



AUDITED RESULTS AND DIVIDEND ANNOUNCEMENT
for the year ended 31 December 2015



an integrated business



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KEY FINANCIAL INFORMATION

- EBITDA decreased by 4% to R1 747 million
(2014: R1 825 million) inclusive of joint ventures
- Headline earnings down 23% to R558.8 million
(2014: R729.4 million)
- Ship carrying value impairment of US\$100 million inclusive
of joint ventures
- Loss per share 189.8 cents
(2014: Earnings per share 147.6 cents)
- Cash generated from operations R1 412.6 million
(2014: R1 842.0 million)
- Net cash R33.9 million
(2014 net cash: R542.7 million)
- Net asset value per share up to 2 450 cents
(2014: 2 227 cents)
- Final ordinary dividend 6.0 cents per share
(2014: 20.0 cents)



SUMMARISED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Audited 31 December 2015 R000	Audited 31 December 2014 R000
Revenue	10 192 369	13 912 482
Earnings before interest, taxation, depreciation and amortisation	1 098 900	1 166 011
Depreciation and amortisation	(675 482)	(547 143)
Operating profit before interest and taxation	423 418	618 868
Non-trading items	(1 587 631)	235 256
Interest received	254 063	234 687
Interest paid	(220 731)	(216 621)
(Loss)/profit before share of joint venture and associate companies' profit	(1 130 881)	872 190
Share of joint venture companies' (loss)/profit after taxation	(120 097)	314 265
Share of associate companies' profit after taxation	72 660	83 145
(Loss)/profit before taxation	(1 178 318)	1 269 600
Taxation	(190 255)	(193 623)
Net (loss)/profit for the year	(1 368 573)	1 075 977
Attributable to:		
Ordinary shareholders	(1 426 473)	1 001 191
Preference shareholders	61 141	59 094
Owners of the parent	(1 365 332)	1 060 285
Non-controlling interests	(3 241)	15 692
	(1 368 573)	1 075 977
Exchange rates (ZAR/US\$)		
Opening exchange rate	11.57	10.55
Closing exchange rate	15.60	11.57
Average exchange rate	12.78	10.88



	Audited 31 December 2015 R000	Audited 31 December 2014 R000
Reconciliation of headline earnings		
(Loss)/profit attributable to ordinary shareholders	(1 426 473)	1 001 191
Adjusted for:	1 985 296	(271 804)
Impairment of goodwill	–	20 000
Impairment of other investments	612 365	64 759
Impairment of ships, intangibles, vehicles, terminals and equipment	1 205 990	233 396
Net profit on disposal of investments	(216 919)	(436 169)
Net (profit)/loss on disposal of plant and equipment	(448)	6 023
Negative goodwill realised	(13 233)	(23 521)
Foreign currency translation reserve release	(124)	(99 744)
Joint ventures:		
Foreign currency translation reserve release	2 447	–
Net (profit)/loss on disposal of plant and equipment	(471)	162
Impairment of ships and property	382 428	3 698
Impairment of other investments	17 252	–
Total non-controlling interest effects of adjustments	(2 233)	–
Total taxation effects of adjustments	(1 758)	(40 408)
Headline earnings	558 823	729 387
Ordinary share performance		
Number of shares in issue less treasury shares	(000s) 750 959	751 619
Weighted average number of shares (basic)	(000s) 751 452	678 348
Diluted weighted average number of shares	(000s) 754 146	681 330
(Loss)/earnings per share:	(cents)	
Basic	(189.8)	147.6
Diluted	(189.2)	146.9
Headline earnings per share:	(cents)	
Basic	74.4	107.5
Diluted	74.1	107.1
Dividends per share:	(cents)	
Interim	13.6	13.6
Final	6.0	20.0
Dividend cover (headline)	(times) 3.8	3.2

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Audited 31 December 2015 R000	Audited 31 December 2014 R000
(Loss)/profit for the year	(1 368 573)	1 075 977
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	3 396 262	844 873
Net movement in cash flow hedges	21 045	(77 368)
Business combination	(6 906)	(1 455)
Items that will not be reclassified subsequently to profit or loss		
Actuarial (losses)/gains	(45)	1 147
Fair value gain arising on available-for-sale instruments	1 493	-
Total comprehensive income for the year	2 043 276	1 843 174
Total comprehensive income attributable to:		
Owners of the parent	2 054 339	1 827 181
Non-controlling interest	(11 063)	15 993
	2 043 276	1 843 174



SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Audited 31 December 2015 R000	Audited 31 December 2014* R000		
Ships, property, terminals, vehicles and equipment	7 632 489	7 328 376		
Intangible assets	1 604 159	1 609 646		
Investments in joint ventures	4 806 687	3 883 263		
Investments in associates	922 350	849 303		
Deferred taxation	205 705	191 704		
Other investments and derivative financial assets	1 757 307	1 175 380		
Recoverables on cancelled ships	–	300 723		
Total non-current assets	16 928 697	15 338 395		
Loans and advances to bank customers	4 915 854	4 306 693		
Liquid assets and short-term negotiable securities	1 065 730	990 024		
Bank balances and cash	8 393 256	7 404 912		
Other current assets	4 871 336	4 303 617		
Non-current assets held for sale	281 892	513 586		
Total assets	36 456 765	32 857 227		
Shareholders' equity	19 146 165	17 432 296		
Non-controlling interests	(6 274)	48 185		
Total equity	19 139 891	17 480 481		
Interest-bearing borrowings	2 061 818	2 263 292		
Financial Services funding instruments	798 288	362 717		
Deferred taxation	224 675	188 850		
Other non-current liabilities	89 191	156 665		
Non-current liabilities	3 173 972	2 971 524		
Deposits from bank customers	9 979 739	7 809 523		
Current interest-bearing borrowings	1 326 418	1 232 421		
Financial Services funding instruments	173 005	922 550		
Other liabilities	2 573 890	2 322 993		
Non-current liabilities associated with assets held for sale	89 850	117 735		
Total equity and liabilities	36 456 765	32 857 227		
<i>* Restated in accordance with provisional accounting relating to fair value on acquisition of B-BBEE businesses.</i>				
Net worth per ordinary share – at book value (cents)	2 450	2 227		
Net debt:equity ratio	(0.00):1	(0.03):1		
Capital expenditure	913 042	1 645 526		
	31 December 2015 R000	31 December 2015 US\$000	31 December 2014 R000	31 December 2014 US\$000
Capital commitments	122 723	41 845	82 500	15 561
Authorised by directors and contracted for	122 723	25 304	81 290	15 561
Due within one year	11 020	25 146	79 974	517
Due thereafter	111 703	158	1 316	15 044
Authorised by directors not yet contracted for	–	16 541	1 210	–

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Audited 31 December 2015 R000	Audited 31 December 2014* R000
Operating profit before working capital changes	1 190 897	1 222 860
Working capital changes	221 723	619 164
Cash generated from operations	1 412 620	1 842 024
Net interest paid	(9 403)	(34 563)
Net dividends paid	(150 996)	(170 107)
Taxation paid	(188 251)	(223 789)
	1 063 970	1 413 565
Net deposits from/(net advances to) customers and other short-term negotiables	1 485 349	(783 085)
Deposits – Retail Banking	1 253 006	(768 862)
Other	232 343	(14 223)
Net cash flows generated from operating activities before ship sales and purchases	2 549 319	630 480
Refund on ships under construction cancelled	319 838	–
Proceeds on disposal of ships	158 414	234 317
Cash payments on ship options exercised	–	(116 221)
Capital expenditure on ships	(198 980)	(192 694)
Net cash flows generated from operating activities	2 828 591	555 882
Acquisition of investments, subsidiaries, property, terminals, vehicles and equipment	(616 269)	(955 954)
Net proceeds from disposal of property, terminals, vehicles, equipment and investments	68 301	383 273
Net receipt from/(payments made to acquire) finance lease receivables	19 931	(4 834)
Intangible assets acquired	(26 035)	(58 248)
Proceeds from disposal of intangible assets	1 027	–
Funds advanced to joint ventures and associate companies	(264 028)	(327 486)
Acquisition of preference share investment	(14 650)	(400 000)
Acquisition of additional investments in subsidiaries, joint ventures and associates	(307 723)	(183 634)
Net cash flows utilised in investing activities	(1 139 446)	(1 546 883)
Net proceeds from issue of ordinary share capital	6 255	3 978 573
Acquisition of treasury shares	(25 710)	(37 563)
Proceeds from disposal of treasury shares	366	144
Long-term interest-bearing debt raised	499 225	726 945
Payment of capital portion of long-term interest-bearing debt	(1 459 032)	(1 080 843)
Short-term interest-bearing debt raised/(repaid)	51 443	(1 588 273)
Net cash flows (utilised in)/generated from financing activities	(927 453)	1 998 983
Net increase in cash and cash equivalents	761 692	1 007 982
Cash and cash equivalents at beginning of the year	7 188 626	6 131 503
Difference arising on translation	390 599	49 141
Cash and cash equivalents at end of the year	8 340 917	7 188 626

* The comparative consolidated statement of cash flows has been restated to disclose funds provided to joint ventures as investing activities in terms of IAS 7: Statement of Cash Flows.



SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Audited 31 December 2015 R000	Audited 31 December 2014 R000
Share capital and share premium	5 970 727	5 982 924
Balance at beginning of the year	5 982 924	2 036 992
Share options vested	6 892	4 778
Share issue	6 255	3 978 573
Treasury shares acquired	(25 710)	(37 563)
Treasury shares sold	366	144
Preference share capital	2	2
Balance at beginning of the year	2	2
Equity compensation reserve	63 643	57 566
Balance at beginning of the year	57 566	50 551
Share-based payments	12 969	11 793
Share options vested	(6 892)	(4 778)
Foreign currency translation reserve	6 063 103	2 661 342
Balance at beginning of the year	2 661 342	1 916 514
Foreign currency translation realised	(2 323)	(99 744)
Foreign currency translation adjustments	3 404 084	844 572
Other non-distributable statutory reserves	(126 302)	(123 092)
Balance at beginning of the year	(123 092)	(23 151)
Financial instrument hedge settlement	65 483	-
Foreign currency translation adjustments	(22 540)	(1 455)
Fair value adjustment on hedging reserve	(34 607)	(76 975)
Deferred tax effect on cash flow hedge	5 804	(393)
Net business combination acquisition	(17 350)	(21 118)
Movement in accumulated profit	7 174 992	8 853 554
Balance at beginning of the year	8 853 554	8 055 520
Fair value gain arising on available-for-sale financial instruments	1 493	-
Actuarial (losses)/gains recognised	(45)	1 147
(Loss)/profit for the year	(1 365 332)	1 060 285
Ordinary dividends paid	(253 537)	(204 304)
Preference dividends paid	(61 141)	(59 094)
Total interest of shareholders of the company	19 146 165	17 432 296
Equity attributable to non-controlling interests of the company	(6 274)	48 185
Balance at beginning of the year	48 185	96 239
Foreign currency translation adjustments	(7 822)	301
Business acquisitions	-	21 548
Non-controlling interest disposed	(1 494)	(78 685)
(Loss)/profit for the year	(3 241)	15 692
Dividends paid	(41 902)	(6 910)
Total equity attributable to shareholders of the company	19 139 891	17 480 481

SEGMENTAL ANALYSIS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Audited 31 December 2015 R000	Audited 31 December 2014 R000
Revenue		
Freight Services	5 059 813	5 653 512
Shipping	22 058 351	22 106 063
Financial Services	452 756	376 912
Group	424 499	4 580 465
	27 995 419	32 716 952
Segmental adjustments*	(17 803 050)	(18 804 470)
	10 192 369	13 912 482
Earnings/(loss) before interest, taxation, depreciation and amortisation		
Freight Services	837 685	1 053 611
Shipping	662 177	638 913
Financial Services	255 011	175 210
Group	(7 415)	(42 750)
	1 747 458	1 824 984
Segmental adjustments*	(648 558)	(658 973)
	1 098 900	1 166 011
Operating profit/(loss) before interest and taxation		
Freight Services	438 528	732 073
Shipping	169 473	227 421
Financial Services	250 318	171 401
Group	(12 159)	(58 597)
	846 160	1 072 298
Segmental adjustments*	(422 742)	(453 430)
	423 418	618 868
Share of associate companies' profit after taxation		
Freight Services	71 879	79 538
Group	–	3 607
	71 879	83 145
Segmental adjustments*	781	–
	72 660	83 145
(Loss)/profit attributable to ordinary shareholders		
Freight Services	(108 994)	613 269
Shipping	(1 495 674)	223 765
Financial Services	164 662	111 979
Group	13 533	52 178
	(1 426 473)	1 001 191

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



BUSINESS COMBINATIONS

FOR THE YEAR ENDED 31 DECEMBER 2015

Acquisition of subsidiaries, joint ventures and associates

During the year, the group acquired the following interests:

Company acquired	Nature of business	Percentage acquired	Interest acquired 2015	Purchase consideration R000
Grindrod Asset Management Holdings Proprietary Limited	Financial Services	4.9	15 April	16 995
Grindrod Logistics Africa Proprietary Limited	Integrated Logistics	33.3	24 February	3 692
RBT Grindrod Terminals Proprietary Limited	Terminals	49.9	1 October	378 751
Sturrock Shipping Ghana Limited	Integrated Logistics	50.0	1 January	–
Total purchase consideration				399 438

Reasons for acquisitions

The reason for the RBT Grindrod Terminals Proprietary Limited acquisition was to introduce a strategic partner to facilitate long-term operational goals within the coal business. The remaining acquisitions were to acquire the non-controlling interests, thus giving Grindrod full control.

Impact of the acquisitions on the results of the group

From the dates of their acquisition, the acquired businesses contributed additional losses of R7.3 million.

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

Net assets acquired/(disposed)	Acquirees' carrying amount before combination at fair value R000
Property, plant and equipment	(91 952)
Interest in associate companies	(480)
Working capital	(102 294)
Cash and bank	616
Non-controlling interest	1 494
Long-term liabilities	23 779
Interest in preference share investment and joint venture companies acquired	378 751
Deferred taxation	3 179
Total	213 093
Less: profit on sale on disposal of operations	(211 599)
Business combination reserve	19 193
Total purchase consideration	20 687
Cash acquired	(616)
Net assets acquired	20 071

Disposal of subsidiaries, joint ventures and associates

The group had no material disposals during the year.

LEASES AND SHIP CHARTERS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Audited 31 December 2015 R000	Audited 31 December 2014 R000
Operating leases and ship charters		
Income	1 345 991	1 134 933
Expenditure	5 303 916	4 522 157
Finance lease liabilities	-	41 969

FAIR VALUE OF FINANCIAL INSTRUMENTS

AS AT 31 DECEMBER 2015

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Audited 31 December 2015 R000	Audited 31 December 2015 R000	Audited 31 December 2015 R000	Audited 31 December 2015 R000
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	-	8 290	-	8 290
Financial assets designated at fair value through profit or loss	23 758	483 602	880 936	1 388 296
Total	23 758	491 892	880 936	1 396 586
Financial liabilities				
Derivative financial instruments	-	(102 773)	-	(102 773)
Financial liabilities designated at fair value through profit or loss	-	(97 127)	-	(97 127)
Total	-	(199 900)	-	(199 900)
	Audited 31 December 2014* R000	Audited 31 December 2014* R000	Audited 31 December 2014* R000	Audited 31 December 2014* R000
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets designated at fair value through profit or loss	23 762	254 766	552 329	830 857
Total	23 762	254 766	552 329	830 857
Financial liabilities				
Derivative financial instruments	-	(88 540)	-	(88 540)
Financial liabilities designated at fair value through profit or loss	-	(134 241)	-	(134 241)
Total	-	(222 781)	-	(222 781)

* Comparative figures have been revised to reflect more appropriate disclosures of financial instruments.



Fair value gains recognised in the statement of comprehensive income for Level 3 financial instruments were R77.7 million (2014*: R84.1 million).

Reconciliation of Level 3 fair value measurements of financial assets

	Audited 31 December 2015 R000	Audited 31 December 2014* R000
Opening balance	552 329	344 911
Additions	276 757	143 811
Disposals	(25 815)	(20 511)
Total gains recognised		
– in other comprehensive income	2 206	–
Reclassified to profit or loss	–	–
Profit and loss	75 459	84 118
Closing balance	880 936	552 329

* Comparative figures have been revised to reflect more appropriate disclosures of financial instruments.

CONTINGENT ASSETS/LIABILITIES

AS AT 31 DECEMBER 2015

The company guaranteed loans and facilities of subsidiaries and joint ventures amounting to R5 895 868 000 (2014: R6 263 550 000) of which R2 714 947 000 (2014: R2 231 427 000) had been utilised at year-end.

The company guaranteed charter-hire payments of subsidiaries amounting to R1 082 546 000 (2014: R1 137 690 000). The charter-hire payments are due by the subsidiaries in varying amounts from 2016 to 2022.

During the year, as a result of the decline in the share price, Grindrod placed R190 618 106 on deposit as security with the funders of the BEE consortium to secure the structure. Grindrod continues to have the ability, but no obligation, to increase its funding within the structure should the current lenders wish to exit.

BUSINESS REVIEW

Overview

Economies across the globe failed to achieve sufficient growth to break the cycle of oversupply resulting in weak commodity markets and dry-bulk shipping rates in 2015. Board and management remain focused on mitigating the adverse impacts of subdued market conditions on business performance and shareholder value.

The persistent decline in the dry-bulk shipping rates has continued into 2016 and is now at unprecedented levels. This has significantly impacted ship carrying values and the board has therefore deemed it appropriate to raise an impairment of US\$100 million. Impairments were also necessary in the mineral logistics and rail businesses. Prior year earnings benefited by R430.6 million raised on change of control in the BEE joint ventures.

The weak dry-bulk shipping market, largely as a result of oversupplied tonnage and weak commodity markets, resulted in significant losses in the dry-bulk shipping business. The ship-operating businesses improved their performance with increased volumes and new services. Lower oil prices and the increase in transportation of petroleum products resulted in good earnings for the tanker fleet. The increased volumes also benefited the Marine-Fuels business which was expanded in the prior year to increase coverage in the Far East.

Both the dry-bulk and tanker fleets exceeded average spot-market rates and benchmark indices in one of the most challenging years for the shipping industry.

Low commodity prices affected volume through the mineral terminals despite good support from corridor partners. The ability to substitute magnetite and coal has been greatly beneficial. The port of Maputo did well to offset the reduced sub-concession volumes with significant chrome shipments. Financial close on the port capital dredge and the berth offset project is expected in the first quarter of 2016 with all internal approvals complete. The project will boost the competitiveness of the port and the phase 4 expansion of the Matola coal terminal will follow on improved demand. The successful conclusion of a joint venture with BEE partner RBT Resources paves the way for the expansion of the Richards Bay coal terminal to 4.5 million tonnes per annum. The project should be complete in the third quarter of 2016. Regulatory delays on the Coega liquid-bulk terminal development have delayed the project.

Reduced customer demand and excess road transport capacity as a result of weaker commodity prices impacted the Rail businesses negatively. Progress on delivering a sustainable solution on the north-south rail corridor and the north-west rail project is hampered by significant excess road haul capacity. North-south rail corridor volume continued to fall on the back of depressed copper prices and lower transit volume in Zimbabwe. The recovery of the Sierra Leone-leased locomotive position was an important achievement. Delays in the award of tenders and cancellations, postponement and scale down of orders have impacted earnings in the Rail Construction and Signalling businesses. Locomotives order book firmed with contracts to deliver 16 locomotives from Quarter 1, 2016.

The Integrated Logistics business reported an overall reduction in earnings, mainly as a result of a loss reported by the closure of the Minerals Intermodal business and low volumes through the Maputo Intermodal facility. Earnings were boosted by profitable contracts acquired in the ships agency and clearing and forwarding businesses. The new Denver facility in Johannesburg is operational and the rail siding is complete.

Carrier Logistics businesses similarly performed well, producing profits in both the automotive and fuel markets on lower volumes, following the rightsizing and productivity improvement initiatives in the prior year.

The Agricultural Logistics business, reported significantly lower earnings as a result of the 2015 drought in South Africa and neighbouring countries.

Financial Services businesses continued to grow and increased its earnings by 47 per cent. There was significant growth in the assets under management, in the CoreShares Exchange Traded Funds and the CIS Funds, notably the high-performing Payers and Growers Funds. The UK Property Private Equity investment exceeded expectations in terms of both quality and performance of the assets acquired.



Headline earnings decreased by 23 per cent to R558.8 million (2014: R729.4 million), with headline earnings per share decreasing by 31 per cent to 74.4 cents (2014: 107.5 cents). The loss of R1 426 million is largely as a consequence of the impairments to the ship carrying values, mineral logistics and rail businesses in the current year.

Earnings per share are calculated on a weighted average of 751.5 million shares (2014: 678.3 million shares) primarily as a result of the 161.3 million shares issued in the prior year. The full impact of the additional shares in issue increased the weighted average number of shares by 11 per cent. The loss per share is 189.8 cents (2014: Earnings per share 147.6 cents).

A final ordinary dividend of 6.0 cents per share has been declared.

Capital expenditure and commitments

R million	Capital expenditure		Capital Commitments			Split as follows	
	2015	2016	2017	2018+	Total	Approved not contracted	Approved and contracted
Freight Services	507	288	122	7	417	218	199
Port and Terminals	252	195	3	4	202	184	18
Rail	146	88	5	–	93	34	59
Carrier Logistics	52	–	–	–	–	–	–
Integrated Logistics	57	5	114	3	122	–	122
Shipping	805	762	–	–	762	106	656
Dry-bulk	544	348	–	–	348	–	348
Tankers	261	414	–	–	414	106	308
Financial Services Group	22	–	–	–	–	–	–
	20	–	–	–	–	–	–
	1 354	1 050	122	7	1 179	324	855
Split as follows:							
Subsidiaries	913	527	117	2	646	106	540
Joint ventures	441	523	5	5	533	218	315

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

Total capital and investment expenditure was R1 354 million (2014: R2 448 million), of which 78 per cent was expansionary and the balance maintenance or replacement capital expenditure. The capital expenditure mainly comprised payments on the acquisition of dry-bulk ships ordered in 2013, a products tanker acquired against long-term contracted employment, and locomotives.

Cash flow and borrowings

The financial position reflects net cash of R33.9 million (2014 net cash: R542.7 million). Operating profit before working capital movements was R1 190.9 million (2014: R1 222.9 million). Working capital contributed to a net inflow of R221.7 million (2014: R619.2 million net inflow).

Statement of financial position

With total assets of R36 457 million (2014: R32 857 million) and no net debt (2014: no net debt), the group's financial position remains strong. Book net asset value per share is 2 450 cents (2014: 2 227 cents).

BUSINESS REVIEW *(continued)*

Shareholders' equity increased to R19 146 million (2014: R17 432 million) as a result of a gain in the foreign currency translation reserve offset by impairments of ships, mineral logistics and rail. The net increase of R3 402 million to the foreign currency translation reserve was due to the weakening of the Rand/US Dollar exchange rate from R11.57/US\$ to R15.60/US\$.

Ordinary shares in issue increased to 762 553 314 shares (2014: 762 053 314).

Basis of preparation

The summarised consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 31 December 2015 and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council. The results are presented in accordance with IAS 34: Interim Financial Reporting and comply with the Listings Requirements of the JSE Limited and the Companies Act of South Africa, 2008.

The provisional accounting relating to the fair value on acquisition of a prior year B-BBEE business combination has been completed. Consequently, the comparative figures have been adjusted retrospectively. The effect of the adjustment resulted in an increase in the value of intangible assets and the related deferred tax liability offset by a decrease in goodwill.

In addition, funds provided to joint ventures were previously disclosed as operating cash flows as they were utilised for working capital by the joint ventures. The consolidated statement of cash flows has been restated to disclose funds provided to joint ventures as investing activities in terms of IAS 7: Statement of Cash Flows. The comparative information has been restated. There is no impact on profit/loss and the statement of financial position.

The full consolidated annual financial statements from which these summarised consolidated financial statements were derived are electronically available on the group's website www.grindrod.co.za.

These summarised consolidated financial statements have been prepared under the supervision of AG Waller, CA(SA) and were approved by the board of directors on 23 February 2016.

Accounting policies

The accounting policies applied in the preparation of the full consolidated annual financial statements from which the summarised consolidated financial statements were derived are in terms of IFRS and are consistent with those of the previous full consolidated annual financial statements except for the below.

The company early adopted the amendments to IFRS 10, IFRS 12 and IAS 28 as detailed in the publication 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)' issued by the IASB.

Audit opinion

These summarised consolidated financial statements for the year ended 31 December 2015 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the full consolidated financial statements for the year ended 31 December 2015, from which these summarised consolidated financial statements were derived. A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report on the full consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports.

Deloitte & Touche has not audited future financial performance and expectations expressed by management included in the commentary in the summarised consolidated financial statements and accordingly do not



express an opinion thereon. The auditor's report does not necessarily report on all of the information contained in the summarised consolidated financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Post balance sheet events

There are no material post balance sheet events to report.

Change in directorate

Ms Bongwiwe Ntuli was appointed to the board as executive director: Port, Terminals and Rail in August 2015. The board congratulates Bongwiwe on her appointment and looks forward to her continued valuable contribution.

Shareholders are advised that Mr Jannie Durand will step down as non-executive director at the forthcoming annual general meeting (AGM), scheduled to take place on 27 May 2016. Jannie was appointed to the board on 9 May 2012 as representative of Remgro.

On recommendation of the nomination committee, the board has appointed Mr Pieter Uys, the current alternate director to Jannie, as his replacement and Mr Raymond Ndlovu as alternate director to Pieter effective 27 May 2016.

Pieter was appointed on 30 August 2013, and serves as Chairman of the risk committee and is a member of the Grindrod Bank Limited board.

Raymond holds a B. Business Studies (Honours) from the University of Zimbabwe and has 27 years' experience in various fields in the financial services industry. In 2013 Raymond joined Invenfin, the venture investment division of Remgro as an investment executive, before being re-assigned to Remgro in July 2015. He serves in a non-executive capacity on the boards of several Remgro investee companies and as an independent director of Strate Limited.

We thank Jannie for his valuable contributions to the board and congratulate both Pieter and Raymond on their respective appointments.

Shareholders are further advised that Mr Cato Brahmde will step down as non-executive director at the forthcoming AGM, scheduled to take place on 27 May 2016. Cato has been a non-executive director of Grindrod's Shipping boards for more than 20 years and was appointed to the Grindrod board on 1 January 2013. We thank Cato for his guidance and valuable input to the boards.

The board offers its condolences to the Grindrod family, who suffered the loss of Mr Walter Murray Grindrod in May 2015 at the age of 79. He served the group for 50 years before retiring in 2007, 21 of which as chairman of the board.

Prospects

Grindrod with its strategic assets and ungeared balance sheet is well positioned to develop key capital projects and to capitalise on opportunities. Current depressed commodity prices and dry-bulk shipping rates will, however, continue to put pressure on earnings in the near term.

For and on behalf of the board

MJ Hankinson
Chairman
23 February 2016

AK Olivier
Chief executive officer
23 February 2016

DECLARATION OF FINAL DIVIDEND

Preference dividend

Notice is hereby given that a gross final dividend of 423.0 cents per cumulative, non-redeemable, non-participating and non-convertible preference share (2014: 409.0 cents) has been declared out of income reserves for the year ended 31 December 2015, payable to preference shareholders in accordance with the timetable below.

At 25 February 2016, there were 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares in issue. The final net preference dividend is 359.55000 cents per share for preference shareholders who are not exempt from dividends tax.

Ordinary dividend

Notice is hereby given that a gross final dividend of 6.0 cents per ordinary share (2014: 20.0 cents) has been declared out of income reserves for the year ended 31 December 2015, payable to ordinary shareholders in accordance with the timetable below.

At 25 February 2016, there were 762 553 314 ordinary shares in issue. The final net ordinary dividend is 5.10000 cents per share for ordinary shareholders who are not exempt from dividends tax.

With respect to the preference and ordinary dividends, in terms of the dividends tax effective since 1 April 2012, the following additional information is disclosed:

- The local dividends tax rate is 15 per cent; and
- Grindrod Limited's tax reference number is 9435/490/71/0.

Timetable

Declaration and finalisation date	Thursday, 25 February 2016
Last day to trade cum-dividend	Wednesday, 16 March 2016
Shares commence trading ex-dividend	Thursday, 17 March 2016
Record date	Thursday, 24 March 2016
Dividend payment date	Tuesday, 29 March 2016

No dematerialisation or rematerialisation of shares will be allowed for the period Thursday, 17 March 2016, to Thursday, 24 March 2016, 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
23 February 2016



CORPORATE INFORMATION

Directors

MJ Hankinson (Chairman)**, AK Olivier (Chief executive officer), H Adams**, AC Brahde** (Norwegian), JJ Durand*, MR Faku**, WD Geach**, GG Gelink**, B Ntuli, T Nyoka**, DA Polkinghorne, NL Sowazi**, PJ Uys (alternate)*, MR Wade (British), AG Waller (Group financial director), SDM Zungu**

** Non-executive, ** Independent non-executive*

Registered office

Quadrant House
115 Margaret Mncadi Avenue
Durban
4001
PO Box 1, Durban, 4000

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg
2001
PO Box 61051, Marshalltown, 2107

Auditors

Deloitte & Touche
Designated Audit Partner: Craig Sagar CA(SA)

Sponsor

Grindrod Bank Limited
Fourth Floor
Grindrod Tower
8A Protea Place
Sandton
2196
PO Box 78011, Sandton, 2146

Registration number: 1966/009846/06

Incorporated in the Republic of South Africa

Share code: GND & GNDP

ISIN: ZAE000072328 and ZAE000071106

For more information and additional analyst information, please refer to www.grindrod.co.za



an integrated business