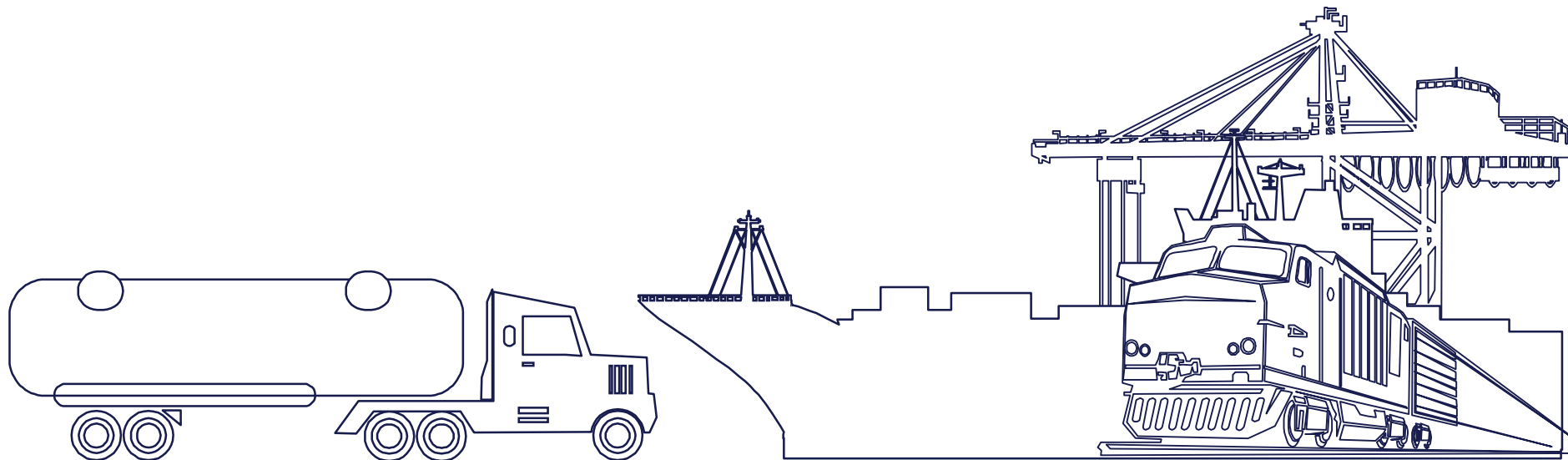


- Richards Bay terminal expansion proceeding in phases linked to contracting of cargo volumes, tippler upgrade complete
- Ngqura liquid-bulk terminal – BOOT agreement ready for signature & revised NERSA tariff methodology published
- Maputo Port dredging in execution, 40% complete by volume
- Matola bulk terminal berth deepening & quay off-set project initiated in July
- Nacala intermodal facility acquired for developing integrated logistics project





GROUP STRATEGY AND OUTLOOK



STRATEGY

- To purposefully grow the business organically, by acquisitions and seeking synergies within the group, with specific focus on Africa, to become a fully integrated freight and logistics service provider
 - › To provide logistic services that enable trade
 - › Reduce supply chain costs to enable cargo movement in weak market
 - › Focus on the consolidation of businesses and services
 - › Identify and develop meaningful strategic infrastructure

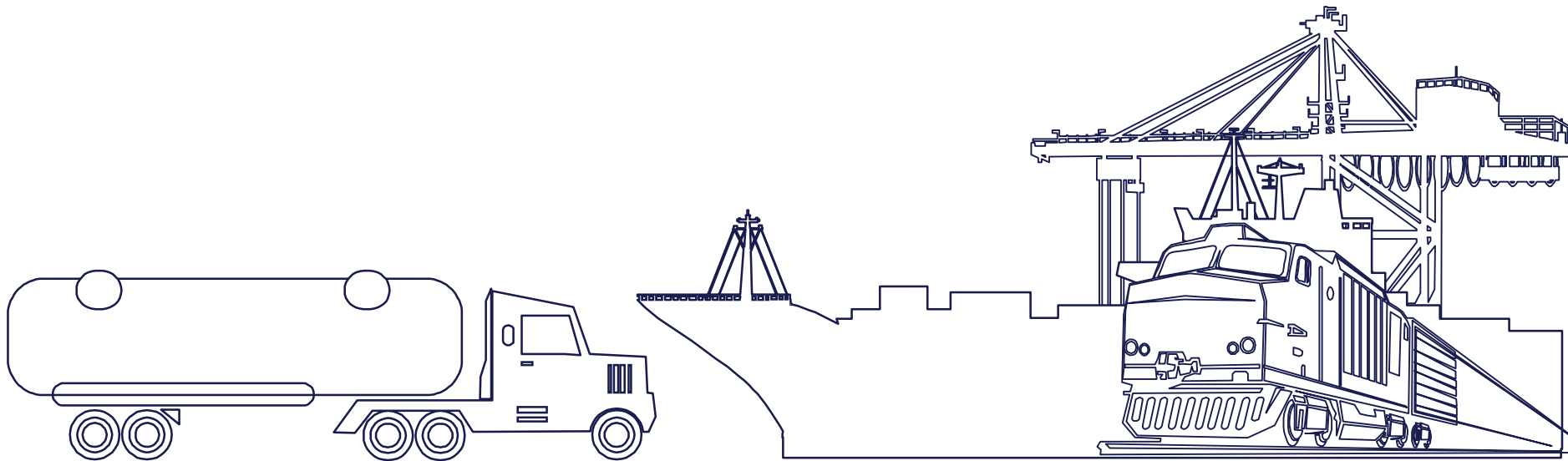
OUTLOOK

- Demand for commodities globally is a key driver of the Grindrod business model
- Improving dry-bulk shipping rates will have a material impact on Grindrod's profitability
- Commodity prices at unprofitable levels for miners impact volumes through terminals
- Well positioned to take advantage of an improvement in the global economy
- Capital projects to be developed in line with demand





ANNEXURES



TERMINAL CAPACITY – UTILISATION AS AT 30 JUNE 2016



Terminals	Utilisation		Change %	Annual capacity 2016
	H1 2016	H1 2015		
Dry bulk (tonnes)	3 091 470	3 781 418	(18)	15 150 000
Matola coal terminal ¹	1 091 143	1 904 854	(43)	7 300 000
Richards Bay ¹	1 773 349	1 319 333	34	6 100 000
Walvis Bay (Namibia)	133 071	160 229	(17)	550 000
Maputo terminal ¹	93 907	397 002	(76)	1 200 000
Port of Maputo	5 926 000	7 676 000	(23)	N/A
Maputo car terminal (number of vehicles)	8 879	17 063	(48)	120 000



¹ Physical tonnage, excluding take or pay volumes
Maydon Wharf no longer reported under Terminals

SCRAPPING



dwt 000	Handysize bulker	Handymax bulker	Panamax bulker	Capesize bulker	Handy* products tanker	Handy* chemical tanker	Total	All other types	Total scrapping
2010	2 700	400	700	2 700	3 200	1 400	11 100	16 900	28 000
2011	5 300	2 200	5 200	10 500	1 400	700	25 300	17 400	42 700
2012	8 300	4 700	8 700	11 700	1 400	600	35 400	23 200	58 600
2013	6 700	3 500	5 000	8 100	1 500	200	25 000	22 000	47 000
2014	4 200	3 100	4 800	4 200	1 300	200	17 800	16 300	34 100
2015	5 200	3 100	6 800	15 400	1 300	200	32 000	6 800	38 800
2016	2 500	2 900	6 000	11 100	530	150	23 180	6 520	29 700

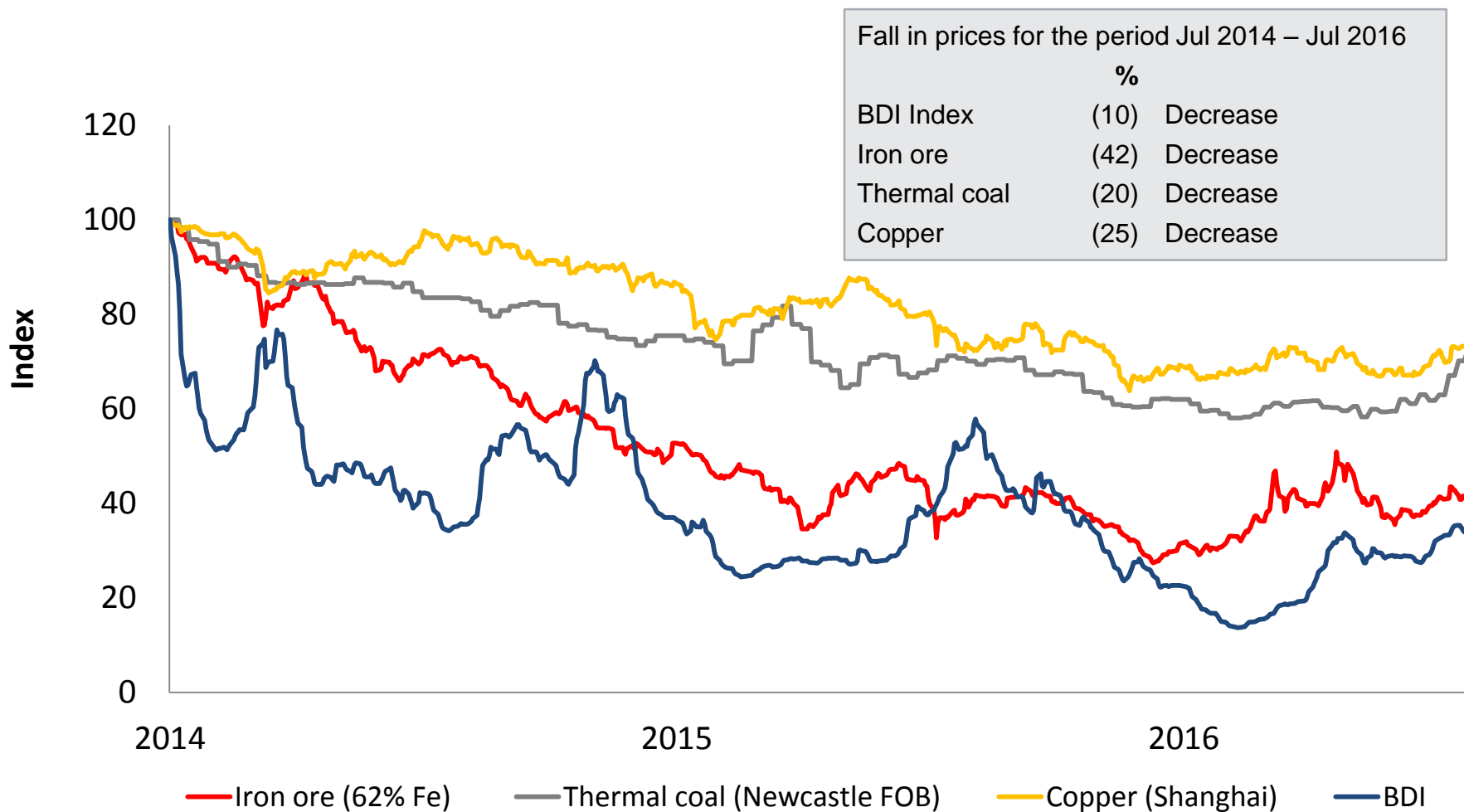


* Handy tankers cover 10 000 – 60 000 dwt range

Source: Clarkson Research (Shipping Intelligence Weekly and Shipping Intelligence Network, June 2016)

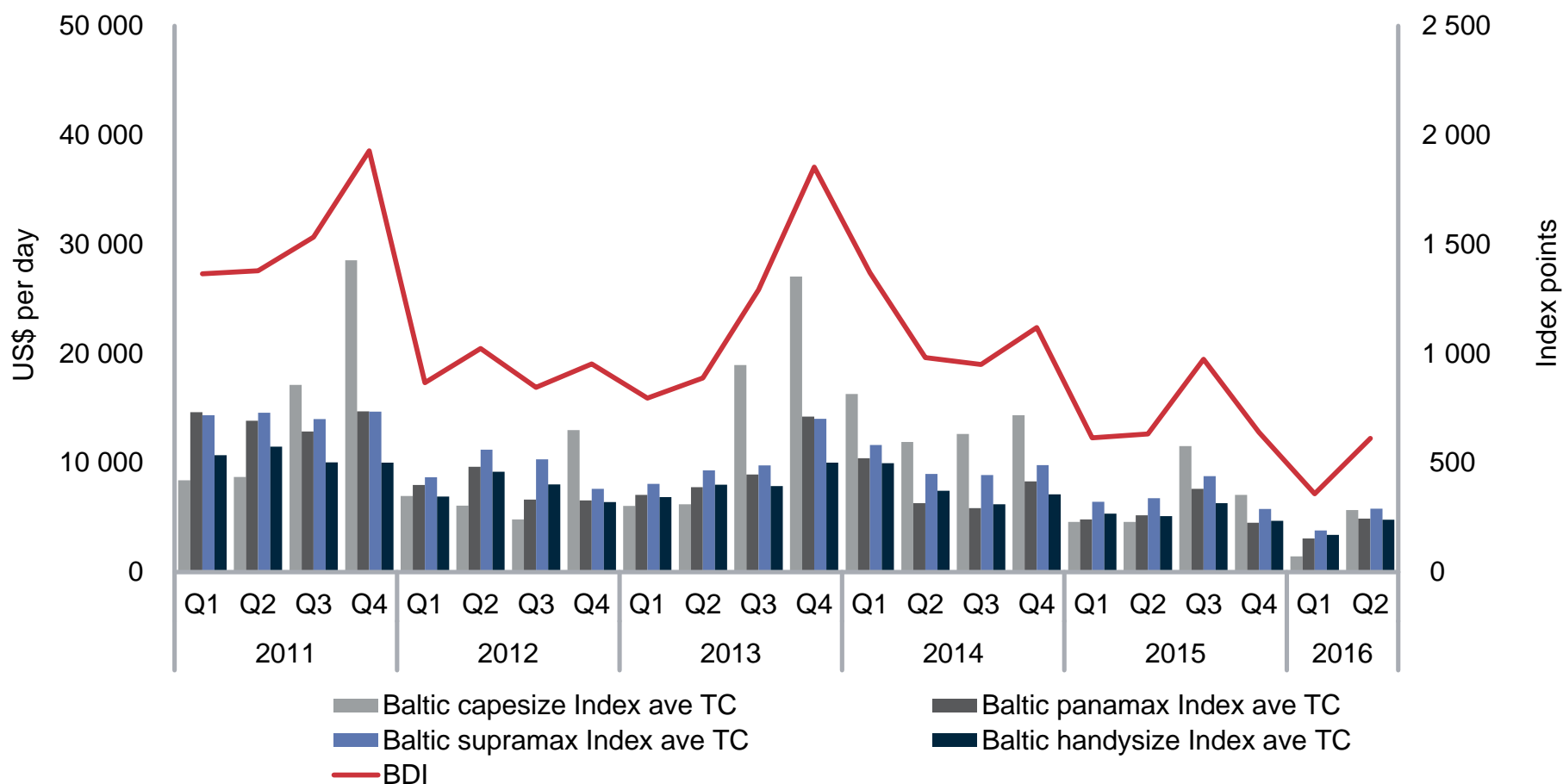
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2014/16 SHIPPING AND COMMODITY PRICE PERFORMANCE



Source: Hartland Shipping Services Ltd, July 2016

DRY-BULK DAILY SPOT RATES (BALTIC INDICES)



Source: Clarksons Research (Shipping Intelligence Network), copyright Baltic Exchange, 25 July 2016

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DISCLAIMER



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

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- (ii) the information in the databases of other maritime data-collection agencies may differ from the information in the Information Sources' databases;***
- (iii) while the Information Sources have taken reasonable care in the compilation of the statistical and graphical information and believe it to be accurate and correct, data compilation is subject to limited audit and validation procedures and may accordingly contain errors;***
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