Barloworld
Leading brands

Barloworld Limited Audited results

for the year ended 30 September 2008

About Barloworld

Barloworld is a distributor of leading international brands providing integrated rental, fleet management, product support and logistics solutions. The core divisions of the group comprise Equipment (earthmoving and power systems), Automotive (car rental, fleet services and motor trading), Handling (forklift truck distribution and fleet management) and Logistics (logistics and supply chain management).

We offer flexible, value adding, integrated business solutions to our customers backed by leading global brands. The brands we represent on behalf of our principals include Caterpillar, Hyster, Avis, Audi, BMW, Ford, General Motors, Mercedes-Benz, Toyota, Volkswagen and others.

Barloworld has a proven track record of effectively managing long-term relationships with global principals and customers. We have an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. One of our core competencies is an ability to leverage systems and best practices across our chosen business segments. As an organisation we are committed to play a leading role in empowerment and transformation.

The company was founded in 1902 and currently has operations in 42 countries around the world with approximately half of our twenty thousand employees in South Africa.

Directors

Non-executive: DB Ntsebeza *(Chairman)*, SAM Baqwa, AGK Hamilton*, MJ Levett, S Mkhabela, SS Ntsaluba, TH Nyasulu, G Rodriguez de Castro de los Rios†, SB Pfeiffer•

Executive: CB Thomson *(Chief Executive)*, PJ Blackbeard, M Laubscher, OI Shongwe, DG Wilson

*British •American †Spanish

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For background information visit www.barloworld.com

Barloworld delivers strong operating performance for the full year

- Revenue up by *18%* to *R46 830 million*
- Operating profit before BEE charge increases *31%* to *R2 988 million*
- Normalised HEPS from continuing operations (excluding BEE charge and prior year PPC gains and STC on special dividend) up *29%*
- Broad based BEE transaction implemented
- Strong organic growth in Equipment southern Africa
- International acquisitions position Logistics division for future growth
- Decision taken to dispose of Scandinavian car rental operations

Clive Thomson, CEO of Barloworld, said:

"The Barloworld group delivered strong operating profit growth for the year. This was driven by the equipment division in southern Africa which continued its growth trajectory given robust demand from the mining and construction sectors. In Spain, residential construction declined and public works activity slowed, resulting in reduced sales and margins in the second half.

The automotive division experienced difficult trading conditions in South Africa and Scandinavia. Following a strategic review the board has taken the decision to dispose of car rental Scandinavia. Within the handling division, the strong southern African performance and good growth in Belgium and the Netherlands was offset by weak trading conditions in the USA and the UK. The logistics division performed well and was boosted by the recent acquisitions.

Our broad based BEE transaction was finalised and we look forward to the long-term benefits it will bring to the company, our employees and our empowerment partners.

Our strategies and products are fundamentally sound, our balance sheet is strong and the company is well positioned to take advantage of growth opportunities as they arise. The global growth outlook has deteriorated following the financial crisis and its impact on the real economy. We are likely to face more difficult trading environments in most of our major markets and geographies in the year ahead."

17 November 2008

Chairman and Chief Executive's Report

Strong operating performance

Revenue from continuing operations rose by 18%, while operating profit, excluding the IFRS 2 charge in respect of the black economic empowerment (BEE) transaction, increased by 31% to R2 988 million.

The equipment division performed well with operating profits up by 34% to R2 057 million. This was driven by strong revenue growth coupled with improved margins in South Africa, Angola and Zambia. In Spain, a slowdown in residential construction and delays in public works spending led to a drop in demand for our products, particularly in the second half of the year. Siberia continued with strong revenue and profit growth.

The automotive division experienced difficult trading conditions in southern Africa and Scandinavia. The Avis Rent a Car operations in southern Africa improved revenue but profits declined mainly due to reduced utilisation and lower used vehicle margins. The Scandinavian car rental business produced disappointing results in a highly competitive and slowing market. The Avis fleet services business continued to grow revenue and profit. The motor retail business in southern Africa performed satisfactorily in a market where new vehicle unit sales declined by 18%. The Australian motor retail business performed well.

In the handling division, there was good growth in the southern African handling and agriculture businesses. The USA and UK handling businesses came under increasing pressure with both economies slowing, while Belgium and the Netherlands showed satisfactory growth.

The logistics division continued to grow with operating profits rising by 38% in southern Africa. The acquisition of the sea and air freight businesses in the second half of the year boosted the contribution from non southern African sources.

Headline earnings per share from continuing operations, excluding the BEE charge, increased by 13% to 760 cents.

Earnings in both years have been impacted by largely once-off items. Excluding these items headline earnings per share of 760 cents this year are 29% higher than last year.

The Board declared a final dividend of 150 cents per share giving a total of 250 cents for the year.

Corporate activity

The strategic actions announced last year to reposition the group were completed in the first quarter of this financial year. The sale of the laboratory business was concluded and the sale proceeds of R1 077 million (£75 million) were received in November 2007.

The shares in Freeworld Coatings Limited (formerly the coatings division of Barloworld) were listed on the JSE Limited on 3 December 2007 and were distributed as a dividend in specie to shareholders on 10 December 2007.

We acquired the Dubai-based Swift Group and Flynt International in Hong Kong, including a number of their affiliates in the Far East, India, United Arab Emirates, Africa and Germany in the second half of the year. These businesses provide niche logistics services and activities in their markets and will enhance the solutions offered by our growing logistics division.

Following a strategic review of the Scandinavian car rental operations, we have approved a plan to dispose of the business and it is disclosed as discontinued in the current year's results.

At the end of the year agreement was reached whereby Toyota Tsusho Corporation will acquire a 50% shareholding in Subaru Southern Africa. The transaction is effective 1 November 2008.

BEE and transformation

The group's broad-based black economic empowerment transaction was completed in September 2008. The transaction provides for the issue of a maximum of 22,7 million new Barloworld ordinary shares. A total of 21 688 096 new shares were issued and listed by 30 September 2008. Whilst the transaction entails approximately 10% empowerment at holding company level, it results in an effective 29% empowerment of our South African operations.

Participants in the transaction include South African based employees, current and future black management, community based partners, black non-executive directors, an education trust, as well as six strategic equity and black business partners.

Board and other management changes

Brandon Diamond and André Lamprecht retired from the board in December 2007. Trevor Munday and Robert Tomkinson retired from the board in January 2008 and Peter Surgey in September 2008. The board appreciates the valuable contribution they have made to the group, the board and board committees in various capacities over the years. Sango Ntsaluba was appointed to the board on 28 July 2008

Khanyisile Kweyama was appointed Group Executive – Global Human Resources and Transformation in February 2008.

Isaac Shongwe will take over as CEO of the logistics division from Paul Stuiver on 1 January 2009.

Outlook

Government intervention in many of the developed economies following the global financial crisis should bring a measure of stability to global credit markets in the medium term. However, the effect on the real economy is still likely to be felt for some time to come. Commodity prices have weakened, admittedly from very high levels, and some of the larger developed economies will not be able to ward off a recession next year. Our businesses in the USA, UK, Europe and Australia will be adversely affected under this scenario, with some likely knock-on effects for our operations in emerging markets.

Despite the deferral of some projects, ongoing demand in the mining and construction sectors in southern Africa coupled with increased power systems opportunities should contribute to another good year in the equipment business.

In Iberia, the construction sector is under significant pressure led by a decline in the residential market. Funding constraints and delays in public works spending are also leading to declines in the heavy construction market. This trend became more pronounced in the second half of our financial year and is expected to continue into 2009.

In Siberia, a slowdown in spending in mining and infrastructure projects will impact on growth in revenue and profitability.

Sales of new and used motor vehicles in southern Africa are expected to remain under pressure next year. The car rental business should be stable with anticipated increasing activity in the second half of 2009. The fleet services business is set to benefit from recently awarded contracts while demand from fleet operators continues in response to the higher holding and operating costs of vehicles.

The South African handling business is expected to show satisfactory growth in 2009. Trading conditions will be difficult in the USA and Europe but focus will be on improving efficiency through management initiatives being implemented.

The benefits of the acquisitions made this year and growth in the African business will contribute to improved results from the logistics division.

Our strategies and products are fundamentally sound, our balance sheet is strong and the company is well positioned to take advantage of growth opportunities as they arise. The global growth outlook has deteriorated following the financial crisis and its impact on the real economy. We are likely to face more difficult trading environments in most of our major markets and geographies in the year ahead.

DB Ntsebeza
Chairman

CB Thomson
Chief Executive Officer

Financial results

Revenue from continuing operations increased by 18% to R46,8 billion. Equipment southern Africa continued to benefit from increased spending on infrastructure and mining. The acquisition of the Swift group of companies in April 2008 and the consolidation of the NMI-DSM motor dealerships from March 2008 collectively boosted revenue by R2,7 billion.

Operating profit, excluding the IFRS 2 charge of R337 million in respect of the black economic empowerment transaction (BEE), rose by 31% to R3,0 billion.

Fair value adjustments on financial instruments include a loss of R115 million (2007: R312 million gain) arising from the marking to market of Pretoria Portland Cement Limited (PPC) shares held in respect of share option obligations.

Net finance costs increased by R227 million to R694 million, due to higher interest rates and increased borrowings to support growth in working capital, mainly in the equipment division.

Taxation, before Secondary Tax on Companies (STC), increased by 11% to R608 million and the effective tax rate, excluding the BEE charge, STC, prior year taxation and taxation on exceptional items, was 29,6% (2007: 28,5%). The STC charge in 2007 included R125 million in respect of the special dividend of R5 per share paid in April 2007.

Headline earnings per share (HEPS) from continuing operations, excluding the BEE charge, increased by 13% to 760 cents (2007: 672 cents). Excluding the BEE charge and the largely once-off items in 2007 of R294 million (after tax gain on the initial marking to market of the PPC shares) and R125 million (STC charge on the special dividend), the current year's HEPS from continuing operations of 760 cents reflects growth of 29% over last year's adjusted 589 cents.

In terms of accounting standards the results of the coatings and scientific divisions and the Scandinavian car rental business are included in discontinued operations until the dates of unbundling or disposal. The loss from discontinued operations of R11 million includes the earnings of coatings and the laboratory business up to their unbundling or disposal, the loss incurred by the car rental business for the year, the R326 million after tax profit on the disposal of the laboratory business and R333 million attributable to the impairment of goodwill in the car rental business.

BEE transaction

The BEE transaction was implemented during September 2008 following approval at a shareholders' meeting on 8 September 2008. The company issued 21 688 096 new Barloworld ordinary shares to the participants. Shares issued at par to the six strategic partners and the three community service groups, totalling 14 485 013, will be bought back at par in seven years and the nine parties will be required to purchase an equivalent number of new Barloworld ordinary shares at R179,69 per share. Shares totalling 4 114 224 issued at par to the education and black managers trusts are also subject to a buyback at par, based on an agreed formula. 108 030 shares were issued to the non-executive directors trust for R83,31 per share and the balance of the shares were issued at par to the general staff trust. All participants are subject to lock-in periods of between five and seven years. During this period they may either not sell their shares or may only sell them to approved groups. In terms of the transaction, the strategic partners and the community service groups advanced seven year loans totalling R1,2 billion to Barloworld Limited at competitive interest rates. The company used the proceeds to repay short-term debt.

Cash flow and borrowings

Operating cash flows before changes in working capital amounted to R5 281 million. These are not comparable to the prior period which includes cash flows from cement, coatings and scientific divisions before their unbundling or disposal.

Working capital increased by R1 547 million due to higher levels of trading activity particularly in the equipment division where working capital increased by R1 676 million.

Net cash applied to investing activities of R2 606 million includes the acquisition of the Swift group of companies (R711 million), additions to property, plant, equipment and intangibles of R973 million, a further net investment in rental assets and car hire vehicles of R1 904 million and proceeds of R1 077 million from the disposal of the laboratory business. A payment of R759 million was made to fund the actuarial deficit following the merger of our two UK pension funds.

Total assets employed in the group increased to R33 957 million (September 2007: R30 655 million) mainly due to the weaker rand (R721 million) and increased working capital.

Total interest-bearing borrowings of R10 644 million (September 2007: R9 066 million) represent a group debt to equity ratio of 82% (September 2007: 81%). The weaker rand has resulted in an increase in net interest-bearing borrowings at 30 September 2008 of R127 million.

Borrowings in the three segments utilised in the group for gearing purposes are as follows:

Total debt to equity (%)	Trading	Leasing	Car rental	Total group
Target range	30-50	600-800	200-300	
Ratio at 30 September 2008	**51**	**552**	**165**	**82**
Ratio at 30 September 2007	38	646	216	81

Focus has been placed on improving the maturity of the group's debt. The long-term loans raised in the BEE transaction aided in reducing the ratio of short- to long-term debt to 43:57 (September 2007: 52:48). Since 30 September 2008, the company has issued a R750 million seven year bond. This will further improve the company's debt maturity profile.

Dividends totalling 250 cents per share were declared in respect of this year's earnings. Additional ordinary shares of 17,8 million issued in respect of the BEE transaction, qualify to receive the final dividend of 150 cents per share.

The year ahead

The company's balance sheet remains strong and operating cash flows are good. The financial crisis has introduced considerable uncertainty in many markets around the globe and our focus in the year ahead will be on improving cash flows by limiting capital expenditure and reducing working capital.

DG Wilson
Finance Director

In the case of the leasing businesses, the operating profit is net of interest paid. Income from associates, which includes our share of earnings from joint ventures, is shown at the profit after taxation level.

Net operating assets comprise total assets less non-interest bearing liabilities. Cash is excluded as well as current and deferred taxation assets and liabilities. In the case of the leasing businesses, net assets are reduced by interest-bearing liabilities.

Comparative numbers have been restated as per note 9.

Equipment

	Revenue Year ended 30 Sept		Operating profit Year ended 30 Sept		Net operating assets 30 Sept	
R million	**2008**	2007	**2008**	2007	**2008**	2007
– Southern Africa^	**11 930**	8 568	**1 523**	918	**4 178**	2 270
– Europe	**8 459**	7 422	**534**	612	**4 972**	3 738
	20 389	15 990	**2 057**	1 530	**9 150**	6 008
Share of associate income			**62**	36		

^ The southern African materials handling operation has been included under the Handling segment as from the current year. Comparatives have been reclassified accordingly.

The commodities boom, infrastructure development and demand for power gave Barloworld Equipment the impetus to produce record results in southern Africa and we maintained our market leadership position.

South Africa, Angola and Namibia, in particular, recorded substantial growth and the new joint venture dealership in the Democratic Republic of Congo produced a profit in its first year of business.

We made good progress in our key strategic drive to attract, retain and develop skilled people to sustain support for our growing customer base and machine population.

A dedicated business unit was formed to take advantage of opportunities for the supply and support of power solutions and the rental business delivered a significant turnaround with increased utilisations and profitability.

Declining business confidence in Spain due to a slowdown in the residential construction market and government delays in public works spending put pressure on sales and margins. Demand and support activity for marine engines remained strong.

Infrastructure remained slow in Portugal, however revenue was higher than the previous year largely due to machine sales for cross-border projects at reduced margins.

Vostochnaya Technica (VT), the Siberian joint venture, maintained robust growth in its key markets including mining, construction, power, and oil and gas.

The total customer order book for the division has grown to R6,0 billion (September 2007: R5,4 billion) and we have $1,0 billion (September 2007: $1,2 billion) of orders placed on Caterpillar, which together with equipment inventory on hand positions us well to meet our future customer commitments.

Automotive

R million	Revenue Year ended 30 Sept 2008	2007	Operating profit Year ended 30 Sept 2008	2007	Net operating assets 30 Sept 2008	2007
Car rental Southern Africa	**1 586**	1 209	**250**	325	**2 849**	2 820
– Southern Africa	**11 622**	9 948	**143**	184	**1 850**	1 363
– Australia	**2 849**	2 448	**62**	48	**983**	743
Trading	**14 471**	12 396	**205**	232	**2 833**	2 106
Leasing Southern Africa*	**948**	701	**85**	76	**366**	346
	17 005	14 306	**540**	633	**6 048**	5 272
Share of associate income			**6**	17		

** Net operating assets after deducting interest-bearing borrowings.*

Our integrated motor vehicle usage solutions strategy continued to support the division's performance, however strong competition in a tough trading environment negatively impacted margins.

Avis Rent a Car southern Africa experienced a reduction in rental day growth, lower fleet utilisation and a decreased used vehicle profit contribution. Continued focus yielded a 10% average rental rate improvement for the year.

Car rental Scandinavia experienced difficult trading conditions and, following a strategic review, the board approved a plan to dispose of the business and it is disclosed as discontinued in the current year's results.

In our South African motor retail operations, tightening credit and reduced disposable income levels resulted in declining vehicle sales and lower margins. The continued strategic alignment of our dealership network in support of our business model led to a reduction of represented brands and dealerships. The Subaru importation and distribution business suffered from a weak rand and we have concluded a transaction to sell 50% of this business to Toyota Tsusho Corporation effective 1 November 2008. Our Australian motor retail business performed well in a slowing market.

Our fleet services business benefited from sustained fleet growth and delivered a good result notwithstanding lower used vehicle profits.

Associate income includes our Phakisaworld and Sizwe BEE joint ventures, and five months of our Daimler empowerment joint venture (NMI-DSM) which is now consolidated after increasing our stake to 51,2%.

Handling

R million	Revenue Year ended 30 Sept 2008	2007	Operating profit Year ended 30 Sept 2008	2007	Net operating assets 30 Sept 2008	2007
– Southern Africa^	**1 027**	765	**124**	54	**259**	470
– Europe	**3 193**	2 690	**8**	55	**636**	687
– North America	**1 849**	4 330	**40**	72	**638**	579
Trading	**6 069**	7 785	**172**	181	**1 533**	1 736
Leasing*	**76**	164	**–**	6	**76**	107
	6 145	7 949	**172**	187	**1 609**	1 843
Share of associate income			**3**	–		

^ The southern African materials handling operation has been included under the Handling segment as from the current year. Comparatives have been reclassified accordingly.
** Net operating assets after deducting interest-bearing borrowings.*

Trading in southern Africa for the first half was good, although higher interest rates and the slowing economy have begun to impact the lift truck market. Market share has grown and the order book is stronger than last year. The sale of the rental assets yielded a profit of R25 million in the second half. The agriculture business performed well on the back of high commodity prices and favourable rainfall patterns.

The Netherlands and Belgium operations both produced solid results. While trading in the first half was good, there has been a marked slowdown in Europe and the UK in the second half. Customers are reluctant to commit to new orders in the current economic climate. Losses and provisions relating to residual values on used trucks resulted in a loss for the year in the UK.

The slowdown in the US economy has had a direct impact on our materials handling operations resulting in poor trading results and a weaker order book. The customer base is being diversified away from construction related industries and additional resources have been deployed to boost sales. Good cost reductions have been achieved.

A global project has commenced to upgrade and install best practice business systems and procedures. This will enable better service to our customers and higher profits due to improved efficiency and effectiveness.

Net operating assets have been reduced by 13% as a result of greater focus on working capital, the sale of the rental assets in South Africa and the deconsolidation of the Dutch lease book.

Logistics

R million	Revenue* Year ended 30 Sept 2008	2007	Operating profit Year ended 30 Sept 2008	2007	Net operating assets 30 Sept 2008	2007
Southern Africa	**1 970**	1 088	**105**	76	**430**	400
Europe, Middle East and Asia	**1 238**	371	**30**	19	**855**	67
	3 208	1 459	**135**	95	**1 285**	467

** Excludes inter-group revenue of R400 million (2007: R747 million).*

The highlight in our financial results was once again the strong organic growth in our southern African operations. This resulted from significant growth in existing clients as well as a number of new contracts that will maintain our momentum into the future. The African business is also developing a number of opportunities outside the borders of South Africa.

Building on our success in Africa during previous years, we stepped onto the global logistics stage during April 2008 with the acquisition of Flynt International based in Hong Kong, Swift Freight based in the UAE and Sea Air Transport based in Germany.

The acquired businesses are active in all aspects of freight forwarding, including inter-modal sea-air freight services, as well as warehousing and distribution services and position us in a freight network stretching from Asia to the Middle East, Africa and Europe. Results for 2008 were in line with expectations, although they did include a number of once-off acquisition costs.

Our European operations in the UK and Iberia were both impacted by lower volumes and by customers delaying projects in the face of economic uncertainty. However, new opportunities are beginning to emerge as customers re-organise their businesses and their supply chains to deal with the new economic realities in Europe.

Corporate

R million	Revenue Year ended 30 Sept 2008	2007	Operating (loss)/profit Year ended 30 Sept 2008	2007	Net operating assets/(liabilities) 30 Sept 2008	2007
Southern Africa	**83**	53	**(263)**	(111)	**513**	633
Europe	**–**	–	**10**	(57)	**(229)**	(807)
	83	53	**(253)**	(168)	**284**	(174)
Share of associate income			**1**	–		

The downsizing of the corporate offices in southern Africa and the UK is complete.

In southern Africa the operating loss includes the BEE charge of R337 million. The current period also includes a benefit of R85 million relating to a reduction in the residual liability to share option holders following the unbundling of Pretoria Portland Cement Limited (PPC), as a consequence of movements in the PPC share price. The prior period includes redundancy costs of R80 million in respect of the corporate restructuring.

In Europe, the reduction in net operating liabilities is mainly due to a payment in December 2007 of R759 million (£55 million) to eliminate the actuarial deficit following the merger of our two UK pension funds.

Dividend declaration for the year ended 30 September 2008: Dividend Number 160

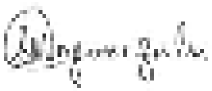
Notice is hereby given that the following dividend has been declared in respect of the year ended 30 September 2008: Number 160 (final dividend) of 150 cents per ordinary share.

In compliance with the requirements of the JSE Limited, the following dates are applicable.

Date declared	Monday, 17 November 2008
Last day to trade *cum* dividend	Friday, 9 January 2009
First trading day *ex* dividend	Monday, 12 January 2009
Record date	Friday, 16 January 2009
Payment date	Monday, 19 January 2009

Share certificates may not be dematerialised or rematerialised between Monday, 12 January 2009 and Friday, 16 January 2009, both days inclusive.

On behalf of the board



S Mngomezulu
Secretary

Consolidated income statement

for the year ended 30 September

R million	Notes	Audited 2008	2007*	% change
CONTINUING OPERATIONS				
Revenue		**46 830**	39 757	18
Operating profit before BEE transaction charge		**2 988**	2 277	31
BEE transaction charge		**(337)**		
Operating profit		**2 651**	2 277	16
Fair value adjustments on financial instruments		**(80)**	295	
Finance costs		**(889)**	(631)	
Income from investments		**195**	164	
Profit before exceptional items		**1 877**	2 105	(11)
Exceptional items	3	**(17)**	(74)	
Profit before taxation		**1 860**	2 031	
Taxation		**(608)**	(549)	
Secondary taxation on companies		**(67)**	(148)	
Profit after taxation		**1 185**	1 334	
Income from associates and joint ventures		**72**	53	
Net profit from continuing operations		**1 257**	1 387	
DISCONTINUED OPERATIONS				
(Loss)/profit from discontinued operations	4	**(11)**	1 172	
Net profit		**1 246**	2 559	
Attributable to:				
Minority shareholders		**14**	289	
Barloworld Limited shareholders		**1 232**	2 270	
		1 246	2 559	
Earnings per share (cents)				
– basic		**602,2**	1 120,0	
– diluted		**594,5**	1 099,6	
Earnings per share from continuing operations (cents)				
– basic		**608,1**	679,4	
– diluted		**600,3**	667,0	
Earnings per share from discontinued operations (cents)				
– basic		**(5,9)**	440,6	
– diluted		**(5,8)**	432,6	

* *Reclassified – refer note 9.*

Consolidated balance sheet

at 30 September

R million	Notes	Audited 2008	2007
ASSETS			
Non-current assets		**13 269**	12 019
Property, plant and equipment		**8 056**	6 847
Goodwill		**2 421**	2 046
Intangible assets		**205**	274
Investment in associates and joint ventures		**1 095**	928
Finance lease receivables		**436**	619
Long-term financial assets		**568**	686
Deferred taxation assets		**488**	619
Current assets		**20 688**	18 636
Vehicle rental fleet		**1 934**	3 902
Inventories		**7 495**	5 869
Trade and other receivables		**6 854**	6 185
Taxation		**11**	32
Cash and cash equivalents		**1 238**	1 201
Assets classified as held for sale	4	**3 156**	1 447
Total assets		**33 957**	30 655
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium		**242**	223
Other reserves		**3 745**	2 584
Retained income		**8 861**	8 334
Interest of shareholders of Barloworld Limited		**12 848**	11 141
Minority interest		**185**	80
Interest of all shareholders	5	**13 033**	11 221
Non-current liabilities		**6 252**	6 638
Interest-bearing		**5 022**	4 379
Deferred taxation liabilities		**266**	610
Provisions		**325**	344
Other non-interest bearing		**639**	1 305
Current liabilities		**14 672**	12 796
Trade and other payables		**7 335**	6 854
Provisions		**731**	600
Taxation		**344**	445
Amounts due to bankers and short-term loans		**4 266**	4 687
Liabilities directly associated with assets classified as held for sale	4	**1 996**	210
Total equity and liabilities		**33 957**	30 655

Condensed consolidated cash flow statement

for the year ended 30 September

R million	Audited 2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	**5 281**	6 370
Operating cash flows – continuing operations	**4 914**	3 970
Operating cash flows – discontinued operations	**367**	2 400
Increase in working capital	**(1 547)**	(531)
Cash generated from operations	**3 734**	5 839
Finance costs	**(980)**	(902)
Realised fair value adjustments on financial instruments	**(157)**	(16)
Dividends received from investments and associates	**26**	41
Interest received	**188**	338
Taxation paid	**(830)**	(1 412)
Cash flow from operations	**1 981**	3 888
Dividends paid (including minority shareholders)	**(622)**	(2 629)
Cash retained from operating activities	**1 359**	1 259
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, investments and intangibles	**(996)**	(349)
Proceeds on disposal of subsidiaries, investments and intangibles	**1 098**	1 432
Net investment in fleet leasing and rental assets	**(1 904)**	(2 283)
Acquisition of other property, plant and equipment	**(973)**	(1 485)
Replacement capital expenditure	**(305)**	(451)
Expansion capital expenditure	**(668)**	(1 034)
Proceeds on disposal of property, plant and equipment	**169**	121
Proceeds on sale of leasing assets	**–**	1 684
Net cash used in investing activities	**(2 606)**	(880)
Net cash (outflow)/inflow before financing activities	**(1 247)**	379

for the year ended 30 September

R million	Audited 2008	2007
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on share issue	**23**	139
Pension fund payment	**(759)**	
Proceeds from long-term borrowings	**3 298**	1 376
Repayment of long-term borrowings	**(1 285)**	(3 207)
Increase in short-term interest-bearing liabilities	**70**	704
Net cash from/(used in) financing activities	**1 347**	(988)
Net increase/(decrease) in cash and cash equivalents	**100**	(609)
Cash and cash equivalents at beginning of year	**1 201**	2 134
Effect of foreign exchange rate movement on cash balance	**54**	(6)
Effect of cash balances classified as held for sale	**(31)**	
Effect of unbundling Coatings on cash balance	**(86)**	
Effect of unbundling Pretoria Portland Cement on cash balance		(318)
Cash and cash equivalents at end of year	**1 238**	1 201
Cash balances not available for use due to reserving restrictions	**292**	235
Acquisition of subsidiaries, investments and intangibles:		
Inventories acquired	**335**	
Receivables acquired	**327**	
Payables, taxation and deferred taxation acquired	**(526)**	
Borrowings net of cash	**(256)**	
Property, plant and equipment, non-current assets, intangibles and minority shareholders	**532**	
Net assets acquired	**412**	
Less: Existing share of net assets of associates before acquisition	**(234)**	
Net assets acquired	**178**	
Goodwill arising on acquisitions	**566**	
Total purchase consideration	**744**	
Less: Non-cash purchase consideration	**(33)**	
Net cash cost of subsidiaries acquired	**711**	
Investments and intangible assets acquired	**285**	349
Cash amounts paid to acquire subsidiaries, investments and intangibles	**996**	349

Consolidated statement of recognised income and expense

for the year ended 30 September

R million	Audited 2008	2007
Exchange gains/(losses) on translation of foreign operations	**934**	(229)
Translation reserves realised on disposal of foreign subsidiaries	**(201)**	(284)
Gain/(loss) on cash flow hedges	**81**	(163)
Deferred taxation on cash flow hedges	**(20)**	39
Loss on revaluation of available for sale investments	**–**	(22)
Net actuarial losses on post-retirement benefit obligations	**(96)**	(54)
Actuarial losses on post-retirement benefit obligations	**(133)**	(42)
Taxation effect	**37**	(12)
Net income/(loss) recognised directly in equity	**698**	(713)
Net profit	**1 246**	2 559
Total recognised income and expense for the year	**1 944**	1 846
Attributable to:		
Minority shareholders	**14**	289
Barloworld Limited shareholders	**1 930**	1 557
	1 944	1 846

Salient features

for the year ended 30 September

	Audited	
	2008	2007*
Number of ordinary shares in issue, net of buy-back (000)	**208 171**	203 843
Net asset value per share including investments at fair value (cents)	**6 451**	5 713
Total borrowings to total shareholders' funds (%)		
– Trading segment**	**51,4**	38,2
– Total group	**81,7**	80,8
Interest cover (times)^		
– Trading segment**	**4,4**	5,3
– Total group	**2,9**	3,4
Return on net assets (%)^		
– Trading segment – continuing operations**	**21,0**	17,8
– Total group	**15,1**	20,2
Cash flow return on investment – CFROI® (%)	**10,3**	12,2
Return on ordinary shareholders' funds (excluding exceptional items) (%) ^	**13,7**	11,7

* *Reclassified – refer note 9.*

** *Trading segment includes manufacturing and dealership businesses, but excludes leasing and car rental.*

^ *From continuing operations excluding the impact of the BEE transaction charge.*

Condensed notes to the consolidated financial statements

for the year ended 30 September

1 Basis of preparation

This report has been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and was extracted from the group consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, in compliance with the Companies Act of South Africa and the Listing Requirements of the JSE Limited. The basis of preparation is consistent with the prior year, except as detailed in note 9 below.

For a better understanding of the group's financial position, the results of its operations and cash flows for the year, this summarised report should be read in conjunction with the annual financial statements from which it was derived.

	R million	Audited 2008	2007*
2	**Reconciliation of net profit to headline earnings**		
	Net profit attributable to Barloworld Limited shareholders	**1 232**	2 270
	(Profit)/loss on disposal of discontinued operations (IFRS 5)	**(168)**	150
	Loss on disposal of subsidiaries (IAS 27)	**–**	36
	Profit on derecognition of subsidiary (IAS 27)	**–**	(11)
	Realisation of translation reserve on disposal of offshore subsidiaries (IAS 21)	**(201)**	(284)
	Profit on disposal of properties (IAS 16)	**(30)**	(45)
	Impairment of goodwill (IFRS 3)	**343**	169
	Impairment of investments in associates (IAS 28) and joint ventures (IAS 31)	**37**	149
	Impairment of plant and equipment (IAS 16)	**2**	45
	Profit on sale of intangible assets (IAS 38)	**2**	(2)
	Profit on sale of plant and equipment excluding rental assets (IAS 16)	**(3)**	(5)
	Taxation effects of remeasurements	**42**	(82)
	Interest of outside shareholders in remeasurements		4
	Headline earnings	**1 256**	2 394
	Headline earnings from continuing operations	**1 259**	1 362
	Headline (loss)/earnings from discontinued operation	**(3)**	1 032
	Weighted average number of ordinary shares in issue during the year (000)		
	– basic	**204 559**	202 673
	– diluted	**207 216**	206 444
	Headline earnings per share (cents)		
	– basic	**614,0**	1 181,2
	– diluted	**606,1**	1 159,6
	Headline earnings per share from continuing operations (cents)		
	– basic	**615,5**	672,0
	– fully diluted	**607,6**	659,7
	Headline earnings per share from continuing operations (cents) excluding BEE charge (net of tax)		
	– basic	**760,2**	672,0
	– fully diluted	**750,4**	659,7
	Headline (loss)/earnings per share from discontinued operations (cents)		
	– basic	**(1,5)**	509,2
	– diluted	**(1,5)**	499,9

** Reclassified – refer note 9.*

R million	Audited 2008	2007*
3 Exceptional items		
Profit/(loss) on disposal of properties, investments and subsidiaries	**30**	(9)
Realisation of translation reserve on disposal of foreign subsidiaries	**–**	197
Impairment of goodwill	**(10)**	(68)
Impairment of investments	**(35)**	(149)
Impairment of property, plant and equipment	**(2)**	(45)
Gross exceptional loss from continuing operations	**(17)**	(74)
Taxation benefit on exceptional items	**1**	83
Net exceptional (loss)/profit from continuing operations	**(16)**	9
Gross exceptional loss from discontinued operations	**(335)**	(72)
Taxation on exceptional items from discontinued operations	**–**	(4)
Minority interest on exceptional loss from discontinued operations	**–**	(4)
Net exceptional loss – total group	**(351)**	(71)

4 Discontinued operations and assets classified as held for sale

Following the decision to dispose of the car rental Scandinavia business and the unbundling of coatings, these segments have been classified as discontinued in the current year.

Results from discontinued operations are as follows:	2008	2007*
Revenue	**1 900**	10 502
Operating profit	**81**	2 094
Fair value adjustments on financial instruments	**(3)**	5
Finance costs	**(91)**	(174)
Income from investments	**13**	79
Profit before exceptional items	**–**	2 004
Exceptional items (gross of taxation)	**(335)**	(72)
(Loss)/profit before taxation	**(335)**	1 932
Taxation	**(7)**	(721)
(Loss)/profit after taxation	**(342)**	1 211
Income from associates and joint ventures	**5**	21
Net (loss)/profit of discontinued operations before impairment loss	**(337)**	1 232
Profit/(loss) on disposal of discontinued operations before taxation*	**168**	(150)
Realisation of translation reserve	**201**	87
Taxation effect of profit/(loss) on disposal	**(43)**	3
Net profit/(loss) on disposal of discontinued operations after taxation	**326**	(60)
(Loss)/profit from discontinued operations per income statement	**(11)**	1 172

** Reclassified – refer note 9.*

R million	Audited 2008	2007*
4 Discontinued operations and assets classified as held for sale *continued*		
The cash flows from the discontinued operations are as follows:		
Cash flows from operating activities	**289**	550
Cash flows from investing activities	**689**	32
Cash flows from financing activities	**(553)**	(610)
Assets classified as held for sale consist of the following:		
– Laboratory		972
– Car rental Scandinavia	**2 681**	
– Subaru	**185**	
– Rental fleets, leasing and other assets	**290**	475
	3 156	1 447
Liabilities directly associated with assets classified as held for sale consist of the following:		
– Laboratory		210
– Car rental Scandinavia	**1 880**	
– Subaru	**116**	
	1 996	210
5 Interest of all shareholders		
Balance at the beginning of the year	**11 221**	14 360
Net income/(loss) recognised directly in equity	**698**	(713)
Net profit for the year	**1 246**	2 559
Purchase of minority shareholding in subsidiaries	**136**	
Reclassifications and other reserve movements	**63**	9
Dividends/capital distributions on ordinary shares	**(622)**	(2 629)
Effect of Cement unbundling		(2 504)
Effect of Coatings unbundling	**(69)**	
BEE charge in terms of IFRS 2	**337**	
Shares issued in current year	**23**	139
Interest of shareholders at the end of the year	**13 033**	11 221

* *Reclassified - refer note 9.*

R million	Audited 2008	2007*
6 Dividends		
Ordinary shares		
Final dividend No 158 paid on 14 January 2008: 200 cents per share (2007: No 155 – 450 cents per share)	**409**	911
Special dividend paid on 2 April 2007: 500 cents per share	**–**	1 017
Interim dividend (Capital distribution) No 159 paid on 9 June 2008: 100 cents per share (2007: No 157 – 175 cents per share)	**205**	357
	614	2 285
Paid to minority shareholders	**8**	344
	622	2 629
Dividends per share (cents)	**250**	375
– interim (declared May)	**100**	175
– final (declared November)	**150**	200
7 Contingent liabilities		
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims	**1 066**	989
Litigation, current or pending, is not considered likely to have a material adverse effect on the group.		
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 and are limited to the sales price received for the business.		
Buy-back and repurchase commitments not reflected on the balance sheet	**517**	449
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.		
8 Commitments		
Capital expenditure commitments to be incurred:		
Contracted	**953**	1 908
Approved but not yet contracted	**131**	383
	1 084	2 291
Operating lease commitments	**2 278**	1 939
Finance lease commitments	**943**	877
Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.		

** Reclassified – refer note 9.*

9 Accounting policies and comparative information

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

- IFRS 7 Financial Instruments: Disclosures and related amendments to IAS 1 Presentation of Financial Statements
- IFRIC Interpretation 13 Customer Loyalty Programmes
- IAS 32 Financial Instruments: Presentation (Revised) and related amendments to IAS 1 Presentation of Financial Statements
- IFRIC Interpretation 15 Agreements for the Construction of Real Estate
- IFRIC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

The impact on the condensed consolidated financial statements of adoption of these standards and interpretations was not significant.

Comparative information has been restated for the treatment of Scandinavia Car Rental and Coatings businesses as discontinued operations (refer note 4) as well as for the treatment of inter-group interest received from leasing operations, which from the current year has been offset against finance costs rather than as an addition to income from investments.

The aggregate effect of the above changes on the annual financial statements for the year ended 30 September 2007 is as follows:

R million	Previously stated	Reclassification of discontinued operations	Reclassification of inter-group interest from leasing operations	**Restated**
Income statement				
Revenue	43 238	(3 481)	–	**39 757**
Operating profit	2 741	(464)	–	**2 277**
Fair value adjustments on financial instruments	287	8	–	**295**
Finance costs	(816)	88	97	**(631)**
Income from investments	272	(11)	(97)	**164**
Profit before exceptional items	2 484	(379)	–	**2 105**
Exceptional items	(160)	86	–	**(74)**
Profit before taxation	2 324	(293)	–	**2 031**
Taxation	(658)	109	–	**(549)**
Secondary taxation on companies	(151)	3	–	**(148)**
Profit after taxation	1 515	(181)	–	**1 334**
Income from associates and joint ventures	68	(15)	–	**53**
Net profit from continuing operations	1 583	(196)	–	**1 387**
Profit from discontinued operations	976	196	–	**1 172**
Net profit	2 559	–	–	**2 559**
Attributable to:				
Minority shareholders	289	–	–	**289**
Barloworld Limited shareholders	2 270	–	–	**2 270**
	2 559	–	–	**2 559**

The restatements have not impacted earnings per share, headline earnings per share, the balance sheet or the cash flow statement.

10 Acquisitions

The group exchanged its 65% interest in Garden City Motors (GCM) for additional shares in the NMI Durban South Motors business (NMI) effective 1 March 2008. The group's shareholding in NMI increased from 50% to 51,18% as a result of this transaction. Goodwill arising on the acquisition of NMI amounting to R4 million is attributable to gaining control of the business. The business was previously jointly controlled and therefore equity accounted in the group results up to 29 February 2008. The NMI result has been fully consolidated in the group results effective 1 March 2008. The disposal of GCM to NMI had no profit or loss effect for the group.

Agreements for the acquisition by the group's Logistics business of the Hong Kong based Flynt group as well as the Dubai-based Swift Group and its affiliates in the Far East, India, United Arab Emirates (UAE), Africa and Germany were concluded during the year with an effective date of 1 April 2008. The cost of the acquisition was R711 million which includes goodwill of R558 million and is subject to final adjustment based on profit and other warranties to be achieved.

The profit after tax of the acquisitions since the acquisition date included in the group results amounts to R16 million. If the above transactions had taken place at the beginning of the current period, the group would have reported total revenue of R48 782 million and profit after tax of R1 225 million for the 12 months to 30 September 2008.

11 Related party transactions

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

12 Post balance sheet events

Subsequent to the year end the following material events have occurred:

- A corporate bond of R750 million was issued on 2 October 2008 and is listed on the South African Bond Exchange under the code BAW2. The bond carries a fixed coupon of 11,67% per annum and matures on 2 October 2015.
- An agreement has been signed for the disposal of 50% of the group's interest in Subaru southern Africa with effect from 1 November 2008. The transaction was concluded at net asset value.

13 Audit opinion

The consolidated financial statements for the year have been audited by Deloitte & Touche and the accompanying unmodified audit report as well as their unmodified audit report on this set of condensed financial information is available for inspection at the company's registered office.

Segmental summary (audited)

	Revenue Year ended 30 Sept		Operating profit/(loss) Year ended 30 Sept		Fair value adjustments on financial instruments Year ended 30 Sept	
	2008	2007	**2008**	2007	**2008**	2007
Equipment^	**20 389**	15 990	**2 057**	1 530	**49**	(5)
Automotive	**17 005**	14 306	**540**	633	**4**	(7)
Handling^	**6 145**	7 949	**172**	187	**(25)**	(4)
Logistics	**3 208**	1 459	**135**	95	**1**	–
Corporate	**83**	53	**(253)**	(168)	**(109)**	311
Total continuing operations	**46 830**	39 757	**2 651**	2 277	**(80)**	295
Car rental Scandinavia	**1 174**	1 134	**(10)**	81	**(2)**	–
Scientific	**209**	1 700	**13**	104	**–**	–
Cement	**–**	4 016	**–**	1 527	**–**	13
Steel tube	**–**	348	**–**	32	**–**	–
Coatings	**517**	3 304	**78**	350	**(1)**	(8)
Total discontinued operations	**1 900**	10 502	**81**	2 094	**(3)**	5
Total group	**48 730**	50 259	**2 732**	4 371	**(83)**	300

	Operating profit/(loss) including fair value adjustments Year ended 30 Sept		Net operating assets/ (liabilities) 30 Sept	
	2008	2007	**2008**	2007
Equipment^	**2 106**	1 525	**9 150**	6 008
Automotive	**544**	626	**6 048**	5 272
Handling^	**147**	183	**1 609**	1 843
Logistics	**136**	95	**1 285**	467
Corporate	**(362)**	143	**284**	(174)
Total continuing operations	**2 571**	2 572	**18 376**	13 416
Car rental Scandinavia	**(12)**	81	**2 082**	2 427
Scientific	**13**	104	**–**	762
Cement	**–**	1 540	**–**	–
Steel tube	**–**	32	**–**	–
Coatings	**77**	342	**–**	817
Total discontinued operations	**78**	2 099	**2 082**	4 006
Total group	**2 649**	4 671	**20 458**	17 423

^ The southern African materials handling operation has been included under the Handling segment as from the current year. Comparatives have been reclassified accordingly.

Corporate information

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