

GRINDROD LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1966/009846/06)
Share code: GND & GNDP
ISIN: ZAE000072328 & ZAE 000071106
("Grindrod" or "the Company")

TRADING STATEMENT

The Grindrod strategy focuses on driving a corridor approach, securing contracted volumes, building corridor solutions and extending supply chains within the Port, Terminals and Logistics businesses. The Bank is establishing its platform banking offering, and targets lending growth in the SME and property markets.

Port and Terminals, and the Logistics businesses reported solid results during the year. Maputo Port achieved record volumes which grew 8% on 2018, and the Matola terminal capacity utilisation reached a record 81%. The newly established and operational intermodal facility in Nacala and development in Palma embeds Grindrod's presence in Northern Mozambique and strengthens our position as a key logistics corridor player in the liquefied natural gas project development in that region.

Continuing operations

Shareholders of Grindrod Limited are advised that headline earnings from continuing operations for the 12 months ended 31 December 2019 ("the period") are expected to be between 6 and 12% higher than the R 480.2 million reported in 2018.

The table below sets out the expected results from continuing operations for 2019:

	2019 Range	2018 reported	Range represents increase of
Headline earnings	R507 million and R 537 million	R480.2 million	6% and 12%
Headline earnings per share	74.5 cents and 78.9 cents	63.9 cents	17% and 24%
Earnings/(loss)	R281 million and R 311 million	R(20.3) million	In excess of 100%
(Loss)/Earnings per share	41.3 cents and 45.7 cents	(2.7) cents	In excess of 100%

Earnings from continuing operations is expected to increase in excess of 100% after including an impairment of R 132 million relating to Grindrod's share of project costs incurred to date on the Ngqura Liquid Bulk Terminal project. The decision to impair the asset was made as the internal deadline for commitments from customers was not achieved.

Discontinued operations

The Marine Fuels and Agri businesses performed well during the second half of the year. In terms of IFRS 5, no earnings are recorded for these businesses as they are discontinued operations. At year end, the fair value of the assets held-for-sale for Grindrod's investment in Senwes is marked to market based on the year-end trading price on ZARX and resulted in a decrease of R 58 million. During September 2019, management successfully disposed of NWK. The process to dispose of the investment in Cockett and Senwes is underway.

Total operations

Shareholders are advised the results from total operations are expected to fall within the following ranges:

	2019 Range	2018 reported	Range represents decline of
Headline earnings	R22 million and R82 million	R493.8 million	96% and 83%
Headline earnings per share	3.2 cents and 12.1 cents	65.7 cents	95% and 82%
(Loss)/earnings	R(382) million and R (442) million	R2 872.9 million	In excess of 100%
(Loss)/Earnings per share	(56.1) cents and (65.0) cents	382.1 cents	In excess of 100%

The decline in earnings in excess of 100 per cent was largely as a result of the foreign currency translation gain that arose during 2018 following the separate listing of the Shipping business. The current year reflects the impairments reported on the Marine Fuels and Agri assets-held-for sale during the first half of the year.

The Marine Fuels impairments reported in the first half were \$34 million following irregularities in the landside bunker fuel business, which is now closed. This impairment is included in headline earnings within discontinued operations.

Shareholders are advised that Grindrod will release its results for the period on the Stock Exchange News Service on or about Wednesday, 4 March 2020.

The information contained in this trading statement has not been reviewed nor reported on by the company's external auditors.

By order of the board
25 February 2020
Sponsor: Grindrod Bank Limited