Automotive and Logistics

Economic

	Revenue Year ended 30 September R million		Operating profit/(loss) Year ended 30 September R million		Net operating assets 30 September R million	
	2013	2012	**2013**	2012	**2013**	2012
Car rental southern Africa	**4 111**	3 555	**317**	251	**1 863**	1 966
Motor retail	**23 025**	20 256	**577**	479	**3 388**	3 096
– Southern Africa	**17 517**	15 209	**431**	352	**1 868**	1 669
– Australia	**5 508**	5 047	**146**	127	**1 520**	1 427
Fleet services southern Africa	**2 895**	2 294	**484**	349	**3 191**	2 587
Logistics	**4 379**	3 385	**101**	73	**1 124**	354
Southern Africa	**3 456**	2 535	**138**	92	**988**	224
Europe, Middle East and Asia	**923**	850	**(37)**	(19)	**136**	130
	34 410	29 490	**1 479**	1 152	**9 566**	8 003
Share of associate (loss)/income			**(3)**	(7)		

Environmental

	Petrol and Diesel (ML) Year ended 30 September		Electricity (MWh) Year ended 30 September		Energy (GJ) Year ended 30 September		Emissions (tCO_2e) (scope 1 and 2) Year ended 30 September		Water (ML) Year ended 30 September	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Car Rental southern Africa	**3.03**	3.38	**7 089**	7 593	**129 629**	143 054	**14 715**	16 047	**239**	143
Motor Retail	**6.44**	6.41	**35 579**	35 835	**359 613**	358 572	**52 668**	52 858	**262**	272
Southern Africa	**5.24**	5.21	**31 110**	31 945	**300 748**	301 637	**45 466**	46 184	**246**	257
Australia	**1.20**	1.20	**4 469**	3 890	**58 865**	56 935	**7 202**	6 674	**16**	15
Fleet Services southern Africa	**0.66**	0.69	**1 366**	1 549	**27 845**	29 512	**2 968**	3 199	**3**	5
Logistics	**41.41**	17.35	**10 022**	7 927	**1 758 198**	748 983	**138 425**	61 372	**48**	58
Southern Africa	**41.24**	17.03	**7 300**	5 470	**1 742 047**	728 659	**135 832**	58 658	**40**	50
Europe, Middle East and Asia	**0.17**	0.32	**2 722**	2 457	**16 151**	20 324	**2 593**	2 714	**8**	8
	51.54	27.83	**54 056**	52 904	**2 275 285**	1 280 121	**208 776**	133 476	**552**	478

Social

	Employee headcount Year ended 30 September		LTIFR Year ended 30 September		Fatalities Year ended 30 September		B-BBEE rating* Year ended 30 September	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Car Rental southern Africa	**1 911**	1 920	**0.93**	0.63			**2**	2
Motor Retail	**5 267**	5 185	**1.49**	2.08				
Southern Africa	**4 757**	4 657	**1.43**	1.96			**3**	3
Australia	**510**	528	**2.14**	3.37				
Fleet Services southern Africa	**551**	509	**0.16**	0.86			**3**	3
Logistics	**3 159**	2 078	**0.60**	0.68	**3**			
Southern Africa	**2 762**	1 654	**0.60**	0.68	**3**		**2**	2
Europe, Middle East and Asia	**397**	424	**0.60**	0.68				
	10 888	9 692	**1.00**	1.30	**3**			

** B-BBEE rating for South Africa only.*

Martin Laubscher
Chief executive officer: Automotive and Logistics

Revenue up 17%

Operating profit up 28%

Operating margin 4.3%

Integrated business model

Automotive and Logistics division

Customers

Barloworld Automotive

Barloworld Logistics

Car Rental	Fleet Services	Motor Retail Southern Africa	Digital Disposal Solutions	Motor Retail Australia	Freight managment and services	Supply chain management	Supply chain software	Transport solutions

Communication, HR, IT, Legal, Finance, Sustainable Development, Strategy, Empowerment and Transformation, Risk Management, Business Development and Sales

Inter-business unit synergies and cost efficiencies
Apply collective wisdom
Leveraging Automotive infrastructure to achieve critical mass for growth
Retain strategic focus on each business unit

Automotive

Logistics

To be a recognised leading provider of integrated vehicle usage and logistics solutions by exceeding our stakeholders' expectations at every interface

Automotive and Logistics

Market overview

The division operates in markets that are influenced by interest rates, consumer and business confidence, trade flows and overall economic activity, all of which remained subdued during the financial year.

The automotive markets in which the division operates further improved their new vehicle sales volumes in the past financial year. In South Africa new vehicle sales improved by 5.4% resulting from manufacturer-driven demand, while the used vehicle market provided select opportunities as new vehicle prices increased. The new vehicle market improved by 5.6% in Australia.

Statistics from the South African Vehicle Rental and Leasing Association (SAVRALA) showed the car rental market grew by 7.2%. Demand for outsourced vehicle management services and leasing remained robust.

Certain sectors in the South African logistics industry are still trading below expectation, with others benefiting from an upturn in volumes and demand. Strike action in the transport and other sectors impacted negatively on the overall logistics market. Internationally, volumes remain unpredictable and the industry remains cautious in view of volatile economic markets and uncertainty surrounding a sustained recovery.

In the context of this challenging environment the division performed well.

Business overview

The Automotive and Logistics division's vision provides clear purpose and direction to the organisation:

To be a recognised leading provider of integrated vehicle usage and logistics solutions by exceeding our stakeholders' expectations at every interface.

The division provides customers a range of integrated solutions from single-unit transactions to an overall solution, appropriate to the clients' specific needs, complemented by Barloworld service excellence.

Through a structured approach, the division ensures that each business unit applies best practice within its core businesses, a strong focus on operational excellence and strives for a market leading position in each key segment. In addition, this approach maximises the direct and indirect benefits that exist between the various business units through meeting customer needs. The divisional platform provides for leadership and guidance across key areas through process ownership and collective wisdom.

Car rental

Avis Rent a Car southern Africa operates short-term vehicle rental from over 190 customer service centres focused on the tourism, corporate, local and replacement market segments throughout southern Africa. At peak, the car rental fleet comprised some 25 000 vehicles. The operations in South Africa, Botswana, Lesotho, Mozambique, Namibia and Swaziland are company owned and the remainder are sub-licensed.

Avis Point 2 Point is a chauffeur-driven inner-city transfer service. Avis Van Rental operates a sub-licensee network in South Africa. Avis Car Sales, previously branded Zeda Car Sales, disposes of ex-rental vehicles into the trade and to retail customers.

Fleet services

Avis Fleet Services provides long-term rental and value-added services to operators of passenger and commercial vehicles throughout South Africa and in Botswana, Ghana, Lesotho, Mozambique, Namibia and Swaziland. Products and services include the administration of vehicle licensing, maintenance and fuel costs, the acceptance of maintenance and residual value risks, and vehicle sourcing and disposal services.

Motor retail

Motor Retail southern Africa operates 42 leading motor vehicle franchise dealerships in South Africa and Botswana. Brands include Audi, BMW, Chrysler, Ford, General Motors, Mazda, Mercedes-Benz, Toyota and Volkswagen. Products include the sale of new and used vehicles with supporting finance and insurance products, and after-market services including parts sales, service and coachworks repair centres.

Complementing the dealer footprint, Barloworld Fleet Marketing develops and maintains strong relationships with key customers requiring a range of ownership solutions.

Motor Retail Australia operates modern dealership facilities in Melbourne and Sydney. We retail new and used passenger and light commercial vehicles, as well as provide parts, service, and finance and insurance-related products. Barloworld Australia represents Holden, Mercedes-Benz, Smart, Suzuki and Volkswagen. We are the largest Volkswagen dealer and one of the largest Mercedes-Benz dealers in Australia, as well as the largest Holden dealer in Victoria.

Logistics

Barloworld Logistics is one of the leading logistics and supply chain management businesses in southern Africa with

The integrated business model delivers value through a balanced mix of businesses.

complementary operations in Hong Kong, the United Arab Emirates, Iberia, Germany and the United Kingdom, employing some 3 000 staff across 100 offices.

The integrated logistics solution offerings include supply chain consulting and design, inventory management solutions, transportation management services, warehousing and distribution design and management, freight forwarding and clearing, and supply chain software and planning.

Through client collaboration, continual improvement and innovation, Barloworld Logistics delivers smart supply chain solutions to customers. These solutions are aligned to drive business strategy and create a competitive advantage for clients. Depending on clients' requirements, such solutions can be across the supply chain in an integrated manner or components of complete solutions. In each of these supply chain solution areas we provide the leadership, skills, methodologies, processes and tools necessary to consult, design, implement, operate or manage the solutions.

Performance overview

Revenue was R34.4 billion, and a record operating profit of R1 479 million resulted in an operating margin of 4.3%. Employees grew to 10 769 permanent employees in 15 countries. All business units performed well ahead of expectations. The integrated model and approach sustained the improvements in margins. Divisional sales of new and used vehicles totalled 97 484 units, against the previous year's 88 467 units.

Car rental days in southern Africa improved to 6.1 million from 5.7 million in the previous year. This growth was achieved with well-controlled fleet utilisation of 75% over an average fleet of 21 889 vehicles. The average fleet increased by 7.5%, while revenue per day improved by 2.4% in a difficult trading environment. This resulted in revenue growing 16% to R4.1 billion, while operating profit grew 26% to R317 million resulting in operating margin improving to 7.7% from 7.1% in the prior year. During the year a decision was taken to exit the overtraded luxury coach segment.

Avis Fleet Services operations continued to grow, with 277 164 vehicles under long-term finance and other management contracts at year-end compared to 227 019 vehicles in the previous year. The business delivered another record performance with operating profit improving by 39% to R484 million as a result of targeted fleet growth and a focus on margin enhancement across all product lines. The successful implementation of the City of Johannesburg fleet management contract added some 2 600 vehicles on full maintenance lease during the year, which supported the result.

Motor Retail southern Africa sold 37 889 new vehicles during the year compared to 34 455 units in the prior year. The business also benefited from good used vehicle unit sales and a strong contribution from the divisional finance and insurance offerings. After-market activity improved, resulting in a 13% increase in parts turnover, while service hours grew by 3.4%. The increased activity levels, coupled to the "Fewer, Bigger, Better" dealership approach, resulted in operating profit improving by 22% to R431 million from a growth in revenue of 15% to R17.5 billion.

Major facility upgrades during the year included Audi Centre Pietermaritzburg; Barons VW in Pietermaritzburg, Bellville and Bruma; Toyota and Lexus in Witbank; and the completion of a dedicated panel facility in Isando which also serves as a state-of-the-art training centre. The remaining 49% shareholding in Toyota Stellenbosch was acquired during the year and the dealership is now 100% owned.

Motor Retail Australia delivered a good result in line with expectations. Operating profit improved to R146 million, up by 15% supported by a weaker rand. The business sold 10 977 new vehicles and improved parts revenues and service hours in line with improving activity levels. Work commenced on upgrading the Mercedes-Benz facility in Mornington, which should be completed during the 2014 financial year.

Logistics delivered a pleasing result with revenue increasing by 29% to R4.4 billion and operating profit by 38% to R101 million. The southern African business continued to build on the previous year's performance and also benefited from a number of strategic acquisitions during this financial year. All expiring contracts in the southern African supply chain management business were successfully renewed.

The international business units continued to face difficult trading conditions. Significant restructuring costs were incurred in aligning the Spanish business to current activity levels. An assessment of the business in the Far East resulted in a decision to exit this business, effective 1 November 2013. The SAT and Middle Eastern business units performed in line with expectations.

Managing for value

Creation of value for all stakeholders remains central to our activities and this approach is supported by a focused stakeholder engagement model. Delivery is ensured through the emphasis on sustained improvements driven by all employees through an integrated set of programmes and initiatives that are continually monitored and assessed against standards and measures, which are reinforced through the Integrated Employee Value Model (IEVM).

We continue to create value for our principals and suppliers by investing in infrastructure and business systems, addressing brand exposure, market share and improving business performance. Their confidence in our ability is reflected in new opportunities offered to represent their brands and their ongoing commitment to our operations. Our

Automotive and Logistics continued

approach to sustainable development ensures we entrench both our principals and Barloworld's commitment to sustainable practices.

Customer value remains central to the division's success and is reflected in our sustained activity levels, increased market share and independent monitoring. We continue to monitor and focus on customer satisfaction ratings across all business units, as we believe it is through exceeding customer expectations, and meeting their changing needs, that we will achieve a sustainable competitive advantage and create superior value for them and other stakeholders.

Employee value recognises the important role of every employee and institutionalises initiatives and structures aimed at developing, harnessing and directing collective employee wisdom towards our value creation objectives while ensuring that employees share in the value created. An integrated approach to good people management is entrenched throughout the division.

Value created for communities in which we operate is a combination of indirect benefits from employment opportunities, rates and taxes paid and development, as well as direct benefits arising from socio-economic development initiatives by the business units which include contributing skills, resources and funding.

Our overall approach to good governance ensures that we meet the legitimate interests of all stakeholders which is supported by the Barloworld Worldwide Code of Conduct and the ethics and compliance programme. Safety remains a key priority with structured programmes across all business units.

The division continued to create stakeholder value through six Strategic Focus Areas consistent with the group framework.

Providing customers with a range of integrated vehicle usage and logistics solutions to fulfil their specific requirements is the cornerstone of the divisional offering.

Within our automotive unit, these solutions include the products and services of our individual business units, as well as unique combinations of these products and services tailored to customers' specific vehicle needs in a seamless combination, effectively and efficiently provided by a single supplier. This ranges from single unit transaction through to management of large-scale fleets over an extended period focusing on utilisation, fleet availability and effective management of costs.

Within the logistics unit this is achieved through strategic partnerships with leading clients, key suppliers and domain expertise in selected supply chain capabilities. Through client collaboration, continuous improvement and innovation, Barloworld Logistics delivers smart supply chain solutions to customers. These solutions are aligned to drive business strategy and create a competitive advantage for clients. Depending on clients' requirements, such solutions can be across the supply chain in an integrated manner or components of complete solutions. In each of these solution areas, we provide the leadership, skills, methodologies, processes and tools necessary to consult, design, implement, operate or manage the solutions.

Our ongoing commitment and focus on employees enhances value creation across all business units in the division. The division has made good progress in rolling out the IEVM which underpins good people management practices. Talent attraction and development to meet skills requirements of the overall divisional growth prospects remain in focus as does providing a safe and healthy work environment. Generally improving LTIFR reflects our attention to safety. Our motor retail, fleet services and car rental operations' LTIFR do not include individuals sourced through temporary service providers.

Consistent with the group's approach, we remain committed to workplace diversity, empowerment and transformation. Entrenching these principles in the strategic and operational decision-making processes ensures that we achieve Level 3 or better ratings.

Sustainable development is integrated into our strategy and operations. These strategies and initiatives drive the development of products and services to capitalise on emerging sustainable business opportunities, realise cost savings through energy efficiency and other sustainable business practices and enhance the division's reputation and brands as leaders in sustainable development.

Improving financial returns remained a core focus during the year. Optimising business unit performance included maximising both inter and intra-business unit synergies, as well as the implementation of tight performance targets and objectives. These included prudent capital allocation, optimising vehicle fleet utilisation, reducing working capital, improving asset turn, managing expenses and controlling interest costs.

This has been supported by the roll out of the new group Integrated Financial Value Model to support capital allocation decisions and assist in guiding strategic thinking. Key decisions taken in optimising financial returns include the exit of the coach charter operations, the sale of the logistics unit in the Far East, and the disposal of the Ferntree Gully motor dealership in Australia effective on 31 October 2013.

In pursuing profitable growth, the division continued exploring opportunities in southern Africa. Our digital disposal solutions unit continues to leverage innovative systems and processes to optimise the quality of earnings through efficient used vehicle disposal and provides additional revenue growth opportunities.

Avis Fleet Services acquired the remaining shares in its subsidiary in Lesotho which manages the outsourced fleet of the Lesotho government, and continued to focus on operations in Ghana. In addition, a large component of the City of Johannesburg municipal fleet outsource contract was awarded to Avis Fleet Services for a five-year period.

Barloworld Logistics acquired a 25.1% minority stake in re-, an environmental solutions business; merged the dedicated transport services business with Manline Logistics to form Barloworld Transport Solutions, in which Barloworld holds a 50.1% share; and formed Manline Mega to provide specialised abnormal load transport services.

These strategic themes are cascaded into all business units and contribute to the overall success of the division. Comprehensive structures to review risks and to adopt measures to address these exist throughout the division and its business units. These risks are comprehensively covered and addressed in strategic initiatives.

Future outlook

The prolonged uncertainty in world markets remains an issue over the period and the division will continue to prudently manage all aspects of the business. We will maintain emphasis on our six Strategic Focus Areas as outlined.

Our strategic planning process supports prudent capital allocation in identified growth areas that exceed internal hurdle rates.

Avis Fleet Services will continue to expand into select African markets. The logistics business is well positioned for growth, supported by a refocused business development team that will deliver organic growth over time, complemented by targeted acquisitive growth opportunities, which meet strict criteria. Other issues material to the future success of the division include repositioning the Car Rental business, select expansion of the South African motor retail footprint to complement the divisional vehicle usage strategy and addressing the future of Australian motor retail operations.

2014 is expected to yield further growth in all business units. Optimising the inherent synergies and benefits of our South African integrated vehicle usage solutions offering remains central to our strategy. The car rental operations will focus on rental yields, maintaining high fleet utilisation and optimising their asset base. Additional products and services will be provided to cater for evolving customer demands.

Our southern African motor retail operations will continue on a "Fewer, Bigger, Better" strategy, coupled with pursuing efficiencies through the centralisation and coordination of common functions, improving asset turn and reducing working capital. Our Australian motor retail operations are expected to sustain current profitability levels.

Avis Fleet Services is expected to continue to benefit from new and current contracts and pursue attractive growth opportunities in various markets.

Barloworld Logistics will build on the successful turnaround achieved in 2013 and benefit from recent acquisitions.

Strategic performance

Automotive and Logistics continued

Automotive and Logistics

Top imperatives for 2015[3]

Strategic Focus Area	Top imperatives	Risk	Risk response
Profitable growth	• Sustained EBITDA growth to fund asset replacement from existing cash flows • Achieve targeted operating profit over a five-year term • Pursue growth opportunities	• Underperformance of acquired businesses	• Thorough analysis and robust acquisition processes ensure alignment to overall strategic objectives
People	• Drive employee engagement and collective wisdom. Sustain a greater than 3 rating in the Individual Perception Monitor (IPM) for all business units: • Appropriate skills/resources to meet targeted growth opportunities • Safe and healthy work environment	• Attraction, development and retention of people required to meet the divisional and individual business unit growth objectives	• Integrated approach to good people management well entrenched
Integrated customer solutions	• Value-creating solutions for customers • Product bundling • Integrating products and services	• Non-alignment to key principals and key customers strategies	• Business model and stakeholder engagement activities ensure alignment
Sustainable development	• Aspirational 12% non-renewable energy consumption and greenhouse gas (scope 1 and 2) emissions efficiency improvements by end 2014 over 2009 baseline	• Environmental impairment as a result of the division's activities	• Comprehensive approach to embedding sustainable development principles into all operations
Empowerment and transformation	• Retain B-BBEE dti Level 3 or better for SA operations • Focus on employment equity, skills development and procurement targets	• Ensuring diversity in the workplace • Maintaining a competitive rating on the dti B-BBEE scorecards in SA operations	• Ongoing focus and development in place
Financial returns	• To meet and exceed the divisional return on equity hurdle rate by 2015 • To improve operating return on equity to targeted levels	• Ongoing ability to improve returns and meet set group hurdle rates	• Business model ensures acceptable returns with a focus on exceeding returns on new and existing businesses

At Avis people will always be more important than cars

"WE TRY HARDER"

At Avis the brand promise "We Try Harder" embodies every aspect of the business and this brand promise has been taken to the next plateau with the achievement of industry-leading levels of customer satisfaction. This is an integral part of the Avis business plan.

"We Try Harder" is not merely a slogan but an Avis ethos. Everyone at Avis puts themselves out there to deliver on this brand promise and embrace it as part of the entire customer-centric drive. Avis Brand Ambassadors go above and beyond to exceed their customers' expectations, with each interaction being an account of genuine warmth and sincerity. This results in the creation of a memorable customer experience.

Avis constantly keeps track of its customer service levels. This year has seen the car rental company achieve the highest ever Customer Satisfaction Index (CSI) score from market researchers MRM Support. At a record high of 91.8, the score is attributed to an unquestionable dedication to customer service in all facets of the business. The CSI score is a direct result of the "We Try Harder" ethos of Avis Brand Ambassadors.

Internalising the "We Try Harder" attitude breeds a self-fulfilling attitude of high service levels as a way of life. It is the Avis way of realising the belief that "people are more important than cars". People want to be treated like people and not like just another customer, a signature on a document or simply another body passing through the business.

"We Try Harder" encompasses the fact that Avis strives to deliver beyond the ordinary to surpass customers' expectation at every interface.

Customer satisfaction index score at a record high of

91.8

Corporate division overview

Corporate primarily comprises the operations of the headquarters and treasury in Johannesburg, the treasury in Maidenhead, United Kingdom, and the captive insurance company. The group has a decentralised management philosophy; however, a limited range of corporate activities and services are provided. These include internal audit, governance and company secretarial, investor relations, corporate communication, corporate finance, treasury and taxation, risk and legal, group strategy and sustainability, human resources management, employee benefits, and facilities management.

In southern Africa, the operating loss increased mainly owing to higher charges and accruals for long-term incentives linked to the rise in the Barloworld share price. In Europe, a change in the statutory measure for inflation on UK pension increases reduced the company's pension fund liability giving rise to a once-off benefit to operating profit in 2012 of R74 million (£6.1 million).

Corporate division

Consistent with group commitments and aspirational targets, corporate office strives to reduce its environmental footprint. The main initiatives in this regard include waste management, electricity-saving measures such as retro-fitting of energy-saving lighting and motion sensors linked to lights and air-conditioning units as well as timer switches on water pumps. Notwithstanding these efforts energy consumption and emissions increased, mainly as a result of higher electricity consumption, however, the benefit of the implemented initiatives are expected in future.

Economic	**Revenue** Year ended 30 September R million		**Operating profit/ (loss)** Year ended 30 September R million		**Net operating assets** 30 September R million	
	2013	2012	**2013**	2012	**2013**	2012
Southern Africa	**10**	17	**(85)**	(10)	**502**	739
Europe			**10**	68	**(1 400)**	(1 154)
	10	17	**(75)**	58	**(898)**	(415)

Environmental	**Petrol and Diesel (ML)** Year ended 30 September		**Electricity (MWh)** Year ended 30 September		**Energy (GJ)** Year ended 30 September		**Emissions (tCO_2e) (scope 1 and 2)** Year ended 30 September		**Water (ML)** Year ended 30 September	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Southern Africa	**0.01**	0.01	**699**	476	**2 733**	2 090	**740**	521	**3**	2

Social	**Employee headcount** Year ended 30 September		**LTIFR** Year ended 30 September		**Fatalities** Year ended 30 September		**B-BBEE rating*** Year ended 30 September	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Southern Africa	**113**	119	**1.53**				**2**	2

**B-BBEE rating for South Africa only.*

TEACHing for excellence

Celebrating partnerships focused on creating equality through education

Nineteen years after the end of apartheid in South Africa, educational inequality persists and overall performance is unacceptably low. The objective of TEACH South Africa and its volunteer ambassadors is to achieve educational equality for all learners in South Africa. To achieve this, TEACH recruits talented recent university graduates who are committed as volunteers to teaching for a minimum of two years. The organisation then trains and supports them in their deployment into classrooms in some of South Africa's most disadvantaged schools.

TEACH Ambassadors are young, highly motivated and skilled individuals who bring a new energy to the schools in which they are placed. There is strong evidence that shows poor learners, with the same educational opportunities as other learners, can achieve at the same academic levels. High performing schools across the country serving poor populations are matriculating high percentages of their learners.

In 2009, Barloworld played an integral role in 'fledging' TEACH South Africa by providing accommodation for the programme at its Sandton headquarters, Barlow Park, over a period of two years. In addition, TEACH South Africa received a Quantum Combi from the group's Automotive & Logistics division, which supports the programme's transport requirements. In 2012, Barloworld provided a venue to host the first TEACH School Principal Conference and, in 2013, Barloworld sponsored a TEACH Funders Breakfast which has resulted in creating partnerships with other organisations and stakeholders. Barloworld continues to support TEACH South Africa with grant funding towards its operational costs, enabling the organisation's key programme components to operate successfully.

In 2014 TEACH South Africa will celebrate the five-year anniversary of its launch. TEACH Ambassadors who have been placed in historically disadvantaged and rural schools have made a positive impact improving learner performance and enabling learners to enter tertiary education. The impact of TEACH Ambassadors not only benefits learners and helps to close the achievement gap that persists in South Africa, but also prepares a generation of learners to be better prepared for university and the workplace.

Managing for value

Memberships

JSE Socially Responsible Investment (SRI) Index – announced November 2013

Dow Jones Sustainability Emerging Markets Index – announced September 2013

CDP's South African Carbon Performance Leadership Index – announced November 2013

CDP's South African Carbon Disclosure Leadership Index – announced November 2013

GRI 2.10

Overview

In Barloworld, sustainable development is underpinned by our Value Based Management approach which requires integrated and coordinated activities addressing economic, environmental and social aspects; and balancing the short- and long-term interests of all stakeholders, including the communities in which we operate.

This approach is institutionalised through structured strategic planning and risk management initiatives, a leadership philosophy and management approach that entrenches accountability for sustainable value creation, and a commitment to consistent, transparent and comparable reporting.

Stakeholder engagement enables us to identify their needs, interests and what constitutes value for them which distils, in part, material issues for the group.

Sustainable development incorporates a wide range of aspects which include leveraging emerging commercial opportunities through the provision of integrated solutions that enable customers to realise their own sustainable development objectives, including minimising their environmental impacts. These solutions incorporate energy and emissions efficient vehicles, plant and equipment, as well as optimal supply chain management.

Internally we focus on conducting our operations in an environmentally responsible manner and reducing our consumption of non-renewable resources. We have implemented aspirational non-renewable energy consumption and greenhouse gas emissions (scope 1 and 2) efficiency improvement targets, and focus on water conservation and stewardship including recycling and rain-water harvesting. These initiatives support organisational resilience in the context of rising costs, regulatory and supply constraints. Extensive component rebuild and remanufacture activities in our Equipment division conserve non-renewable resources.

Our waste management capabilities have been significantly enhanced with our investment in re-, an environmental solutions company, which supports our internal initiatives and expands our customer offerings.

We recognise that a strong commitment to sustainable development is an important aspect of securing the skills required to realise our strategic goals, central to participation in legitimate value chains and at the core of responsible corporate citizenship.

Our Value Based Management approach and organisational sustainability is underscored by our commitment to:

- Ensuring our customers' success by providing the integrated and environmentally sound solutions they require to remain competitive and meet their own sustainability objectives
  For more detail refer to page 50 (Integrated customer solutions)

- Always acting in the best interests of our principals and representing them in a way that ensures their success and reflects their sustainable development objectives
  For more detail refer to page 50 (Integrated customer solutions)

- Providing a safe and healthy workplace for employees where all have equal opportunity, are inspired to fulfil their ambitions and be proud ambassadors of Barloworld
  For more detail refer to page 44 (People)

- Conducting our operations in an environmentally responsible manner
  For more detail refer to page 77 (Reducing our environmental footprint and managing our impact)

- Delivering top-quartile returns to our shareholders through responsible business practices
  For more detail refer to page 98 (Financial returns)

- Identify profitable growth opportunities and executing our strategic plans efficiently
  For more detail refer to page 23, 40 and 34 (Business model, Profitable growth and Implementing our strategy)

- Engaging our stakeholders and being a responsible corporate citizen for all of them, including the communities in which we operate, and contributing to their social and economic development
  For more detail refer to pages 30 (Stakeholder engagement)

The enduring competitiveness of Barloworld and its ability to create sustained value for all stakeholders is founded in these commitments.

Our 10 Pillars of Sustainability

Barloworld's integrated approach to stakeholder value creation is reflected in our 10 Pillars of Sustainability which guide our activities and act as a filter against which future opportunities are assessed.

GRI EN5 to EN7, EN10, EN18, EN26; LA1 to LA15; EC1; 4.14 to 4.17, SO1, SO9, SO10

@ Barloworld's 10 Pillars of Sustainability

Responsible value chain

In adhering to our sustainability principles and given the nature of our business, it is important to align ourselves with a robust supply chain, responsible leading principals and Original Equipment Manufacturers (OEMs) to be able to sustain long-term value creation for all stakeholders. Relationships throughout our supply chain are based on mutual respect, trust, support and benefit, guided by our governance and ethical frameworks. The group will disengage from elements of its supply chain that do not conform and is developing a set of conduct criteria and standards for suppliers.

Integral to our value chain is our commitment to being a leader in sustainable development and identifying competitive advantages through solutions that help customers achieve their sustainability objectives, facilitate a transition to lower carbon economies and expand into related opportunities.

Aside from OEMs, Barloworld sources goods and services from a range of other service providers. This is particularly important in South Africa where integrating previously disadvantaged groups into the economy is a key socio-economic driver. Through our South African-orientated enterprise development initiatives and preferential procurement programme, we support and empower small and medium-sized suppliers, contractors and enterprises in our supply chain.

Responsible principals

Barloworld represents leading international OEMs and brands such as Caterpillar, Hyster, Avis, Audi, BMW, Ford, General Motors, Mazda, Mercedes-Benz, Toyota, Volkswagen, Massey Ferguson and others. The group is therefore part of supply chains that reflect international best practice in the manufacture, sale, service, support and disposal of products. These standards are complemented by Barloworld's own ethics, values and standards. We are committed to working with suppliers to ensure our customers' objectives are met and their competitive position enhanced.

Products and services

Leading customer solutions offered by Barloworld assist customers in achieving their sustainable development objectives. Barloworld's divisions have business models that enable vehicles, plant and equipment solutions to be provided as new or used units or rented on a long or short-term basis. In the Equipment division this is augmented by a significant component rebuild programme. This business model ensures efficiencies and synergies throughout the lifecycle of equipment, plant and vehicles and extended useful lives for these products.

Logistics offers a wide range of supply chain optimisation products that include energy-efficient transport solutions that also minimise carbon footprint.

Customer health and safety

Customer health and safety are critical aspects of all Barloworld's products, services and customer solutions. In representing leading global brands, our customer solutions are backed by warranties, guarantees and product responsibility, as well as unique design features that target optimum user safety and output.

Customer satisfaction

High levels of customer engagement and exceeding their expectations have allowed us to build loyalty and grow our customer base. Customers are central to our business model and critical to the ongoing success of Barloworld. All divisions have extensive customer engagement initiatives in place to understand customer requirements, their expectations for products and services as well as service levels.

Initiatives include stringent measurement and survey systems, as well as targets and in some instances, agreed performance measures. Performance against objectives is monitored and reviewed, highlights areas for attention, directs operational activities and informs strategy.

Marketing communications

Group standards ensure that all marketing and advertising conforms to applicable laws and standards. The standards and corporate identities set by principals are adhered to. These are detailed and comprehensively monitored by Barloworld divisional operations and their principals. Any local adaptations require prior consent from principals. We are also guided by the standards set by industry bodies such as the Advertising Standards Authority who have self-regulation codes of practice that ensure appropriate conduct in advertising and marketing communications.

Reducing our environmental footprint and managing our impact

Barloworld is committed to responsible environmental stewardship and minimising its environmental footprint. In line with this commitment, environmental stewardship is incorporated into Sustainable development, one of the group's six Strategic Focus Areas.

We recognise that some of our activities have certain adverse environmental impacts such as those associated with the use of fossil fuels, and therefore integrate mitigation measures into our operational management systems and customer offerings. We mainly represent OEMs and recognise the environmental impact from the manufacture and use of our vehicles, plant and equipment. As a responsible corporate citizen, we engage our suppliers and customers and strive to achieve the highest environmental standards.

Our approach to identifying material environmental issues

An identification process involving the Barloworld executive committee leads to endorsement of material environmental issues by the group risk and sustainability committee. These issues are covered in this report.

Responding to the CDP's Climate Change and Water disclosures, participation in the JSE's SRI Index and other external surveys contribute to the identification of these issues.

GRI PR1 to PR9; EN1 to EN30

Identified internal material issues are:

- Non-renewable energy consumption
- Greenhouse gas emissions
- Water stewardship
- Waste, including recycling (rebuild and remanufacture) and disposal of hazardous waste.

The Energy Efficiency Pledge

In line with our commitment to energy efficiency, Barloworld signed the National Business Initiative's Energy Efficiency Pledge in 2012 together with the South African Department of Energy. By signing the pledge Barloworld undertook to work with the Energy Efficiency Leadership Network to drive continuous improvement of energy efficiency initiatives across the group. Progress made in terms of the commitments in the pledge is set out below:

Progress on the Energy Efficiency Pledge

Commitments	Actions taken
Develop a road map/plan for improved energy efficiency in our operations, supported by the implementation of an appropriate energy management system	Energy efficiency is incorporated into Sustainable development (one of the group's six Strategic Focus Areas) to ensure that it is entrenched into operational and strategic management throughout the group
Develop internal energy efficiency targets that are appropriate to our operations and activities and which respond proactively to, and are aligned with, appropriate government policies and strategies	In 2009 we set the aspirational target of a 12% efficiency improvement in non-renewable energy consumption and greenhouse gas (scope 1 and 2) emissions by the end of our 2014 financial year off a 2009 baseline
Report appropriately on efforts to improve energy efficiency and progress made towards set energy efficiency improvement targets in our operations within the parameters of national legislation	Entrenched reporting systems and processes ensure the collection, measurement, review and reporting of energy consumption and efficiency data. This includes relevant disclosures in our integrated reporting
Work with stakeholders on energy efficiency-related issues to build capacity and develop the required skills to implement energy efficiency programmes and drive the required behavioural changes	We represent and engage with leading international OEMs. Interactions are informed by our commitment to leading in sustainable development and competitive advantage through solutions that assist customers in achieving their sustainable development objectives, facilitate a transition to lower carbon economies and expand into related opportunities. Internal communication and including sustainable development in our leadership development programme, enhances awareness and commitment from employees

Collaborative supplier relationships

Left to right: Doug Oberhelman (Caterpillar Inc., chairman and CEO), Mark Cutifani (chief executive of Anglo American) and Clive Thomson (CE Barloworld Limited)

As lead dealer for Anglo American's relationship with Caterpillar, Clive Thomson (CE Barloworld Limited), Shane Fitzpatrick (Barloworld Equipment executive director: Mining), Doug Oberhelman (Caterpillar Inc., chairman and CEO), Steve Wunning (Caterpillar Inc., group president: Resource Industries Group), Chris Curfman (Caterpillar Inc., vice-president: Mining Sales and Support), and JP Bekkering (Caterpillar Global Mining, general manager: Global Accounts) met with chief executive of Anglo American, Mark Cutifani, and other senior Anglo American executives. The meeting took place at Anglo American's London headquarters and focused on identifying how Caterpillar and Barloworld could further leverage our equipment management solutions to assist Anglo American in achieving its productivity and efficiency targets. The meeting reaffirmed the strong relationship between Anglo American, Caterpillar and Cat Dealers globally and opportunities for further collaboration.

Barloworld accounts for approximately 50% of all Anglo American's Caterpillar fleet. Anglo American's operations cover all aspects of our mining business including opencast, soft and hard rock underground mining. Caterpillar and Barloworld will be working with Anglo American to create sustainable enhancements to mine productivity and safety through improved fleet performance and safety innovations on earthmoving equipment. We will also be working on developing autonomous mining solutions in order to improve overall efficiencies.

Policies

Barloworld's approach to environmental stewardship is informed by our:

- Environmental policy
- Climate Change policy
- Water Use and Management policy.

Overview of environmental risk management and responses

Environmental risks are identified and assessed through two risk management approaches within the group:

- A high level risk assessment (HLRA) which takes place twice a year and considers all risk exposures facing the group. HLRAs are held at both divisional and group levels. Material risks and management responses are included in the reported group "Top Risks"
- This financial year focused risk assessments were conducted to identify and assess both risks and opportunities specifically around climate change and water. Material aspects are disclosed in Barloworld's 2013 CDP Climate Change disclosure response and 2013 CDP Water disclosure response.

Key indicators

Data collection is designed to enhance the management and reporting of material environmental aspects using entrenched structures and systems. Indicators cover identified material issues and other aspects that require management attention.

Monitoring and management

The environmental data reported is used in the daily management of the company. Material and relevant group aspects are reported at board level on a quarterly basis through the risk and sustainability committee's Safety, Health and Environment (SHE) report.

Data collection and reporting processes are reviewed throughout the year by Barloworld group internal audit services and selected material issues are reviewed at company interim reporting and assured at financial year-end by the group's external auditors.

Our reporting processes are regularly reviewed and enhanced where appropriate.

Targets

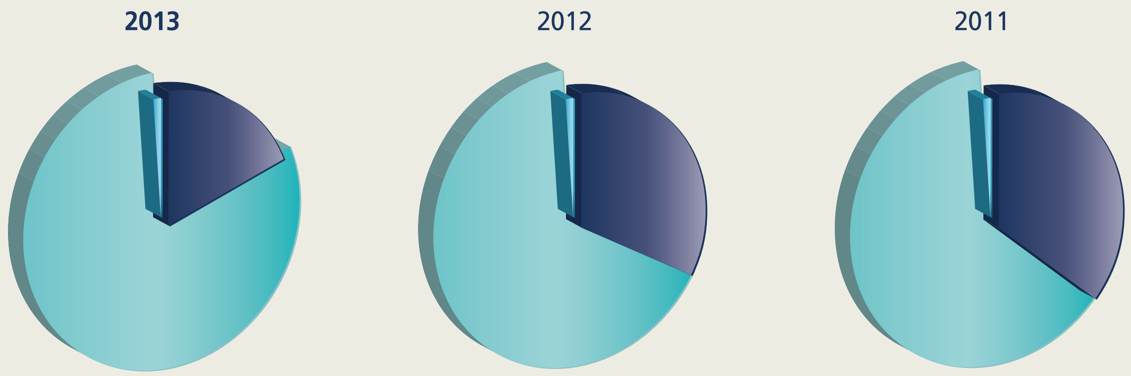
In 2009, we set the aspirational target of a 12% efficiency improvement in non-renewable energy consumption and greenhouse gas (scope 1 and 2) emissions by the end of our 2014 financial year off a 2009 baseline. This aspirational target is against a business as usual scenario that tracks revenue as a proxy for business activity. It plays a significant role in focusing attention and prompting initiatives across the group and is reviewed regularly, balancing environmental sensitivities with commercial realities, legislation and national goals. Initiatives prompted by our aspirational target include: measurement, avoidance, reduction, switching to appropriate alternate sources and technologies where feasible, and offsetting emissions from commercial activities where appropriate.

Addressing our material issues and progress

Energy consumption

We recognise the economic importance and environmental relevance of non-renewable energy consumption and strive to improve the group's efficiency and consumption patterns.

Energy consumption (GJ) by division



	2013	2012	2011
Equipment and Handling	**560 417**	639 136	659 910
Automotive and Logistics	**2 275 285**	1 280 121	1 145 665
Corporate	**2 733**	2 090	1 669
Barloworld Group	**2 838 435**	**1 921 347**	**1 807 244**

@ Barloworld Environmental; Climate Change; Water Use and Management policies

@ Barloworld's 2013 CDP Climate Change disclosure response and 2013 CDP Water disclosure response

Exceeding customer expectations

From the left, Mokgadi Mashaphu, Brand Manager – Value Added Products and Santa Smith, General Manager: Marketing, celebrate winning in car rental industry category of The Ask Afrika Orange Index®.

Avis was announced as the winner in the car rental industry category of the Ask Afrika Orange Index®. This accolade is testament to Avis' commitment to always try harder.

The Ask Afrika Orange Index® reflects on customer service excellence across industries and interviews are conducted over 22 industries, 110 companies and 33 000 people. Its meticulous research and expert collaboration provides the foundation for in-depth discussions on service trends and diagnostics in the South African corporate and consumer landscape.

Keith Rankin, Chief Executive of Avis Rent a Car Southern Africa says, "Being recognised as the winners in the car rental industry in the Ask Afrika Orange Index® is an honour and a great achievement which wouldn't be possible without the dedication of our Avis brand ambassadors. Avis will continue to maintain a high standard of service delivery in an effort to always try harder and exceed customer expectations."

Avis has recently recorded its highest ever Customer Satisfaction Index (CSI) score from market researchers MRM Support, with a record high 91.8. This score can be attributed to Avis' unquestionable dedication to customer service in all facets of its operations. Measuring CSI for a business like Avis brings together the combined product of all interaction between Avis and its customers.

Managing for value continued

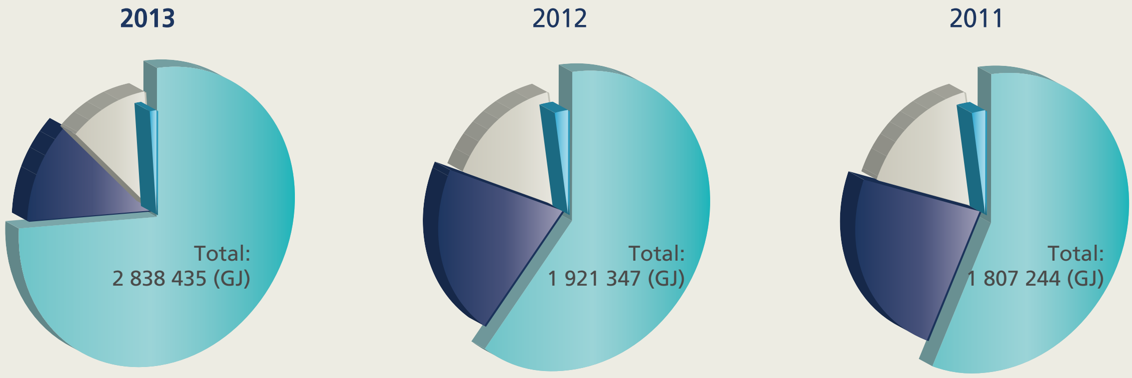
Electricity consumption decreased marginally against 2012 underscoring the effectiveness of our efficiency improvement initiatives. Mainly as a result of significantly increased road transportation activities in our expanded logistics operations, diesel consumption increased by 80% over the previous period, resulting in group energy consumption increasing by 48%.

As reflected in the table below, our operations generally continue to make good progress towards our aspirational efficiency improvement targets. The increased fuel consumption of our expanding South African Logistics' road transport operations increased energy intensity levels in this business, while our other businesses continue to improve against their respective 2009 baselines. At a consolidated group level, Logistics' consumption and intensity levels impact the group patterns resulting in higher outcomes. It is expected that this trend will continue as the transport aspects of our logistics business continues to expand which may negatively affect progress against our aspirational targets set for the end of our 2014 financial year.

The group is 7% worse than its 2009 baseline intensity (40.7).

Energy intensity by division (GJ per R1 million revenue)	**2013**	2012	2011
EQUIPMENT AND HANDLING	**18.3**	22.0	28.2
Equipment	**17.5**	18.7	23.0
Handling	**26.7**	38.8	49.0
AUTOMOTIVE AND LOGISTICS	**66.1**	43.4	43.4
Automotive	**17.2**	20.3	22.5
Car Rental southern Africa	**31.5**	40.2	37.7
Motor Retail	**15.6**	17.7	20.4
Fleet Services southern Africa	**9.6**	12.9	14.5
Logistics	**401.5**	221.3	184.9
Southern Africa	**504.1**	287.4	259.8
Europe, Middle East and Asia	**17.5**	23.9	29.7
BARLOWORLD GROUP	**43.6**	32.8	36.3

Energy consumption (GJ) by energy source



	2013	2012	2011
Diesel (%)	**76**	61	57
Petrol (%)	**12**	21	24
Electricity (%)	**11**	16	17
Other (%)	**1**	2	2

Greenhouse gas emissions

We are concerned about climate change and appreciate the causal link between greenhouse gas emissions and global warming. Restrictions on emissions and proposed carbon taxes pose risks to Barloworld and our value chain, including our customer base. However, these also present opportunities such as increased demand for products and solutions with limited or reduced carbon emissions and opportunities for internal initiatives to improve efficiency further with related cost savings.

The group continues to report greenhouse gas emissions in terms of the GHG Protocol Corporate Standard and units of CO_2e, the universal unit measure adjusted for the global warming potential of the six Kyoto Protocol greenhouse gases. Emissions from customer use of our rental fleets are classified as scope 3 emissions.

Emissions (tCO_2e) by energy source (scope 1 and 2)

	2013	2012	2011
Diesel (%)	**60**	44	41
Petrol (%)	**9**	15	16
Electricity (%)	**30**	40	42
Other (%)	**1**	1	1

Emissions (tCO_2e) by division (scope 1 and 2)	**2013**			2012			2011		
	Scope 1	**Scope 2**	**Total**	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Equipment and Handling	**33 044**	**25 064**	**58 108**	38 060	25 432	63 492	38 940	26 603	65 543
Automotive and Logistics	**154 431**	**54 345**	**208 776**	80 247	53 229	133 476	70 339	52 757	123 096
Corporate	**15**	**725**	**740**	28	493	521	26	378	404
BARLOWORLD GROUP	**187 490**	**80 134**	**267 624**	118 335	79 154	197 489	109 305	79 738	189 043

Since our material greenhouse gas emissions are linked to energy consumption (particularly petrol and diesel and, indirectly, electricity principally generated from coal), many of our energy efficiency initiatives have a secondary benefit of reducing greenhouse gas emissions.

Our emission patterns follow those of our energy consumption again reflecting good progress being made by our various businesses against their respective baselines. Similar to its energy intensity profile, the expanded Logistics operations have an increased emission intensity level which impacts the group's intensity level.

This impact is not of the same magnitude as the impact of the increased energy consumption due to the relatively lower increase in Logistics' emissions. As a result, the group is some 7% better than its 2009 baseline intensity (4.4) and making progress towards the aspirational target set for the end of our 2014 financial year.

Emissions (scope 1 and 2) intensity by division (tCO_2e per R1 million revenue)	**2013**	2012	2011
EQUIPMENT AND HANDLING	**1.9**	2.2	2.8
Equipment	**1.9**	2.0	2.5
Handling	**2.2**	3.2	4.1
AUTOMOTIVE AND LOGISTICS	**6.1**	4.5	4.7
Automotive	**2.3**	2.8	3.0
Car Rental southern Africa	**3.6**	4.5	4.0
Motor Retail	**2.3**	2.6	3.0
Fleet Services southern Africa	**1.0**	1.4	1.7
Logistics	**31.6**	18.1	15.8
Southern Africa	**39.3**	23.1	21.6
Europe, Middle East and Asia	**2.8**	3.2	3.6
BARLOWORLD GROUP	**4.1**	3.4	3.8

Recognising our broader activities and the nature of our products and solutions, we report certain scope 3 emissions. These cover business air travel and since 2010 we have reported the emissions from Avis Rent a Car South Africa's rental fleet. During the year we implemented processes to record emissions from other significant rental fleets. Once we are confident of this data our intention is to include it in our scope 3 reporting.

Car rental operations in South Africa produced tCO_2e 85 918 (2012: tCO_2e 90 333) a decrease of 5% from 2012, against an increase in rental days over the same period resulting in an 11% improvement in intensity per rental day.

Water consumption

Although a limited consumer of water, Barloworld recognises the scarcity of the resource and strives to use water efficiently. Water stewardship initiatives within the group include increased recycling, rain water harvesting and efficiency of use. These initiatives have resulted in only a 6% increase in consumption in 2013.

Water consumption (ML) by division	**2013**	2012	2011
Equipment and Handling	**293**	319	295
Automotive and Logistics	**552**	478	470
Corporate	**3**	2	2
BARLOWORLD GROUP	**848**	799	767

Most water is sourced from municipal and local government supply systems and used to wash vehicles, plant or equipment. After passing through filtration and separation processes effectively all water used is legally discharged back into municipal and local government systems.

Overall, 14.3% of water was recycled in the group, with our Automotive unit recycling 21.7% and Equipment operations in Iberia recycling 4% of their reported consumption.

No protected areas were affected by water discharges from the group, nor were any water sources affected by our withdrawal of water in the past year.

Given that not all group operations are situated in water stressed or water scarce areas, water is managed on a decentralised basis and as such no group-wide water efficiency targets have been set. Despite this, divisions may, where appropriate, set such targets.

Waste management

Given the nature of our business, the group does not generate significant volumes of waste. That which is generated is monitored by type, volume, disposal method and destination. Waste monitoring and reporting systems are evolving and improving, particularly in Equipment Russia, where limited reporting is currently in place.

Most waste is disposed of through certified contractors and no waste was shipped internationally. Difficulty has been experienced in obtaining appropriately certified waste disposal companies in certain developing territories and solutions are being sought to address this aspect.

Paper, tyres and oil filters constitute most of our solid waste and lubricants make up most of our liquid waste. The reduced mass of waste for 2013 aligns with the disposal of the Handling operations which utilised significant volumes of batteries and tyres in its fleets, as well as significantly reduced paper disposal in our Automotive and Logistics as well as Equipment southern Africa operations. Improved reporting contributes to the reduced paper and solvent volumes reported.

Waste by category	**2013**	2012	2011
NON-HAZARDOUS			
Paper (kg)	**330 474**	630 466	558 919
Tyres (kg)	**311 553**	726 841	860 954
HAZARDOUS			
Solvents (ℓ)	**64 375**	156 445	139 156
Lubricants (ℓ)	**2 756 674**	3 073 891	3 026 925
Oil filters (kg)	**287 065**	226 950	241 507
Batteries (kg)	**39 444**	100 596	217 446
Electronic (kg)	**11 775**	3 978	6 659

Most waste generated within the group is recycled which includes 95% of tyres, 88% lubricants and 98% of batteries and e-waste.

An important aspect of our waste management and product lifecycle stewardship is extending product use or life. We make the most significant contribution through the rebuilding and remanufacturing of machines and components. In Caterpillar operations these processes require some 50% to 60% less energy by reusing approximately 85% to 95% by weight of materials from the original product. Some 70% of Caterpillar components are rebuilt.

Spills

There were two spills during the reporting period which we consider significant. A total of 11 440 litres of oil spilled when a truck lost its load of 55 oil drums during a motor vehicle collision. In the second, an estimated 10 000 to 15 000 litres of fuel was lost through a leaking fuel line at an on-site fuel bowser. These have been addressed and in both instances our internal response mechanisms, business continuity plans and processes functioned as intended.

Future outlook

- We will continue our initiatives to improve energy consumption and emissions efficiency and report progress against our existing targets which remain based on intensity levels at the end of our 2014 financial year. These will then be reconsidered and reviewed
- Our focus on identified material environmental issues will continue
- We will progress synergies and opportunities presented by our investment into re-, an environmental solutions company, within the group and also incorporate their offerings into our customer solutions where appropriate
- We appreciate the importance and responsibilities relating to our supply chain and will enhance and develop initiatives to better understand, assess and respond to any identified risks and opportunities within our supply chain
- Consistent with our stakeholder engagement activities, we will continue to engage with our OEMs and customers to identify and provide solutions that assist our customers in achieving their sustainable development objectives.

re- BRAND THE FUTURE

re- Creating an environmentally friendly and sustainable future

What are your environmental needs?

Committed to providing our clients with smart sustainable supply chain solutions, Barloworld Logistics formed a smart partnership earlier this year with re-, an environmental solutions company.

re- creates sustainable solutions that deliver a return on environment for its clients and our planet. re- has been in the waste management industry since 1988 and currently employs over 600 people. From waste disposal and management, to optimising energy efficiencies and re-educating workforces, re- collaborates with clients to develop smart solutions that tread lightly on the environment while delivering measurable results. re- was also the first company to become ISO 14001 accredited by SGS in this sector.

The global movement of environmental awareness and sustainability and the growing legislation in this area is creating huge demand for these specialised services. The synergies that exist between both businesses allow the provision of more holistic tailored solutions for clients. The partnership with re- is also enabling the group to reduce its impact on the environment. re- is already engaged in waste management reduction for Avis, Barloworld Motor Retail and Barloworld Logistics. The investment in re- shows Barloworld's commitment to constantly rethinking, refining and re-evaluating innovative ways to drive economic, social and environmental sustainability. To learn more about re- and how they reduce, reuse, recycle, recover and dispose of waste, log onto **www.re-sa.co.za.**

Making a difference by empowering communities

Barloworld is committed to playing a meaningful role in society through active corporate citizenship and strives to be responsive to the interests and concerns of its local communities, including responsible stewardship of the environment.

This approach is underpinned by the Value Based Management philosophy that commits the group to creating sustainable value for all its stakeholders.

The group is committed to allocating a minimum of 1% of its net profits after tax to corporate social investment (CSI). Through its business units operating around the world, strategic relationships are established and investments made in interventions which address the foremost problems in society, linked to national development objectives and involving local communities, industries in which the group operates, its products and employees. In South Africa, Broad-Based Black Economic Empowerment socio-economic development (SED) imperatives are incorporated into this approach.

Following a developmental approach through the Barloworld Trust in South Africa, social investment has been institutionalised in the group for several decades. Efforts are aimed at building capacity in civil society, strengthening institutions and conducting public benefit activities that contribute to the social wage.

One of the group's approaches is to support innovations to improve social service delivery, particularly in education, which can be sustained on a larger scale by the public or private sectors.

Statistics on learner outcomes in South Africa show clearly that public schooling is not delivering the desired results. Private sector funded innovations in the public schooling sector have tended to parallel the system and not be sustained long term. An innovative, large-scale intervention with broad-based commitment and support is called for, with the potential to begin to turn public education in South Africa around, improve the country's competitiveness and impact the inequalities in South African society.

The Programme to Improve Learner Outcomes (PILO) appears to be such a collaborative initiative. It aims to significantly improve learner outcomes on a national scale through a programme of targeted interventions utilising existing people and resources in the system, with private sector donors and civil society acting in support of government. In the very early stages Barloworld offered its facilities for PILO stakeholder workshops and funded the development of school management team training modules.

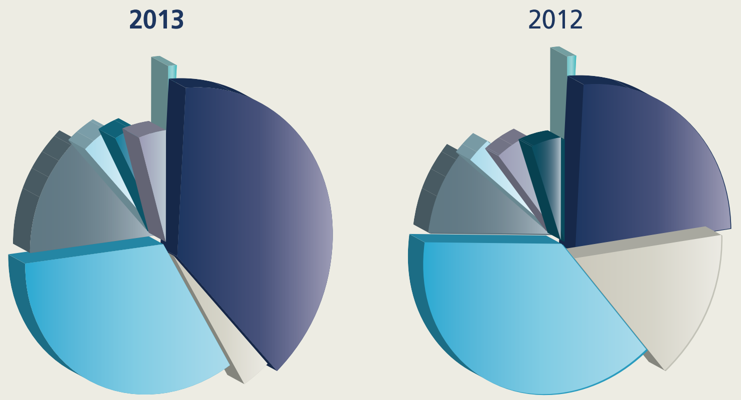
Barloworld also has an interest in the emerging concept of charter or contract schools through international research, and particularly the LEAP no-fee schools in South Africa. These charter or contract schools are public private partnerships (PPPs), characterised by the objective of providing high quality schooling to under-served students living in poor communities.

They are privately managed with autonomy over teaching practices and the ability to hire and fire staff, and publicly funded. Private schools in South Africa currently receive a 60% government subsidy per child and there is strong advocacy for increasing government funding to 100%.

Group spend on CSI increased marginally in 2013 at R16.9 million (2012: R16.6 million), R15 million (2012: R14 million) of which was spent in South Africa. Of these amounts, R7 million was invested through the central programme, which is currently focused on improving learner outcomes in the formal education sector in South Africa. Over the past five years, the group has contributed R69 million to CSI/SED. Of this amount, R41 million was verified as socio-economic development (SED) spend in support of Broad-Based Black Economic Empowerment in South Africa.

A group CSI forum launched in 2013 promotes thought leadership, alignment with group values and codes, innovation and best practice across the group.

Group CSI spend



	2013	2012
Arts (%)	**<1**	<1
Education (%)	**38**	24
Environment (%)	**4**	15
Health and welfare (%)	**33**	38
Poverty alleviation and job creation (%)	**14**	10
Leadership development (%)	**3**	3
Combating crime (%)	**4**	0
Sports development (%)	**4**	5
Other (%)	**0**	5

SO1 to SO10; EC1; EC8, EC9

Barloworld Corporate Social Investment policy

Programme to Improve Learner Outcomes (PILO)

During 2012 the Barloworld Trust participated in work with a broad spectrum of social partners to build a Programme to Improve Learner Outcomes (PILO), a South African government-led large scale education system improvement project. The process drew on successful civil society initiatives and government commitments that already exist, applying lessons from the past and current opportunities.

PILO is differentiated by its ambitious intent because the educational challenges faced in South Africa are large. PILO is intended to work in the public system, rather than in parallel to it as many civil society initiatives have in the past, because challenges will not be addressed unless the public schools that embody the constitutional right to basic education are strengthened. PILO is also collaborative because it is intended to draw on the concerted and coordinated effort of all key role-players in the system.

PILO is focused on a few critical lead and lag indicators that will be levers for improving learner performance and which are achievable with, and by, the existing people and resources in the system. As early development partners to the process, the Barloworld Trust has funded the development of open source school management team training modules for use in the programme, which will be piloted at school district level in 2014, initially supporting the KwaZulu-Natal Department of Education in Uthungulu and Pinetown, representing 1 200 schools and 600 000 learners or 5% of the public education system in South Africa.

In July 2013 the South African government, business, labour and non-governmental organisations launched a civil society partnership, the National Education Collaboration Framework Trust (NECT), aimed at strengthening cooperation to improve education outcomes in the country.

The NECT aims to establish a substantial fund in support of initiatives such as PILO, projects focused on objectives linked to the National Development Plan, the country's blueprint for nation building. These are developing solid professional skills in the teaching service, effective and courageous leadership, improving government capacity to deliver, improving resourcing in order to create conducive and safe learning environments: teachers, books and infrastructure, community and parent involvement, and learner support and wellbeing.

Diversity for sustainable development

Equality

We are fully committed to ensuring effective, extensive transformation and developing exemplary employment conditions by encouraging a diverse organisational culture.

Barloworld believes that equal employment opportunities are not only a moral and human rights imperative, but also a pre-condition for the achievement of sustainable development, economic growth and prosperity in all communities in which we operate.

- We strive to develop an inclusive diverse workforce that reflects the demographics of our operational environments.

  We are committed to creating sustainable value for our diverse employees across the group.

  Our approach to gender, racial and other diversity is based on the premise that an inclusive and creative culture improves the quality of our business decisions. This supports our ability to deliver tangible benefits for our stakeholders.

- Our values of equality are further entrenched in our Code of Ethics, Worldwide Code of Conduct and other related policies and include:
  - Identifying and eliminating employment barriers
  - Pursuing programmes and initiatives to achieve our equity objectives
  - Eliminating unfair discrimination on the grounds of gender, race, religion, disability or sexual preference
  - Complying with regulations and legislation in our operational environment.

- Empowerment and transformation remains one of our six Strategic Focus Areas. The target for all South African operations is to achieve or maintain a Level 2 or 3 rating on the Department of Trade and Industry's Broad-Based Black Economic Empowerment (B-BBEE) scorecard. Barloworld's action plan continues to address all elements of the B-BBEE scorecard with specific reference to management and control, employment equity and skills development.

- Employment equity plans and progress reports are submitted in South Africa and some southern African countries. These plans set out employment targets that address ethnicity, gender and disability and are aligned, in South Africa, to the thresholds set out in the B-BBEE scorecard.

Diverse board of directors

Breakdown	2013	2012	2011
Black directors	**7**	7	7
White directors	**7**	8	8
Male directors	**10**	11	13
Female directors	**4**	4	2
South African directors	**12**	12	12
Non-South African directors	**2**	3	3
Executive directors	**6**	6	6
Non-executive directors	**8**	9	9

- Our remuneration policies and practices are reviewed regularly and we use the Towers Watson global grading system across the group. Wage and salary levels are benchmarked annually by occupational category, especially in South Africa as per the employment equity legislation, pay differentials are reviewed against all occupational levels, job classifications and gender.

- The employment equity forums in South Africa regularly review policies and processes to prevent any allegations and/or instances of discrimination.

Employees by employment level and gender – group

	Global breakdown – 2013			Global breakdown – 2012			Global breakdown – 2011		
	Male	**Female**	**Total**	Male	Female	Total	Male	Female	Total
Board*	**6**	**0**	**6**	6	0	6	6	0	6
Executive	**24**	**1**	**25**	25	1	26	25	1	26
Senior management	**77**	**10**	**87**	78	8	86	79	6	85
Middle management	**1 791**	**762**	**2 553**	1 828	739	2 567	1 814	720	2 534
Skilled upper	**7 639**	**2 762**	**10 401**	7 708	2 680	10 388	7 282	2 477	9 759
Semi-skilled/apprentices/ trainees	**5 191**	**1 135**	**6 326**	4 727	1 162	5 889	4 699	1 237	5 936
Labour/unskilled	**210**	**84**	**294**	178	98	276	212	113	325
Total	**14 938**	**4 754**	**19 692**	14 550	4 688	19 238	14 117	4 554	18 671

**Includes executive directors only.*

- Barloworld remains committed to gender equality and continues to strive to increase its female workforce at all occupational levels, with special focus on management including executive and board levels.

Transformation in South Africa

Barloworld has led the general industrial sector in the annual assessment by the *Mail & Guardian* of South Africa's top empowerment companies for the past four years. We are ranked 12th among the top empowered 100 JSE-listed companies.

Barloworld strives to lead in transformation and our empowerment and transformation strategy goes beyond legislative compliance. Our commitment is to exceed the minimum requirements of B-BBEE legislation and to set the benchmark for our industry sector.

Barloworld continues to make steady progress on all elements of the Department of Trade and Industry's B-BBEE scorecard, with the emphasis not on a quick fix but on long-term sustainability. Our B-BBEE levels are continuously monitored and reported as prescribed by the B-BBEE Codes of Good Practice.

Leveraging on the strong foundation already established, progress in 2013 included the following:

- All operations maintained a B-BBEE rating of Level 2 except for Avis Fleet Services and Barloworld Motor Retail which achieved a Level 3 rating. We believe these ratings enhanced our competitive advantage as our customers can count over 110% of their procurement spend with Barloworld as B-BBEE-related procurement on their own scorecards
- Employment equity targets are reviewed annually and reports submitted to the Department of Labour
- Black CEOs have been appointed to two business units, and two black deputy CEOs appointed to Corporate Office and Barloworld Handling
- Barloworld Siyakhula reached approximately R103 million in enterprise development support spend over the past six years
- Barloworld has provided approximately R41 million for socio-economic development over the past five years in South Africa
- General staff trust shares with a value of R266.6 million vested allowing 11 531 South African recipients the opportunity to sell or retain shares.

Where feasible we provide the necessary practical support to B-BBEE enterprises and vendors and our procurement processes are accessible, fair and inclusive and aimed at benefiting the local communities in which we live and work.

B-BBEE ratings in terms of the Department of Trade and Industry's scorecard

SA business unit	**2013**	2012	2011
Equipment	**2**	2	2
Handling	**2**	3	2
Avis Rent a Car	**2**	2	2
Motor Retail	**3**	3	3
Avis Fleet Services	**3**	3	2
Logistics	**2**	2	2
Corporate	**2**	2	2
Barloworld Siyakhula	**1**	1	1
Barloworld Limited	**2**	2	2

Diversity for sustainable development continued

In line with the group's stated empowerment and transformation objective for 2013, all Barloworld South African businesses have achieved at least a Level 3 rating.

We are mindful of our role in transforming our procurement base and we ensure that our procurement processes in the South African operation apply a preferential adjudication system to suppliers that comply with the principles and legislation underpinning Broad-Based Black Economic Empowerment and are cost effective and competitive. We actively work to transform our supplier base through supplier diversity interventions conducted by Barloworld Siyakhula, an enterprise development initiative of Barloworld. Our preferential procurement B-BBEE scores out of 20 range from 13.41 to 19.30, reflecting roughly R15.7 billion spent during the 2013 financial year.

The number of African, Indian and Coloured (AIC) employees in South Africa in executive management, middle management, skilled and semi-skilled levels improved during the year. This reflects the continued focus on identifying and developing employees for and attracting talent from the external market.

Employees by ethnic background in South Africa

	2013		2012		2011	
	AIC**	**White**	AIC**	White	AIC**	White
Board*	**1**	**4**	1	4	1	4
Executive	**5**	**13**	4	14	4	13
Senior management	**16**	**46**	16	41	14	41
Middle management	**722**	**1 135**	692	1 073	648	1 006
Skilled upper	**4 548**	**2 416**	4 161	2 386	3 794	2 189
Semi-skilled/apprentices/trainees	**4 373**	**427**	3 568	446	3 106	383
Labour/unskilled	**170**	**1**	163	1	199	1
Total	**9 835**	**4 042**	8 605	3 965	7 766	3 637

*Includes executive directors only.
**African, Indian, Coloured.

Broad-Based Black Economic Empowerment transaction

Barloworld announced its Broad-Based Black Economic Empowerment transaction in 2008. The transaction included shareholdings for employees, community service groups, an education trust and strategic black partners. The B-BBEE transaction involved transferring Barloworld shares worth R2.4 billion, which translated into an effective 29% empowerment of Barloworld's South African operations. The General Staff Trust of approximately 3 million shares' five year lock-in period ended on 4 November 2013, hence the restrictions will no longer apply. In addition, Barloworld has sold numerous assets to previously disadvantaged beneficiaries.

Certain of our strategic black partners are directly engaged in the business and continue to make a significant contribution to the company, particularly the Automotive and Logistics, and Equipment divisions.

The community service group partners participating in Barloworld's empowerment transaction are:

- DEC Investment Holding Company which addresses disability and empowerment concerns
- Shalamuka Foundation which ensures the sustainability of the largest whole school development programme in Africa
- Ikamva Labantu Empowerment Trust which provides for the needs of disadvantaged communities.

The general staff trust has paid two dividends per year totalling R24.3 million since inception. Beneficiaries did not pay for their shares.

The Barloworld Education Trust has awarded 62 bursaries since inception to 37 beneficiaries. 21 students were supported in the 2013 academic year. All recipients are previously disadvantaged individuals. The education trust has received two dividends per year totalling R4.3 million since inception.

Barloworld Siyakhula

Siyakhula, which means **"We are growing"** in isiZulu and isiXhosa, promotes both empowerment and transformation by extending financial and non-financial support and management guidance to small and medium-sized enterprises within the Barloworld value chain.

Launched in 2007, Barloworld Siyakhula has cultivated partnerships and fostered growth for small/medium enterprises for the past six years to encourage the growth of local economic development and job creation in South Africa.

Its focus remains the transformation of the group's value chain, creating opportunities for small and medium enterprises through supplier diversity and development and Broad-Based Black Economic Empowerment (B-BBEE).

GRI SO1 to SO10

Barloworld Siyakhula believes that growing and supporting small businesses through enterprise and supplier development are critical to achieving sustainable business enterprises, thus contributing to job creation in South Africa.

Since inception Barloworld Siyakhula has supported 23 businesses with end-to-end business solutions, helping them gain a competitive advantage in their respective markets.

These businesses employ approximately 600 people.

Barloworld Siyakhula is a founding member of the South African Supplier Diversity Council.

Putting small business in the bigger picture

"Our success story is the perfect example of how working together with Barloworld Siyakhula towards a common goal benefited everyone involved."

Mind Interactive is a company that has always gone the extra mile to provide innovative and holistic digital solutions. "When small businesses think big, Barloworld Siyakhula gives them big opportunities. It gave us the flexibility to do what we're good at, the freedom to be more innovative and the added advantage of a support structure that will always be there to partner with us. Barloworld Siyakhula created new business opportunities and transformed our vision into value.

"From the beginning Barloworld Siyakhula always believed in our abilities and our future. It's not easy getting into the market, but Barloworld Siyakhula gave us the opportunity to develop its company website and opened doors by introducing us to its network of suppliers and partners. This has enabled us not only to work on high-profile projects and build various relationships, but also to realise our potential.

Barloworld Siyakhula provided financial support by paying for all projects upfront and continues to play a vital role in our development and growth as a 100% black-owned company. I can certainly say that Barloworld Siyakhula is the true champion of black supplier development. After partnering with Barloworld Siyakhula, we have gone on to thrive and achieve our true potential of becoming a force to be reckoned with in the digital solutions industry."

Thapelo Kenoshi
Co-founder of Mind Interactive

The Minderative Ladies.

"My success story started when I needed the finance to buy a Caterpillar tractor-loader-backhoe for my company. I was introduced to Barloworld Siyakhula by Barloworld Equipment early in 2011, and that meeting changed the course of the company's future.

Lettam Building and Civils is a construction company based in Kempton Park.

Cultivating partnerships for success

Based in Kempton Park east of Johannesburg, Lettam Building and Civils is a women-owned company led by the Women in Construction Excellence Award winner Lijeng Mokoatle, a qualified quantity surveyor with more than 20 years of experience.

The company started off with the humble idea of providing humane accommodation for all South Africans and has transformed into a great business focused on building the future of South Africa. It has grown in leaps and bounds and continues to perform beyond expectation in partnership with Barloworld Siyakhula.

"Barloworld Siyakhula has had a major effect on my business in multiple ways. In addition to helping me arrange finance at favourable rates, Barloworld Siyakhula was able to help our company obtain special terms for plant hire when required. Barloworld Siyakhula's assistance reduced our costs and made a big difference to our turnover. It also helped us with the finance to buy a grader for our road projects, which means we no longer have to hire this type of equipment.

"Access to finance for small business entrepreneurs is a big challenge and getting customers to pay on time is difficult. If it weren't for Barloworld Siyakhula, our business wouldn't be where it is today. Barloworld Siyakhula provided us with working capital when we needed it most and helped us implement systems to manage our finances and projects and give us real time and effective cash flow management.

"Through our continuous partnership, we get expert advice whenever we need it and the management skills to continue growing and reaching for greater challenges. For all this I'd like to extend my gratitude to the whole Barloworld Siyakhula team."

Lijeng Mokoatle
Co-founder of Lettam Building and Civils

Financial returns

Contents

Strategic intent

Achieve top quartile financial returns as measured against peer groups in each of our chosen business segments

Summarised consolidated income statements

for the year ended 30 September

Audited	Notes	**2013** **Rm**	2012 Rm	% change
Revenue		**65 102**	58 554	11
Operating profit before items listed below (EBITDA)		**5 623**	4 905	
Depreciation		**(1 960)**	(1 806)	
Amortisation of intangible assets		**(136)**	(111)	
Operating profit		**3 527**	2 988	18
Fair value adjustments on financial instruments		**(47)**	(93)	
Finance costs		**(983)**	(827)	
Income from investments		**41**	51	
Profit before exceptional items		**2 538**	2 119	20
Exceptional items	3	**(119)**	190	
Profit before taxation		**2 419**	2 309	
Taxation		**(804)**	(789)	
Secondary taxation on companies			(26)	
Profit after taxation		**1 615**	1 494	
Income from associates and joint ventures		**185**	141	
Net profit		**1 800**	1 635	
Net profit attributable to:				
Owners of Barloworld Limited		**1 692**	1 559	
Non-controlling interest in subsidiaries		**108**	76	
		1 800	1 635	
Earnings per share (cents)				
– basic		**801.9**	739.9	
– diluted		**798.3**	734.5	

Barloworld Annual Consolidated Financial Statements

Summarised consolidated statement of comprehensive income

for the year ended 30 September

Audited	2013 Rm	2012 Rm
Profit for the year	**1 800**	1 635
Items that may be reclassified subsequently to profit or loss:	**1 682**	(452)
Exchange gains on translation of foreign operations	**1 671**	276
Translation reserves realised on disposal of foreign joint venture and subsidiaries	**(14)**	(593)
Gain/(loss) on cash flow hedges	**33**	(178)
Deferred taxation on cash flow hedges	**(8)**	43
Items that will not be reclassified to profit or loss:	**(377)**	(133)
Actuarial losses on post-retirement benefit obligations	**(430)**	(149)
Taxation effect	**53**	16
Other comprehensive income for the year	**1 305**	(585)
Total comprehensive income for the year	**3 105**	1 050
Total comprehensive income attributable to:		
Owners of Barloworld Limited	**2 997**	974
Non-controlling interest in subsidiaries	**108**	76
	3 105	1 050

Summarised consolidated statement of financial position

as at 30 September

Audited	Notes	2013 Rm	2012 Rm
ASSETS			
Non-current assets		**15 997**	13 470
Property, plant and equipment		**11 356**	9 473
Goodwill		**1 820**	1 759
Intangible assets		**1 399**	1 049
Investment in associates and joint ventures		**571**	430
Finance lease receivables		**115**	125
Long-term financial assets		**82**	97
Deferred taxation assets		**654**	537
Current assets		**24 365**	22 340
Vehicle rental fleet		**2 081**	1 908
Inventories		**11 688**	10 855
Trade and other receivables		**7 698**	6 916
Taxation		**62**	37
Cash and cash equivalents		**2 836**	2 624
Assets classified as held for sale	4	**371**	
Total assets		**40 733**	35 810
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium		**316**	309
Other reserves		**4 084**	2 433
Retained income		**10 977**	10 127
Interest of shareholders of Barloworld Limited		**15 377**	12 869
Non-controlling interest		**462**	298
Interest of all shareholders		**15 839**	13 167
Non-current liabilities		**9 708**	8 964
Interest-bearing		**7 285**	7 048
Deferred taxation liabilities		**404**	371
Provisions		**294**	254
Other non-current liabilities		**1 725**	1 291
Current liabilities		**15 080**	13 679
Trade and other payables		**10 787**	9 548
Provisions		**1 079**	839
Taxation		**246**	252
Amounts due to bankers and short-term loans		**2 968**	3 040
Liabilities directly associated with assets classified as held for sale	4	**106**	
Total equity and liabilities		**40 733**	35 810

Summarised consolidated statement of changes in equity

for the year ended 30 September

	Share capital and premium	Other reserves	Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
	Rm	Rm	Rm	Rm	Rm	Rm
Balance at 1 October 2011	304	3 016	9 069	12 389	263	12 652
Total comprehensive income for the year		(452)	1 426	974	76	1 050
Transactions with owners, recorded directly in equity						
Other reserve movements		(131)	25	(106)	9	(97)
Dividends			(393)	(393)	(50)	(443)
Treasury shares issued	3			3		3
Shares issued in current year	2			2		2
Balance at 30 September 2012	309	2 433	10 127	12 869	298	13 167
Total comprehensive income for the year		**1 682**	**1 315**	**2 997**	**108**	**3 105**
Transactions with owners, recorded directly in equity						
Other reserve movements		**(31)**	**57**	**26**	**142**	**168**
Dividends			**(522)**	**(522)**	**(86)**	**(608)**
Treasury shares issued	**3**			**3**		**3**
Shares issued in current year	**4**			**4**		**4**
Balance at 30 September 2013	**316**	**4 084**	**10 977**	**15 377**	**462**	**15 839**

Summarised consolidated statement of cash flows

for the year ended 30 September

Audited	2013 Rm	2012 Rm
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	**5 936**	5 199
Decrease/(increase) in working capital	**535**	(3 128)
Cash generated from operations before investment in rental assets	**6 471**	2 071
Net investment in fleet leasing assets	**(1 636)**	(1 481)
Net investment in vehicle rental fleet	**(572)**	(633)
Cash generated from/(utilised in) operations	**4 263**	(43)
Finance costs	**(983)**	(827)
Realised fair value adjustments on financial instruments	**(55)**	(19)
Dividends received from investments, associates and joint ventures	**173**	82
Interest received	**39**	49
Taxation paid	**(837)**	(596)
Cash inflow/(outflow) from operations	**2 600**	(1 354)
Dividends paid (including non-controlling interest)	**(598)**	(443)
Cash retained from/(applied to) operating activities	**2 002**	(1 797)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, investments and intangibles	**(775)**	(1 589)
Proceeds on disposal of subsidiaries, investments and intangibles	**105**	931
Net investment in leasing receivables	**22**	98
Acquisition of other property, plant and equipment	**(818)**	(824)
Replacement capital expenditure	**(339)**	(334)
Expansion capital expenditure	**(479)**	(490)
Proceeds on disposal of property, plant and equipment	**117**	264
Net cash used in investing activities	**(1 349)**	(1 120)
Net cash inflow/(outflow) before financing activities	**653**	(2 917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on share issue	**4**	2
Shares repurchased for forfeitable share plan	**(32)**	(24)
Non-controlling equity loans	**6**	9
Purchases of non-controlling interest	**(125)**	
Proceeds from long-term borrowings	**1 614**	3 842
Repayment of long-term borrowings	**(1 748)**	(2 474)
(Decrease)/increase in short-term interest-bearing liabilities	**(339)**	1 360
Net cash from/(used in) financing activities	**(620)**	2 715
Net increase/(decrease) in cash and cash equivalents	**33**	(202)
Cash and cash equivalents at beginning of year	**2 624**	2 754
Effect of foreign exchange rate movement on cash balance	**208**	72
Effect of cash balances classified as held for sale	**(29)**	
Cash and cash equivalents at end of year	**2 836**	2 624
Cash balances not available for use due to reserving restrictions	**255**	182

Summarised notes to the consolidated financial statements

for the year ended 30 September

1. Basis of preparation

The summarised financial information has been prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and 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 Pronouncements as issued by the Financial Reporting Standards Council and the information as required by IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 30 September 2013, except for the new or amended Standards and new Interpretations adopted as detailed in note 8.

		2013	2012
	Audited	**Rm**	Rm
2.	**Reconciliation of net profit to headline earnings**		
	Net profit attributable to Barloworld shareholders	**1 692**	1 559
	Adjusted for the following:		
	Loss/(profit) on disposal of subsidiaries and investments (IAS 27)	**43**	(571)
	Profit on disposal of properties (IAS 16)	**(18)**	(9)
	Impairment of goodwill (IFRS 3)	**71**	363
	Impairment of plant and equipment (IAS 16) and intangibles (IAS 38)	**23**	31
	Loss on sale of plant and equipment excluding rental assets (IAS 16)	**6**	2
	Taxation effects of remeasurements	**(1)**	59
	Non-controlling interests in remeasurements	**(2)**	(2)
	Headline earnings	**1 814**	1 432
	Weighted average number of ordinary shares in issue during the year (000)		
	– basic	**211 011**	210 693
	– diluted	**211 953**	212 244
	Headline earnings per share (cents)		
	– basic	**859.7**	679.7
	– diluted	**855.8**	674.7
3.	**Exceptional items**		
	(Loss)/profit on acquisitions and disposal of investments and subsidiaries	**(43)**	577
	Impairment of goodwill	**(71)**	(363)
	Impairment of investments		(2)
	Profit on disposal of property	**18**	9
	Impairment of property, plant and equipment, intangibles and other assets	**(23)**	(31)
	Gross exceptional (loss)/profit	**(119)**	190
	Taxation benefit/(charge) on exceptional items	**1**	(59)
	Net exceptional (loss)/profit before non-controlling interest	**(118)**	131
	Non-controlling interest on exceptional items	**2**	2
	Net exceptional (loss)/profit	**(116)**	133

Summarised notes to the consolidated financial statements continued

for the year ended 30 September

Audited	2013 Rm	2012 Rm
4. Assets classified as held for sale		
Assets classified as held for sale	**371**	
Liabilities directly associated with assets classified as held for sale	**106**	
Assets held for sale relate to the net assets of the Ferntree Gully motor dealership in Australia, the Handling Holland Hyster dealership and the Flynt Logistics operations. The motor dealership and the Flynt operations were subsequently sold after year end.		
5. Dividends		
Ordinary shares		
Final dividend No 168 paid on 14 January 2013: 150 cents per share (2012: No 166 – 105 cents per share)	**320**	223
Interim dividend No 169 paid on 18 June 2013: 96 cents per share (2012: No 167 – 80 cents per share)	**202**	170
	522	393
Paid to non-controlling interest	**86**	50
	608	443
Dividends per share (cents)	**291**	230
– interim (declared May)	**96**	80
– final (declared November)	**195**	150
6. Contingent liabilities		
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims	**1 668**	1 440
The group has given guarantees to the purchaser of the coatings Australian business relating to environmental claims. The guarantees are for a maximum period of eight years up to July 2015 and are limited to the sales price received for the business. Freeworld Coatings Limited is responsible for the first AUD5 million of any claim in terms of the unbundling arrangement.		
Buyback and repurchase commitments not reflected on the statement of financial position	**288**	131
The related assets are estimated to have a value at least equal to the repurchase commitment.		
There are no material contingent liabilities in joint venture companies.		
The equipment failure reported at a customer in the 2012 integrated report and the 2013 interim report has been substantially rectified and following negotiations with the suppliers and the contractor we do not expect any additional material loss to the company.		

		2013	2012
	Audited	**Rm**	Rm
7.	**Commitments**		
	Capital expenditure commitments to be incurred:	**2 262**	1 556
	Contracted – Property, plant and equipment	**718**	644
	Contracted – Vehicle Rental Fleet	**1 021**	711
	Approved but not yet contracted	**523**	201
	Operating lease commitments	**2 224**	1 810
	Finance lease commitments	**872**	546
	Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.		

8. Accounting policies

The group adopted the following new and amended Standards and new Interpretations during the current year:

– Circular 2/2013 Headline Earnings

9. Related party transactions

There has been no significant change in related party relationships since the previous year.

On 25 September 2012 Barloworld Logistics (Pty) Limited (a wholly owned subsidiary of Barloworld Limited) acquired the remaining 25% stake in Barloworld Logistics Africa (Pty) Limited from Old Priory Investments (Pty) Limited. Mr Isaac Shongwe, a director of Barloworld is a shareholder of Old Priory Investments (Pty) Limited and therefore the transaction is a small related party transaction as defined in terms of the JSE Listings Requirements. The cash consideration of R125 million for the shares and R50 million loan funding was paid during the year.

Other than in the normal course of business, there have been no other significant transactions during the year with associate companies, joint ventures and other related parties.

10. Audit opinion

The auditors, Deloitte & Touche, have issued their opinion on the group's financial statements for the year ended 30 September 2013. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These summarised provisional financial statements have been derived from the group financial statements and are consistent in all material respects, with the group financial statements. A copy of their audit report is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

The auditor's report does not necessarily cover all of the information contained in this announcement/ financial report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company.

In addition, Deloitte & Touche, has issued a limited assurance report on the non-financial salient features included on page 109. Their report was issued in accordance with International Standards 3000 on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. They have issued an unmodified limited assurance report.

11. Preparer of financial statements

These condensed consolidated financial statements have been prepared under the supervision of SY Moodley BCom CA(SA).

Operating segments

for the year ended 30 September

	Revenue		Operating profit/(loss)		Fair value adjustments on financial instruments		Operating profit/(loss) including fair value adjustments		Net operating assets/(liabilities)	
	Year ended 30 Sept		Year ended 30 Sept		Year ended 30 Sept		Year ended 30 Sept		30 September	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Audited	**Rm**	Rm	**Rm**	Rm	**Rm**	Rm	**Rm**	Rm	**Rm**	Rm
Equipment and Handling	**30 682**	29 047	2 123	1 778	**(54)**	(106)	**2 069**	1 672	**12 650**	11 333
Automotive and Logistics	**34 410**	29 490	1 479	1 152	**4**	12	**1 483**	1 164	**9 566**	8 003
Corporate	**10**	17	(75)	58	**3**	1	**(72)**	59	**(898)**	(415)
Total group	**65 102**	58 554	3 527	2 988	**(47)**	(93)	**3 480**	2 895	**21 318**	18 921

Salient features

for the year ended 30 September

Audited	**2013**	2012
Financial		
Headline earnings per share (cents)	**860**	680
Dividend per share (cents)	**291**	230
Operating margin (%)	**5.4**	5.1
Net asset turn (times)	**2.6**	2.7
EBITDA/interest paid (times)	**5.7**	5.9
Net debt/equity (%)	**46.8**	56.7
Return on net operating assets (%)	**18.6**	18.8
Return on ordinary shareholders' funds (%)	**12.8**	11.3
Net asset value per share including investments at fair value (cents)	**7 233**	6 062
Number of ordinary shares in issue, including BEE shares (000)	**231 292**	231 012
Non-financial#		
Energy consumption (GJ)	**2 838 435**	1 921 347
Greenhouse gas emissions (tCO_2e)$^{\Delta}$	**267 624**	197 489
Water consumption (ML)	**848**	799
Number of employees	**19 692**	19 238
LTIFR*	**1.02**	1.22
Fatalities	**3**	1
Corporate social investment (R million)	**17**	17
dti^ B-BBEE rating (level)+	**2**	2

 # Limited assurance (note 10).
Δ Scope 1 and 2.
**Lost-time injuries x 200 000 divided by total hours worked.*
^Department of Trade and Industry (South Africa).
+Audited and verified by Empowerdex.

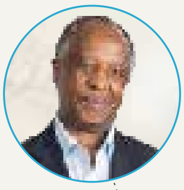
	Closing rate		**Average rate**	
Exchange rates (Rand)	**2013**	2012	**2013**	2012
United States dollar	**10.06**	8.25	**9.28**	8.02
Euro	**13.62**	10.62	**12.18**	10.45
British sterling	**16.30**	13.32	**14.48**	12.69

Who governs us

Directors

The full names, ages and profiles of the directors at last practicable date are set out below.

Non-executive directors

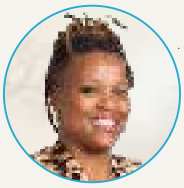


Advocate Dumisa Buhle Ntsebeza SC Chairman
Age: 63 ***Nationality:*** South African
Qualifications: BA, BProc, LLB, LLM (International Law)

Neo Phakama Dongwana
Age: 41 ***Nationality:*** South African
Qualifications: BCom (Hons), CA(SA)

Alexander Gordon Kelso Hamilton
Age: 68 ***Nationality:*** British
Qualifications: MA (Cantab), FCA

Sibongile Susan Mkhabela
Age: 57 ***Nationality:*** South African
Qualifications: BA Social Work (Hons), Dip Business Management, MAP



Babalwa Ngonyama
Age: 38 ***Nationality:*** South African
Qualifications: BCom (Accounting), MBA, HDip (Banking Law), CA(SA)

Sango Siviwe Ntsaluba
Age: 53 ***Nationality:*** South African
Qualifications: BCom, BCompt (Hons), CA(SA), HDip Tax Law

Thembalihle Hixonia Nyasulu
Age: 59 ***Nationality:*** South African
Qualifications: BA (Hons) Psychology, BA Social Work

Steven Bernard Pfeiffer
Age: 66 ***Nationality:*** American
Qualifications: BA, MA (Oxon), JD (Yale)

Executive directors

Clive Bradney Thomson Chief executive
Age: 47 ***Nationality:*** South African
Qualifications: BCom (Hons), MPhil (Cantab), CA(SA)

Donald Gert Wilson Finance director
Age: 56 ***Nationality:*** South African
Qualifications: BCom, CTA, CA(SA)

Peter John Blackbeard Chief executive officer: Power Systems southern Africa, Iberia, Russia and Handling division
Age: 56 ***Nationality:*** South African
Qualifications: BSc Eng (Mech) (Hons), Dip Business Management

Peter John Bulterman Chief executive officer: Equipment division southern Africa, Iberia and Russia
Age: 57 ***Nationality:*** South African
Qualifications: HDip Mechanical Engineering

Martin Laubscher Chief executive officer: Automotive and Logistics division
Age: 53 ***Nationality:*** South African
Qualifications: BAcc, BCompt (Hons), CTA, MCom (Business Management)

Oupa Isaac Shongwe Human resources, strategy and sustainability director
Age: 51 ***Nationality:*** South African
Qualifications: BA (Hons), MPhil (Oxon)

Corporate governance summary report

Ethical leadership

The board provides effective leadership based on a principled foundation and the group subscribes to high ethical standards. Responsible leadership characterised by responsibility, accountability, fairness and transparency has been a defining feature of the group since its establishment in 1902.

The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the company's stakeholders. The business of the group is governed by a Worldwide Code of Conduct and a Code of Ethics, both approved by the board. The Worldwide Code of Conduct articulates Barloworld's commitment to doing business the right way, according to best practices, guided by our values of integrity, excellence, teamwork and commitment. The Code of Ethics enjoins Barloworld directors, management and employees to obey the law, to respect others, to be fair, honest and to protect the environment.

Corporate citizenship

The board and management recognise that Barloworld is an economic entity and also a corporate citizen. As such, it has a social and moral standing in society with all the attendant responsibilities.

Compliance with laws, rules, codes and standards

The board is responsible for ensuring that the group complies with applicable laws and considers adhering to non-binding rules, codes and standards. The board recognises that the group's operations are located in many jurisdictions which are at different levels of maturity and in which the rule of law exists in varying degrees.

Corporate governance

The group applies the governance principles contained in King III and continues to further entrench and strengthen recommended practices in our governance structures, systems, processes and procedures.

Regulatory compliance

Barloworld is listed on the Johannesburg Stock Exchange (JSE) Limited and maintains secondary listings on the London Stock Exchange (LSE) and Namibia Stock Exchange. The board annually confirms that the company complies with the Listings Requirements of the JSE Limited. Barloworld is not registered with the Securities and Exchange Commission in the United States and has unsponsored American depository receipts. Accordingly, the Sarbanes-Oxley Act of 2002 does not apply to the company.

Statutory compliance

Compliance remains a core focus of the board, which is ultimately responsible for ensuring that the group identifies and complies with applicable laws.

Standards of directors' conduct

The board always acts consistently in its duties of care, skill and diligence as well as its fiduciary duties. These are now partly codified in the Companies Act as standards of directors' conduct.

Conflict of interest

The board recognises the importance of acting in the best interest of the company and protecting the legitimate interests and expectations of its stakeholders. The board consistently applies the provisions of the Companies Act on disclosing or avoiding conflicts of interest. Directors are required to declare their interests in general annually and specifically at each meeting of the board in accordance with the requirements of the Companies Act. Among other measures to deal with conflicts of interest, the company has a policy that addresses the acceptance of gifts which requires that gifts be officially declared and registered on the company's gift register.

Statutory powers

Section 66(1) of the Companies Act provides that the business and affairs of a company must be managed by or under the direction of its board which has the authority to exercise all the powers and perform all the functions of the company, except to the extent that the Act or the company's Memorandum of Incorporation provides otherwise. The general powers of the directors are set out in the company's Memorandum of Incorporation. The directors have further unspecified powers and authority for matters that may be exercised and dealt with by the company, which are not expressly reserved to shareholders of the company in a general meeting.

Role and function of the board

The board functions in accordance with the requirements of King III and within the context of the Companies Act, the Listings Requirements of the JSE Limited and other applicable laws, rules and codes of governance. The board is responsible for, among other things, the governance of risk and information technology and has ensured that the company has an effective, independent audit committee and an effective risk-based internal audit function.

Composition of the board

Considerable thought is given to board balance and composition. Collectively, the board believes the current mix of knowledge, skill and experience meets the requirements to lead the company effectively. The board has fourteen directors, comprising eight non-executive directors and six executive directors. Six non-executive directors are independent and two directors are not independent.

Having reached retirement age, Mr Gonzalo Rodriquez de Castro Garcia de Los Rios retired from the board on 23 January 2013.

Dr Alexander Landia was appointed to the board on 1 October 2013 as an independent non-executive director.

GRI 4.1 to 4.17; HR1 to HR11

@ Full Corporate governance report 2013

Board and committee composition

Name	Year appointed	Audit	General purposes	Nomination	Remuneration	Risk and sustainability	Social, ethics and transformation
INDEPENDENT NON-EXECUTIVE DIRECTORS							
DB (Dumisa) Ntsebeza (chairman)	1999		chairman	chairman	member		member
AGK (Gordon) Hamilton	2007	chairman	member	member	member	member	
SS (Bongi) Mkhabela	2006			member			chairman
B (Babalwa) Ngonyama	2012	member			member		
SS (Sango) Ntsaluba	2008	member			member	chairman	
SB (Steve) Pfeiffer	2001		member	member	chairman		
NON-INDEPENDENT, NON-EXECUTIVE DIRECTORS							
NP (Neo) Dongwana	2012					member	
TH (Hixonia) Nyasulu	2007		member				
EXECUTIVE DIRECTORS							
CB (Clive) Thomson (chief executive)	2003		member			member	member
PJ (John) Blackbeard	2004					member	member
PJ (Peter) Bulterman	2009					member	
M (Martin) Laubscher	2005					member	
OI (Isaac) Shongwe	2007					member	member
DG (Don) Wilson	2006					member	
CHANGE OF DIRECTORATE							
G (Gonzalo) Rodriquez de Castro Garcia de los Rios	retired with effect from 23 January 2013						
A (Alexander) Landia	appointed with effect from 1 October 2013						

Board appointment process

To ensure a rigorous and transparent procedure, any new appointment of a director is considered by the board as a whole, on the recommendation of the nomination committee. The selection process involves considering the existing balance of skills and experience, and a continual process of assessing the needs of the company.

Independence of non-executive directors

The board comprises a majority of non-executive directors. The board considered the issue of independence of directors, evaluating the rationale and meaning of the requirements of independence according to King III. An assessment, considering the salient factors and unique circumstances of each director, is performed annually for each non-executive director. Furthermore, the independence of non-executives who have served on the board for longer than nine years is assessed annually. The board is satisfied that six of the eight non-executive directors are independent.

Ms Hixonia Nyasulu and Neo Dongwana are not regarded as independent.

Retirement of directors

In terms of the company's Memorandum of Incorporation, at least one-third of the directors retire from the board at every annual general meeting. According to the Companies Act, a director appointed by the board to fill a vacant seat will serve as a director of the company on a temporary basis until the vacancy has been filled by election at the next annual general meeting.

Messrs Clive Thomson, Peter Bulterman, Gordon Hamilton, Steven Pfeiffer and Ms Hixonia Nyasulu retire by rotation at the upcoming AGM. All retiring directors are eligible and, with the exception of Ms Hixonia Nyasulu, have offered themselves for re-election. Ms Nyasulu will retire from the board at the AGM.

Chairman and chief executive

No individual has unfettered powers of decision-making. Responsibility for running the board and executive responsibility for conducting the business are differentiated. Adv Dumisa Ntsebeza SC, an independent non-executive director, is chairman of the board and Mr Clive Thomson, an executive director, is chief executive. The chairman is responsible for leading the board, ensuring its effectiveness and setting its agenda. The chief executive leads the executive team in running the business and coordinates proposals approved by the executive committee for consideration by the board.

Board meetings and attendance

Board meetings are convened by formal notice incorporating a detailed agenda and relevant written proposals and reports. Information is distributed in good time before board meetings, to enable adequate preparation for thorough discussion at these meetings. A number of decisions are taken between board meetings by written resolution in accordance with the company's Memorandum of Incorporation and these are tabled for noting at each subsequent board meeting. When directors are not able to attend in person, video and teleconferencing facilities allow them to participate fully. Where directors are unable to attend a meeting in person or via video/teleconference, they are able to make submissions in advance on matters to be discussed and these submissions are recorded at the meeting. The board and all the board committees meet as scheduled and, where necessary, special meetings are held to deal with specific aspects.

Board and committee meetings attendance

Name	Board (6)	Audit (6)	Nomination (6)	General purposes (6)	Remuneration (6)	Social, ethics and transformation (5)	Risk and sustainability (4)
DB Ntsebeza	6		6	6	5	5	
CB Thomson	6			6		5	4
PJ Blackbeard	6					5	4
PJ Bulterman	6						4
NP Dongwana	6						2*
AGK Hamilton	6	6	6	6	6		4
M Laubscher	6						4
SS Mkhabela	5		6			5	
B Ngonyama	6	6			3*		
SS Ntsaluba	5	6			6		4
TH Nyasulu	3			6			
SB Pfeiffer	6		6	6	6		
OI Shongwe	6					5	3
DG Wilson	6						4

** Appointed with effect from 20 March 2013.*

In addition to the above meetings, further special meetings were held during the year, namely 1 special board meeting, 3 special audit committee meetings, 1 special nomination committee meeting and 1 special general purposes committee meeting.

Director development

The company secretary arranges an appropriate induction programme for new directors. This includes an explanation of their fiduciary duties and responsibilities, and arranging visits to operations where discussions with management facilitate an understanding of the company's affairs and operations. Directors are appraised, wherever relevant, of new legislation and changing commercial risks that may affect the company. The board supports the development of directors and, where applicable, training is made available depending on each director's requirements and the quality and relevance of training available. A formal continuing professional development policy for directors has been approved by the board.

Board performance assessment

The performance of the board as a whole and the board committees individually is appraised annually. The recent performance assessment indicated that the board and the board committees are performing their duties and responsibilities effectively and efficiently. Areas of improvement have been identified and will be addressed during the year.

Remuneration of directors and senior executives

Remuneration plays a critical role in attracting, motivating and retaining high-performing and talented individuals to achieve Barloworld's business objectives. A significant portion is linked to the achievement of strategic, operational and financial objectives.

Company secretary

Ms Lerato Manaka is the company secretary, duly appointed by the board in accordance with the Companies Act and the JSE Listings Requirements. Ms Manaka succeeded Mr Bethuel Ngwenya who resigned as company secretary with effect from 31 January 2013. The company secretary is not a director of the company. The board of directors annually considers and satisfies itself that the company secretary is properly qualified and experienced to carry out the duties and responsibilities of company secretary and that there is an arm's-length relationship between itself and the company secretary. The company secretary provides the board as a whole and directors individually with guidance on discharging their responsibilities.

She is also a central source of information and advice to the board and the company on matters of ethics and good corporate governance. The company secretary ensures that, in accordance with pertinent laws, the proceedings and affairs of the board and its members, the company itself and, where appropriate, the owners of securities in the company are properly administered. She also assists and ensures that the board, individual directors and board committees are evaluated annually.

Board committees

The board has seven committees. These committees play an important role in enhancing good corporate governance, improving internal controls and, thus, the performance of the company. The committees are: audit; social, ethics and transformation; risk and sustainability; remuneration; nomination; general purposes; and the executive committee. Each board committee acts according to written terms of reference, approved by the board and reviewed annually, setting out its purpose, membership requirements and duties and reporting procedures.

Risk management process

A written risk management philosophy issued by the chief executive and endorsed by the directors states that the company is committed to managing its risks and opportunities in the interests of all stakeholders. An ongoing systematic, enterprise-wide risk assessment process supports the group philosophy. Divisional boards and senior managers conduct ongoing self-assessment of risk to identify critical business, operational, financial and compliance exposures and the adequacy and effectiveness of control factors at all levels. The group risk department oversees strategic direction and continuous improvement in methodology and process, as well as providing technical assistance.

Internal audit

The purpose, authority and responsibility of the internal audit function are defined in the internal audit charter that is consistent with the Institute of Internal Auditors' definition of internal auditing, and the principles of King III. The charter is updated and approved by the board annually. Although not reliant on external auditors for any resource support, the internal audit function, in accordance with the organisation's combined assurance model, continues to liaise with the external auditors and other assurance providers to maximise efficiencies in assurance coverage on key risks.

Insider trading

Through appropriate procedures, the board ensures that no director, officer, employee or nominees or members of their immediate family deal directly or indirectly in the securities of the company on the basis of unpublished price-sensitive information, nor during the embargo period determined by the board in terms of a formal policy implemented by the company secretary. A list of people who are restricted for this purpose has been approved by the board and is revised from time to time. A register of directors and officers is available for inspection at the company's registered office in Sandton, South Africa.

Relationship with stakeholders

The company is a strong proponent of transparency, best-practice disclosure, consistent communication and equal and timely dissemination of information to stakeholders. It encourages the active participation of relevant stakeholders at general meetings and maintains an investor relations programme which, inter alia, arranges regular meetings between corporate and divisional executives, shareholders, potential investors and other relevant stakeholders.

Remuneration report

This report is part of the remuneration report and will be put to a non-binding advisory vote by shareholders at the upcoming AGM. It summarises the company's remuneration policy for non-executive directors, executive directors and prescribed officers. The information provided in this report has been approved by the board on the recommendation of the remuneration committee. The full remuneration report is available on the company's website, www.barloworld.com

Remuneration philosophy and policy

Barloworld aims to provide a level of remuneration that attracts, retains and motivates executives of the highest calibre. Careful consideration is also given to internal equity within the group and to aligning the remuneration paid with shareholder interests and best practice.

The vision and strategic plan for 2015[3], which was approved in the 2011 financial year, continues to be driven by the executive team to deliver profitable growth and enhance financial returns throughout the various businesses. The remuneration philosophy and metrics incorporated into both the short-term incentive (STI) and long-term incentive (LTI) structures have been designed to support this plan.

Barloworld has adopted a holistic, balanced approach to its remuneration philosophy for senior executives and general staff incorporating the following monetary and non-monetary components:

Barloworld's remuneration philosophy is to ensure that executive directors and the senior executive team are fairly rewarded for their individual contributions to the company's operating and financial performance in line with its corporate objectives and strategy. Barloworld is committed to remuneration that is competitive relative to the target labour market in each country based on industry and market benchmarks reviewed annually by the company. This contributes to Barloworld remaining an employer of choice.

No material changes to the remuneration philosophy and practices for executive directors and prescribed officers were made during the year or are envisaged for the 2014 financial year.

Divisional incentive plans are aligned so that divisional executives and management are incentivised on similar financial targets to executive directors, with total incentives benchmarked against market comparisons for equivalent levels of management.

Governance and the remuneration committee

Role of remuneration committee

The remuneration committee operates under terms of reference approved by the board, subject to annual review and in line with King III and the Companies Act.

The terms of reference include:

- Reviewing the company's remuneration philosophy and policy and assisting the board to establish a remuneration policy for directors, senior executives and prescribed officers that will promote the achievement of strategic objectives and encourage individual performance
- Ensuring that the mix of fixed and variable pay in cash, shares and other elements meets the company's needs and strategic objectives
- Reviewing short and long-term incentive plans to ensure continued contribution to shareholder value
- Determining all the remuneration parameters for the chief executive (CE), executive directors and prescribed officers including basic salary, benefits in kind, short-term incentives, long-term incentives, pensions and other benefits
- Approving the long-term incentive plan awards for all eligible employees
- Overseeing the preparation of the remuneration report
- Ensuring that part I of the remuneration report is put to a non-binding advisory vote by shareholders and engaging with shareholders and other stakeholders on the company's remuneration philosophy
- Reviewing the fee proposals for the company chairman and non-executive directors and determining, in conjunction with the board, the final proposals to be submitted to shareholders for approval.

The remuneration committee chairman reports formally to the board on proceedings after each meeting and, in line with King III, will attend the annual general meeting of Barloworld to respond to any questions from shareholders regarding its areas of responsibility.

Members of remuneration committee

The remuneration committee should have three or more members with a mix of skills and business experience suitable for its purpose The board may from time to time decide the number of members on the remuneration committee. The members must be non-executive directors, of whom at least half should be independent. In line with King III, the remuneration committee is chaired by an independent non-executive director.

The remuneration committee is constituted as follows:

- SB Pfeiffer (chairman) (independent non-executive)
- DB Ntsebeza (independent non-executive and chairman of the company)
- AGK Hamilton (independent non-executive)
- B Ngonyama (appointed with effect from 20 March 2013 and independent non-executive)
- SS Ntsaluba (independent non-executive).

The CE attends remuneration committee meetings by invitation. The CE does not participate in the vote process, nor is he present at meetings of the remuneration committee when his own remuneration is discussed or considered.

PricewaterhouseCoopers (PwC), the company's independent adviser, attends the meetings in an advisory capacity. The company secretary, Ms LP Manaka, acts as secretary to the remuneration committee.

Advisors

During the 2013 financial year, the remuneration committee received advice and guidance from the following independent advisors:

- PwC – standing advisor to the remuneration committee on all executive and non-executive remuneration matters including

@ Full Remuneration report 2013

- guaranteed pay, short-term incentives, long-term incentives, non-executive directors' fees and general corporate governance standards
- PE Corporate Services – executive salary benchmarking and job grading.

Overview of remuneration

Role of benchmarking

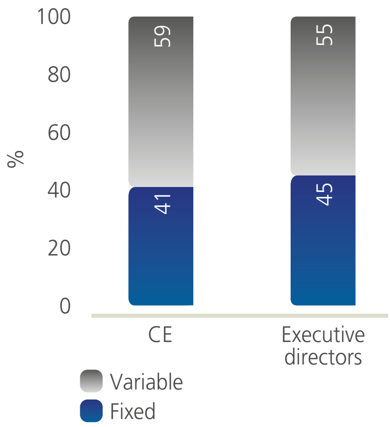
Barloworld operates the Towers Watson global grading methodology and structure. This assesses an executive's remuneration against an independently determined grade which is based on a number of factors including the "size" of the job (as measured by revenue and number of employees) as well as its "complexity" (incorporating aspects such as whether it is a domestic, international or global business).

Remuneration of divisional executives and senior management below executive director level is also benchmarked to independent market information based on the Towers Watson global grading system.

The remuneration committee approves salary increases and incentives for executive directors and prescribed officers on an individual basis. The salary adjustments for other employees are cascaded downwards throughout the group to the appropriate heads of divisions starting with the divisional chief executive officer who approves the salary increases and incentives for executives on the divisional management boards.

Package design

Executive remuneration is heavily weighted toward variable remuneration as illustrated below. The on-target bonus and long-term incentive entitlement for the CE is slightly higher than for other executive directors and will result in a heavier weighting towards variable pay. The mix between fixed and variable pay for the CE and executive directors (based on on-target bonuses potential and the average indicative expected value, on grant date, of long-term incentive awards made during the year) is:



Elements of remuneration

The table below summarises the composition of the total remuneration package for executive directors and prescribed officers during the 2013 financial year, as well as proposed changes to the total remuneration package for the 2014 financial year.

Elements of remuneration

Element	Fixed/variable	Objective	Policy	Proposed changes for 2014
Base salary	Fixed	Reflects scope and nature of role, performance and experience	In most cases, benchmarked around the median of the market	None
Benefits	Fixed	Providing employees with contractually agreed basic benefits such as medical aid, retirement funding and a company car or car allowance as per the human resource policy	The percentage company contribution to benefits varies by country. In South Africa, a 14% company contribution to retirement funds applies	None
Short-term incentive	Variable	Rewards and motivates achievement of agreed group, divisional and individual performance objectives	The bonus percentages and the performance metrics remain unchanged from 2012. A slightly heavier weighting was afforded to the cash flow metric with a corresponding decrease in weighting given to HEPS	No material changes to structure envisaged
Long-term incentive	Variable	Creates loyalty and ownership among employees and acts as a retention mechanism. Also aligns with shareholder interests and long-term value creation	Approximately 25% of the overall long-term incentive award comprises a retention award and the remainder of the award is subject to performance targets	No material changes to structure envisaged

Guaranteed package/base salary

The executive directors' base salary and guaranteed package are reviewed annually. The current levels are benchmarked, in most cases, around the median of the relevant Towers Watson grade and/or group of comparator companies, which is made up of large international and local South African companies.

The company uses an independent consultant, namely PE Corporate Services, to conduct this exercise. The results are also discussed with PwC, the standing adviser to the remuneration committee. Variations around the median may be influenced by factors such as the nature of the assignment, level of experience of the executive, changes in responsibilities, performance track record and strategic importance of the role. Given the independent benchmarking performed, as well as the comparator companies used, this level is considered to be competitive in the labour market where the executive operates.

Short-term incentives

Short-term incentives (annual bonuses) are paid in cash and are based on achievement against 12-month targets aimed at increasing shareholder value. The criteria for earning a bonus are:

- Personal objectives (incorporating non-financial measures)
- Financial performance targets.

Threshold, target and stretch performance targets are set by the remuneration committee annually in advance.

The remuneration committee determines the financial measures, the weighting and vesting levels on an annual basis. In addition, the remuneration committee reviews the actual performance of the executives against the targets set at the beginning of the relevant year. The ultimate bonus payment is at the discretion of the remuneration committee.

Performance targets

The financial metrics are set by the remuneration committee on an annual basis. These metrics are selected based on key business drivers over the short term. A combination of the following metrics has been used in the past and is envisaged to be used in future:

- Operating profit
- Cash flow
- Return on Equity (ROE)
- Headline earnings per share (HEPS).

Group targets apply in the case of the CE, financial director, executive director: Human Resources, Strategy and Sustainability, and group general manager: Finance. Divisional targets apply for the remaining executive directors and prescribed officers, with the exception of HEPS which is measured for all on a group basis in recognition of their collective responsibility for the performance of the group as a whole.

The targets set take into account the current trading conditions and challenges faced by the company or relevant division and incorporate a meaningful level of stretch to motivate and retain senior employees. The threshold targets are set at the minimum level of acceptable performance for the business.

Personal scorecard objectives would typically include aspects such as:

- Safety performance
- Market share targets
- People development and training
- Sustainable development key performance indicators (KPIs)
- Empowerment and transformation objectives
- Customer loyalty and growth
- Relationships with principals
- Aftermarket growth targets
- Acquisitions and disposals
- Special projects.

Consistent with prior years, a bonus of up to 30% of annual basic salary can be earned where 100% of personal scorecard objectives are achieved. An 85% achievement of personal objectives will result in a bonus of 22.5% of annual basic salary. The threshold is 70% achievement of personal objectives, in which case 15% of annual basic salary can be earned as a bonus. No bonus is payable below 70% achievement. The personal objectives component of the scheme is the same for the CE, executive directors and prescribed officers.

Earning levels

The percentage of basic salary eligible to be paid as a bonus based on relative achievement against targets (threshold, target and stretch) is:

CE

Performance metric	Threshold %	Target %	Stretch %
Operating profit	7.5	22.5	36.0
Cash flow	5.0	15.0	24.0
ROE	5.0	15.0	24.0
HEPS	7.5	22.5	36.0
Bonus based on financial targets	25	75	120
Bonus based on personal scorecard objectives	15	22.5	30
Total bonus	**40**	**97.5**	**150**

Executive directors and prescribed officers

Performance metric	Threshold %	Target %	Stretch %
Operating profit	7.5	18.0	28.5
Cash flow	5.0	12.0	19.0
ROE	5.0	12.0	19.0
HEPS	7.5	18.0	28.5
Bonus based on financial targets	25	60	95
Bonus based on personal scorecard objectives	15	22.5	30
Total bonus	**40**	**82.5**	**125**

Long-term incentives

The company operates the following long-term incentive plans:

- Forfeitable share plan (FSP)
- Share appreciation right scheme (SARs)
- Share option scheme (SOS), no longer in use.

It is essential for the group to retain skills over the longer term and to motivate and incentivise executive directors and other senior employees to drive sustainable value creation over multiple reporting periods and to be shareholders of the company. This is achieved through long-term incentive plans and annual awards using the FSP and SARs scheme. In the case of the executive directors and prescribed officers, the FSP is 25% retention driven and 75% performance driven and the SARs is 100% performance driven.

An aggregate limit of 22 744 049 (twenty two million, seven hundred and forty four thousand and forty nine) shares equating to approximately 10% of the current issued share capital of the company applies to the FSP, SARs and SOS. The maximum number of unvested FSP awards which may be made to any one participant is 568 601 and the maximum number of unvested SARs granted to any one participant may not exceed 1% of the issued ordinary share capital of the company.

A total of 8 888 167 shares have been issued to date in respect of the FSP and SOS representing 3.8% of the current issued share capital. There are no options outstanding under the SOS. Since 2010, FSPs have been settled via on-market purchases of company shares. It is the current intention to settle equity-settled SARs in the same manner in order to avoid shareholder dilution.

A reconciliation of opening balance as at 1 October 2012 and closing balance as at 30 September 2013 can be found on page 84 of the annual financial statements.

On an annual basis, the remuneration committee determines the quantum of awards to be made, the performance targets, and the mix of instruments to be granted to eligible employees.

Forfeitable share plan (FSP)

Barloworld uses the FSP as an incentive tool for long-term value creation as well as for retention purposes. The purpose of the FSP is to provide senior executives with the opportunity to acquire shares in Barloworld, ensure that key skills are retained and align the interest of participants with shareholder interests. Non-executive directors are not eligible to participate in the FSP.

Awards are structured as forfeitable share awards. This means that participants receive shares (including dividend and voting rights) on the date of award but those shares are subject to restrictions and a risk of forfeiture during a three-year vesting period. In respect of executive directors, the vesting of the majority of the forfeitable share award is subject to the satisfaction of performance targets. To the extent that the performance targets are not achieved, those shares subject to the targets will be forfeited and there will be no re-testing of the performance targets. The performance targets are measured over a three-year period.

Performance targets

The performance targets applicable to the FSP are determined and set by the remuneration committee annually. These performance targets are elected based on key business drivers over the long term. The following performance targets have been used and are envisaged to be used in future

- Total shareholder return (TSR)
- Headline earnings per share (HEPS)
- Return on net operating assets (RONOA).

The above targets are consistent with prior years except for the return on net assets (RONA) condition which was replaced by RONOA in order to ensure focus on returns on operating assets under management's control and to facilitate benchmarking with peer companies.

All the awards are subject to continued employment until the vesting date. Awards subject to performance targets vest according to the achievement of targets as follows (linear vesting occurs between thresholds and target).

Performance targets

Condition	Below threshold (vesting %)	Threshold (vesting %)	Target (vesting %)
Continued employment condition	25	25	25
Performance targets	0	22.5	75
Total vesting	**25**	**47.5**	**100**

Corporate governance

Share appreciation rights scheme (SARs)

The SARs was developed with the objective of enabling employees to benefit from growth in the value of the ordinary shares of Barloworld. The SARs are subject to a three, four and five-year vesting period. All SARs will lapse if not exercised within six years from date of grant. The first four awards (2006 to 2009) were cash-settled. From 2011, awards made under the SARs will be equity-settled. From 2007 the entire SAR award has been subject to a performance target.

Performance targets

In the case of the SARs there is an inherent performance condition in that they are granted at a strike price equal to the current share price at date of issue and recipients therefore only benefit to the extent of future appreciation in the share price. They are also subject to an additional performance condition as determined by the remuneration committee. HEPS have been used historically for this purpose and will be used in future.

Share option scheme (SOS)

No share options have been granted since 2004 under the SOS and all options have matured during the 2013 financial year.

Executive contracts

Executive directors are subject to indefinite term service contracts to normal retirement age with a notice period of six months and nine months in the case of the group CE.

The main terms of the service contracts applicable to executive directors can be summarised as follows:

Executive contracts

Provision	Policy
Contract term	Indefinite (or until normal retirement age in the relevant jurisdiction) subject to specified notice periods by the executive and the company
Notice period	Nine months for the group CE and six months for executive directors
Remuneration	Salary Car benefit Retirement fund Medical aid Eligible to participate in annual short-term incentive plan (subject to rules of plan) Eligible to participate in the FSP and SAR (subject to rules of plan)
Termination of employment and change of control payments and/ or automatic vesting of long-term incentives	Change of control clauses are included in FSP and SAR rules and allow for proportionate vesting of awards. Change of control clauses in employment contracts provide for redundancy terms, based on established guidelines, in the event of termination of employment within six months of change of control
Restraint of trade	Not applicable
Other benefits	Certain executives directors may be employed in terms of expatriate contracts which include typical expatriate benefits in addition to the standard benefits

Non-executive directors

The appointment of non-executive directors (NEDs) is governed by a letter of appointment that sets out, among other things, the term of appointment, duties and responsibilities, fees and other payments, and termination of services.

NEDs receive standard fees for their services on the board and board committees. The remuneration committee reviews the level of fees and makes recommendations to the board for consideration. A benchmarking exercise was conducted in November 2013 by PwC, the company's independent remuneration advisor. In terms of Barloworld's memorandum of incorporation, fees payable to NEDs must be approved by shareholders in general meeting. The current level of fees payable to non-executive directors was approved by Barloworld's shareholders at the annual general meeting held on 23 January 2013.

Proposed fees for 2014 are set out in the notice to the annual general meeting on page 6 of the AGM booklet.

Social, ethics and transformation committee report

Introduction

The social, ethics and transformation committee is pleased to present its report for the financial year ended 30 September 2013.

The social, ethics and transformation committee (the committee) was established by the board of directors on 4 May 2011 in terms of section 72(4) of the Companies Act and operates according to written terms of reference approved by the board and reviewed by the board annually.

During the course of the 2013 financial year the committee formally met five times to discharge its duties and responsibilities.

Composition

The committee consists of a mix of independent non-executive directors and executive directors. The chairman and CE of the company are members of the committee.

The committee is constituted as follows:

- SS Mkhabela (chairman – independent non-executive)
- PJ Blackbeard (executive)
- DB Ntsebeza (independent non-executive and chairman of the company)
- OI Shongwe (executive)
- CB Thomson (chief executive).

Mr G Rodriquez de Castro Garcia de Los Rios retired from the committee on 23 January 2013 and Ms NP Dongwana was appointed to the committee with effect from 4 October 2013.

Purpose of the committee

The role of the committee is to assist the board of Barloworld Limited in discharging its statutory duties of ensuring that:

- Diversity is promoted throughout its operations
- Equality is advanced through the elimination of any existing unfair discriminatory conditions, whether purposeful or inadvertent
- Broad-Based Black Economic Empowerment and transformation initiatives are pursued
- Social and economic development is promoted in communities in which the company operates
- The environment is protected
- Public health and safety is promoted.

Further, the committee strives to apply relevant codes of best practice including but not limited to the United Nations Global Compact Principles, the Organisation for Economic Cooperation and Development (OECD) guidelines regarding corruption, International Labour Organisation's Decent Work Agenda, and the principles of good corporate citizenship as espoused in the King III Report on Corporate Governance in South Africa.

The committee has access to any director or prescribed officers or employees of the company. Where appropriate, they have provided information or explanation necessary for the performance of the committee's functions.

Areas of focus

During the year under review the committee developed a clearly defined framework, aligned to the Companies Act, King III and other relevant legislation and standards, to determine the most effective processes and reporting formats to deal with matters under the committee's mandate. The framework complemented existing monitoring and reporting initiatives. In developing the framework, the committee was cognisant of the geographic spread of the company's operations.

The committee recognises the fact that some of its statutory functions overlapped or co-extended with the functions or mandates or terms of reference of other committees of the board. Where appropriate, these functions had been aligned to the mandate of the committee.

In other areas of overlap such as safety, health and environmental matters the committee, without derogating from its duties and responsibilities, worked closely with and relied upon the work of other committees of the board.

The committee is responsible for ensuring that the effective management of ethics within the company is supported and governed by our values, in accordance with the Barloworld Worldwide Code of Conduct and Code of Ethics.

Responsibilities

The committee carried out the following duties:

- Considered and was satisfied with progress made and the extent to which the company adhered to and implemented its desire to ensure that diversity is promoted throughout its operations
- Considered the group stakeholder engagement policy and the planned implementation of the stakeholder management policy throughout the group aimed at ensuring a continued positive and lasting relationship with the company's stakeholders
- Reviewed and considered the corporate social responsibility (CSR) programmes, policy and strategy which were driven by Barloworld values and commitment to responsible corporate citizenship
- Reviewed and considered the adequacy of the company's programme and policies for the effective management of ethics
- Received reports on the progress made by the company in dealing with consumer relationships, including the company's advertising, public relations and compliance with applicable consumer protection laws
- Received reports on the company's activities relating to the environment, health and public safety.

Evaluation of the committee

The performance of the committee is formally assessed annually. The evaluation report confirmed that the committee was performing its overall responsibilities effectively and satisfactorily.

SS Mkhabela
Chairman of the committee

14 November 2013

Shareholder profile

Register date: 30 September 2013
Issued share capital: 231 291 819
Public and non-public shareholdings

SHAREHOLDER TYPE	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	24	0.20	23 206 517	10.03
Directors, prescribed officers and associates	11	0.09	1 550 370	0.67
Employee and Educational Trusts	4	0.03	7 171 134	3.10
Tamarix Investment Holdings (Pty) Limited	9	0.08	14 485 013	6.26
Public shareholders	12 163	99.80	208 085 302	89.97
Total	**12 187**	**100.00**	**231 291 819**	**100.00**

SHAREHOLDER SPREAD	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	8 745	71.76	3 219 886	1.40
1 001 – 10 000 shares	2 718	22.29	8 022 836	3.47
10 001 – 100 000 shares	537	4.41	18 444 898	7.97
100 001 – 1 000 000 shares	142	1.17	41 425 229	17.91
1 000 001 shares and above	45	0.37	160 178 970	69.25
Total	**12 187**	**100.00**	**231 291 819**	**100.00**

BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE Beneficial shareholdings	Total shareholding	%
Government Employees Pension Fund (PIC)	35 808 846	15.48
Sanlam (Insurance)	7 931 736	3.43
Total	**43 740 582**	**18.91**

INVESTMENT MANAGERS HOLDING 3% OR MORE Investment manager	Total shareholding	%
Coronation Asset Management (Pty) Limited	38 440 263	16.62
PIC	24 166 536	10.45
Sanlam Investment Management	17 908 322	7.74
Westwood Global Investments LLC	14 906 354	6.44
Dimension Fund Advisors	11 440 766	4.95
Capital Group Companies Inc	7 424 217	3.21
Blackrock Inc	7 285 026	3.15
Total	**121 571 484**	**52.56**

GEOGRAPHICAL ANALYSIS OF SHAREHOLDERS – 2013 Region	Total shareholding	% of issued capital
South Africa	136 340 778	58.95
United States of America and Canada	57 210 591	24.74
United Kingdom	11 296 119	4.88
Rest of Europe	5 853 785	2.53
Rest of World[1]	20 590 546	8.90
Total	**231 291 819**	**100.00**

GEOGRAPHICAL ANALYSIS OF SHAREHOLDERS – 2012 Region	Total shareholding	% of issued capital
South Africa	123 685 415	53.54
United States of America and Canada	60 040 242	25.99
United Kingdom	4 992 581	2.16
Rest of Europe	9 600 153	4.16
Rest of World[1]	32 693 590	14.15
Total	**231 011 981**	**100.00**

[1] Represents all shareholdings except those in the above regions.

Statement by board of directors

The board of directors acknowledges its responsibility to ensure the integrity of the integrated report. The board believes the report addresses all material issues and presents fairly the integrated performance of the group. The integrated report has been prepared in line with best practice set out in the King III code.

Signed by

Dumisa Ntsebeza
Chairman

Clive Thomson
Chief executive

Don Wilson
Group finance director

3 December 2013

Who have been duly authorised by the board

DIRECTORS:
Non-executive: DB Ntsebeza (Chairman), NP Dongwana, AGK Hamilton*, A Landia**, SS Mkhabela, B Ngonyama, SS Ntsaluba, TH Nyasulu, SB Pfeiffer***
Executive: CB Thomson (Chief executive), DG Wilson (Group finance director), PJ Blackbeard, PJ Bulterman, M Laubscher, OI Shongwe **(British) **(German) ***(American)*
Company secretary: LP Manaka

Certificate by secretary

for the year ended 30 September 2013

In my capacity as the company secretary, I hereby certify that Barloworld Limited has lodged with the Registrar of Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act 71 of 2008. Further, I certify that such returns are true, correct and up to date.

LP Manaka
Company secretary

Sandton

15 November 2013

Independent auditor's report

ON THE ABRIDGED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BARLOWORLD LIMITED

The summary consolidated financial statements of Barloworld Limited, contained in the accompanying abridged report, which comprise the summary consolidated statement of financial position as at 30 September 2013, the summary consolidated income statement and summary consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited annual consolidated financial statements of Barloworld Limited for the year ended 30 September 2013. We expressed an unmodified audit opinion on those annual consolidated financial statements in our report dated 14 November 2013. Our auditor's report on the audited annual consolidated financial statements contained an Other Matter paragraph "Other reports required by the Companies Act" (included below).

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited annual consolidated financial statements of Barloworld Limited.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require abridged reports to be prepared 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 Pronouncements as issued by the Financial Reporting Standards Council also, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.

OPINION

In our opinion, the summary consolidated financial statements derived from the audited annual consolidated financial statements of Barloworld Limited for the year ended 30 September 2013 are consistent, in all material respects, with those annual consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

The "other reports required by the Companies Act" paragraph in our audit report dated 14 November 2013 states that as part of our audit of the consolidated financial statements for the year ended 30 September 2013, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

OTHER MATTER

We have not audited future financial performance and expectations by management included in the accompanying summary consolidated financial statements and accordingly do not express any opinion thereon.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Graeme Berry
Partner

Date: 14 November 2013

Non-financial assurance

Limited assurance report of the independent auditor, Deloitte & Touche to Barloworld Limited on their sustainability indicators and their self-declared Global Reporting Initiative G3.1 Application Level as contained in the Integrated Report and GRI Modular Response for the year ended September 2013 (the Reports)

SCOPE OF OUR WORK

Barloworld Limited (Barloworld) engaged us to perform limited assurance procedures for the year ended 30 September 2013 on the self-declared Global Reporting Initiative G3.1 Guidelines (GRI G3.1) A+ Application Level and selected performance indicators. The selected performance indicators are as follows:

- **Value created**
  - Statement of total value added (R million)
- **Community support**
  - Group corporate social investment spend (R million)
- **People**
  - Total number of employees, including employees by race (RSA only) and gender
- **Safety**
  - Lost-time injury frequency rate and number of work-related fatalities
- **Environmental**
  - Fuel consumption – petrol and diesel (ML)
  - Electricity consumption (MWh)
  - Energy consumption (GJ), including consumption by primary energy source
  - Carbon emissions (tCO_2e), including emissions by primary energy source
  - Water consumption (ML)

DIRECTORS' RESPONSIBILITY

The directors are responsible for the preparation of the Integrated Report and GRI Modular Response for the year ended September 2013, including the implementation and execution of systems to collect required sustainability data.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express our limited assurance conclusion on selected sustainability performance indicators and the self-declared GRI 3.1 Application Level for the year ended 30 September 2013. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" (ISAE 3000). This standard requires us to comply with ethical requirements and to plan and perform our assurance engagement to obtain sufficient appropriate evidence on which to base our limited assurance conclusion.

The evaluation criteria used for our assurance are the Barloworld definitions and basis of report. GRI G3.1 served as the criteria used for the Application Level assurance.

SUMMARY OF WORK PERFORMED

Considering the risk of material error, our multi-disciplinary team of sustainability assurance specialists planned and performed our work to obtain all the information and explanations we considered necessary to provide sufficient appropriate evidence. Our work was planned to mirror Barloworld's own group level compilation processes.
Key procedures we conducted included:

- Gaining an understanding of Barloworld's systems through interviews with management responsible for reporting systems at corporate head office and site level and
- Reviewing the systems and procedures to capture, collage, aggregate, validate and process source data for the assured performance data included in the report.

OUR CONCLUSION

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that the selected sustainability performance indicators are not fairly presented.

Based on the work performed on the reports, nothing has come to our attention that causes us to believe that management's declaration of an Application Level A+ in terms of the GRI G3.1 Guidelines is not fairly stated.

This assurance statement is made solely to Barloworld in accordance with our engagement letter. Our work has been undertaken so that we might state to the company those matters we are required to state to them in a limited assurance report and for no other purpose. Thus, we do not accept or assume responsibility to anyone other than Barloworld for our work, for this report, or for the conclusions we have formed.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: AN le Richde
Partner

8 November 2013

Corporate information

BARLOWORLD LIMITED
(Registration number 1918/000095/06)
JSE codes: BAW and BAWP
ISIN codes: ZAE000026639 and ZAE000026647

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For background information visit **www.barloworld.com**

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