



Barloworld
Leading brands

Barloworld Limited

Audited results
for the year ended
30 September 2012



*Our values
live on ...*



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 and Logistics (car rental, motor retail, fleet services, used vehicles and disposal solutions, logistics management and supply chain optimisation) and Handling (materials handling and agriculture). 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, Mazda, Mercedes-Benz, Toyota, Volkswagen, Massey Ferguson and others.

Barloworld has a proven track record of 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 sustainable development and playing a leading role in empowerment and transformation. The company was founded in 1902 and currently has operations in 27 countries around the world with approximately 65% of our nineteen thousand employees in South Africa.

Corporate information

Barloworld Limited

(Incorporated in the Republic of South Africa)

(Registration number 1918/000095/06)

(Income Tax Registration number 9000/051/71/5)

(Share code: BAW)

(JSE ISIN: ZAE000026639)

(Share code: BAWP)

(JSE ISIN: ZAE000026647)

(Bond issuer code: BIBAW)

("Barloworld" or "the Company")

Registered office and business address

Barloworld Limited, 180 Katherine Street, PO Box 782248, Sandton, 2146, South Africa

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Email invest@barloworld.com

Directors

Non-executive: DB Ntsebeza (*Chairman*), NP Dongwana, AGK Hamilton*, SS Mkhabela, B Ngonyama, SS Ntsaluba, TH Nyasulu, SB Pfeiffer•, G Rodriguez de Castro de los Rios†

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

**British †Spanish •American*

Group company secretary

Bethuel Ngwenya

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For background information visit www.barloworld.com

Salient features

- Revenue up 18% to **R58.6 billion**
- Operating profit up 31% to **R2 988 million**
- Profit before exceptional items up 38% to **R2 119 million**
- HEPS up 46% to **680 cents** (2011: 465 cents)
- Return on net operating assets **18.8%** (2011: 17.1%)
- Total dividend of **230 cents** per share up 48%
- Acquired Bucyrus mining distribution businesses in southern Africa for **R1 381 million**
- Disposed of Handling US and UK businesses for approximately **R1 091 million**

Clive Thomson, CEO of Barloworld, said:

The group delivered a very pleasing result for 2012 with operating profits up 31% and HEPS increasing by 46%. Our Equipment businesses in southern Africa and Russia achieved record mining deliveries and Automotive and Logistics delivered strong results in all trading segments.

We also concluded a number of important strategic transactions. The most significant was the acquisition of the Bucyrus distribution businesses in southern Africa for R1.4 billion which now provides us with the most complete mining equipment product range in the industry. Importantly, we finalised the disposals of our materials handling businesses in the US and UK for R1.1 billion, which continues our redeployment of capital into higher returning opportunities.

There is more uncertainty in the global and local economy for the year ahead which has led to some deferment in mining capital expenditure plans. This will impact equipment demand and deliveries but overall we expect the group to continue to make solid progress across most of our businesses.

19 November 2012

Chairman and Chief Executive's report

OVERVIEW

The world economy remains subject to a number of economic and geopolitical headwinds which are creating uncertainty for business. Europe appears to be re-entering recession and slowing economic growth in China has impacted commodity prices and levels of mining investment.

In South Africa, economic growth is being impacted by the aftermath of the Marikana tragedy including escalating labour disputes, credit downgrades and faltering foreign and domestic investment.

Against this backdrop the group has delivered a very strong result for the 2012 financial year.

Operating profit of R2 988 million is 31% up, net profit is up 51% and headline earnings per share of 680 cents is 46% above last year. The total dividend for the year of 230 cents is 48% up on the prior year.

STRATEGIC DEVELOPMENTS

We had a busy year pursuing various strategic initiatives which position the business for future growth and continue the process of redeploying capital into higher return opportunities.

We acquired the distribution businesses of Bucyrus Africa and Eqstra Mining Services in southern Africa for \$164 million (R1 381 million), which provides us with the most extensive surface and underground mining product range in the industry.

In November we signed an agreement to acquire the Bucyrus distribution and support business based in Novokuznetsk, Russia for \$50 million (R436 million) and expect the transaction to close on 3 December 2012.

We have reached agreement with our partners to extend the original 10 year 50:50 joint venture in Katanga Province, Democratic Republic of the Congo by a further 50 years and are in the process of finalising legal arrangements.

We entered into agreements with Caterpillar subsidiaries Progress Rail Services and Electromotive Diesel (EMD) to form the EMD Africa joint venture to capture locomotive and rail services opportunities across southern Africa.

Following the Caterpillar acquisition of gas engine manufacturer MWM, we were awarded MWM distribution rights in our southern African and Russian dealership territories. This will enable us to capture the growing gas engine opportunities in our power business.

A number of niche acquisitions were made in our Automotive division during the year including Avis Coach Charter and a fuel management company. Together with the Maponya family, we opened the Soweto Toyota and Soweto Volkswagen dealerships in Gauteng. We acquired the remaining 50% of Phakisaworld servicing the National Department of Transport contract in South Africa and secured the entry of Avis Fleet Services into Ghana.

By integrating our Logistics business into the Automotive division we were able to leverage synergies and improve the financial performance of our logistics business. The acquisition of a specialised chemical transporter, formation of a joint venture with Manline and the purchase of the 25% minority in Logistics Africa, position this business to continue on its aggressive growth path.

In our Handling division, we successfully concluded the disposal of our US business to Briggs and Lift One for \$60 million (R465 million) and also disposed of our Handling UK business to Briggs realising £47 million (R626 million) in gross proceeds. In line with an agreed expansion roadmap with our principal AGCO we have established agriculture businesses in Siberia, Western Russia and Mozambique.

OPERATIONAL REVIEW

Equipment

Southern Africa

Operating profits were up 25% as the commodity cycle reached a highpoint during the current year, driven by demand from China. Equipment demand from mining and contract mining customers grew strongly and we won the majority share of contract awards.

Revenue for the year of R16.3 billion is 30% ahead of last year which in turn was 50% up on the 2010 level. Deliveries of large mining units increased by 19%, ensuring that 2012 represents the best year for mining ever achieved in southern Africa.

South Africa continues to be the major source of revenue for the region (64% of total) followed by Zambia, Botswana, Mozambique and Angola.

The construction business continued to show growth in South Africa but more so in Angola where government spending on infrastructure has accelerated.

Activity in the Bartrac joint venture operation in the Katanga province of the DRC was extremely strong in the year. Our share of the after tax income from this associate company of R138 million was 120% up on 2011.

Iberia

Both the Spanish and the Portuguese economies are now back in recession and forecast to remain there until 2014.

The wide ranging austerity measures implemented by the Spanish government to reduce the fiscal deficit impacted many facets of our traditional business.

Revenue for the year was 8% above the prior year mainly on the back of low margin export sales to large customers in Spain and Portugal for contract work outside of Iberia. The power business also acted somewhat as a buffer against weakness in the construction sector.

Further restructuring was necessary as the underlying Spanish market declined by 35% in the current year off an already low base. The total restructuring cost of €8.6 million in Spain and €1.1 million in Portugal significantly contributed to the current year operating loss of €13.4 million.

Russia

Russia achieved an excellent result with operating profit for the year of \$43 million increasing by 31% on the back of a 28% increase in revenue to \$471 million.

This was supported by good growth in machine sales to the mining segment which represents 45% of the total revenue mix. The major demand for machines came from gold, coal, nickel and diamond mining.

The Power businesses demonstrated strong growth with installations in a number of diverse electric power and cogeneration applications.

The after sales business again contributed more than 25% of total revenue which supported an improved operating margin of 9.1%.

Automotive and Logistics

The division produced a record operating profit of R1 152 million which was 26% up on the prior year. This profit growth was particularly pleasing in that revenue only increased by 12% to R29.5 billion.

Car Rental

Rental days grew by 11% assisted by improved demand from all market segments. The all-important rate per day increased by 3% despite strong competitive pressures and a further improved fleet utilisation to 76% remains well ahead of the industry average.

Motor retail

In South Africa, new vehicle sales for the calendar year to September 2012 were approximately 10% above the previous year, supported by low prevailing interest rates and benign new vehicle inflation. Revenue grew by 8%, while operating profit increased by 26% to R352 million and operating margin improved to 2.3%.

Australian new vehicle sales for the calendar year to September increased by 9%. In local currency, revenue increased by 13%, while operating profit improved by 9%, driven by strong performances in our Mercedes-Benz and Volkswagen dealerships.

Chairman and Chief Executive's report continued

Avis Fleet Services

Revenue for the year increased by 29% generating an operating profit of R349 million which was 23% up on the previous year. Total fleet under management grew by 17%.

During the year fleet services took over the interim management of the City of Johannesburg contract, with the main contract likely to be finalised and implemented early in the new financial year.

Logistics

The recovery in the logistics business continued during the current year. Revenue was in line with the prior year, however with a pleasing improvement in operating profit.

The supply chain management operations increased margins from improved volumes and supported by higher gain shares earned. Dedicated transport services increased total kilometres travelled by 16% while achieving efficiency and maintenance cost savings. The freight management and services business continued to face difficult trading conditions.

Handling

The divisional result has been impacted by the sale of the US handling business in April 2012 and the sale of the UK handling business at the end of September.

Revenue from the division of £379 million was £44 million below the prior year but showed good growth in Belgium and Agriculture.

Operating profit of £3 million was well down on the prior year figure of £6.3 million but was impacted by losses in the US and UK handling operations linked to the disposal and by start-up losses in the Agriculture businesses in Russia as well as adverse currency impacts in South Africa.

SUSTAINABLE DEVELOPMENT AND TRANSFORMATION

Improving safety statistics reflect our determination to ensure a safe and healthy work environment. Tragically a road accident resulted in one work-related fatality in the newly acquired Bucyrus business.

We continue to make progress in the area of Empowerment and Transformation and the group B-BBEE rating of Level 2 was retained. Changes in the dti's B-BBEE scorecard include increased performance thresholds and these will receive attention in the year ahead.

Progress is being made against our aspirational non-renewable energy and greenhouse gas emissions efficiency improvement targets. Water stewardship initiatives resulted in increased recycling activities and more efficient consumption patterns.

Stakeholder engagement underpins our value creation activities and commitment in this regard is evidenced by executive director responsibility at board level.

DIRECTORATE

Mr J Njeke and Advocate SAM Baqwa resigned from the board on 29 February 2012 and 10 May 2012 respectively and we would like to thank them for their valuable contribution.

The diversity of the board was enhanced by the appointment of Ms Babalwa Ngonyama and Ms Neo Dongwana as non-executive directors with effect from 1 May 2012. In addition, Ms Ngonyama was appointed to the audit committee with effect from 1 May 2012 subject to approval by shareholders at the annual general meeting.

OUTLOOK

Economic growth in China has moderated during the course of the past year with a concomitant impact on the demand for, and prices of, commodities. While economic growth now appears to have stabilised, we have seen a slowing of our mining order intake particularly from contract miners since March 2012. This is reflected

in a reduced firm order book in Equipment southern Africa which at September stands at R3.9 billion (excluding Bucyrus) compared to R5.2 billion at September last year. If one includes the orders for the legacy Bucyrus product range our total order book now stands at R5.3 billion.

The impact of the current wave of strike actions in the South African mining industry is likely to impact new investment adversely. This is expected to be partly mitigated by on-going projects elsewhere in southern Africa.

Overall we expect reduced mining deliveries into 2013 although there are some signs of a modest improvement in construction activity and aftermarket revenues should hold up well.

In Iberia, while certain of the announced package deal orders have been cancelled following suspension of government subsidies to Spanish miners, a number of machines will still be delivered in the upcoming year. The Iberian order book is currently dominated by Power systems projects particularly in the Marine segment.

The restructuring executed over the last few years in Spain has significantly reduced our cost base and will contribute to an expected improvement in the year ahead.

The outlook for Russia is dominated by mining. The firm order book at September of \$77 million is up on September 2011 levels. This, together with a number of major mining projects currently under discussion and the Bucyrus order book to be acquired when the transaction closes, should ensure another solid performance next year.

The growth outlook for vehicle sales in South Africa in 2013 has been tempered by the recent reduction in economic growth estimates, together with a weakening of the currency, which will impact vehicle pricing. The local consumer faces increased inflationary pressure and we are consequently forecasting single digit vehicle growth next year.

Our car rental business will continue to face competitive market conditions and our fleet services business is currently evaluating a number of opportunities which should ensure sustained growth and profitability.

We expect the positive momentum in the logistics business to continue and the business is well positioned for growth.

In our Handling division the outlook for agriculture remains mixed. On the positive side, the impact of the droughts experienced in SA and Russia, are likely to increase prices for commodities which should stimulate demand for agricultural equipment.

There is more uncertainty in the global and local economy for the year ahead which has led to some deferment in mining capital expenditure plans. This will impact equipment demand and deliveries but overall we expect the group to continue to make solid progress across most of our businesses.



DB Ntsebeza
Chairman



CB Thomson
Chief Executive

Group financial review

Revenue for the year increased by 18% to R58.6 billion. Improved trading conditions particularly in the mining sector resulted in 30% and 49% increases in revenue earned in Equipment southern Africa and Russia, respectively.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 23% to R4 905 million and operating profit rose by 31% to R2 988 million.

Operating profit in Equipment southern Africa increased by 25% to R1 535 million. This result is notable in that it exceeds the record operating profits reported in 2008, immediately preceding the global financial crisis. The Russian equipment business delivered an excellent result, contributing R344 million (\$43 million), up by 52% on last year, to the group's operating profit. Equipment Iberia incurred a loss as demand continued to decline in Spain and Portugal as the respective governments grappled with their debt and infrastructure spending remained constrained.

The Automotive and Logistics division performed well in a competitive trading environment, increasing revenue by 12% and operating profit by 26% to a record R1 152 million for the year. The Handling division recorded reduced profits in difficult trading conditions in certain regions. This was compounded by the disruption and costs incurred with the sale of the US and UK handling businesses in April and September 2012 respectively.

Redundancy and restructuring charges of R102 million were incurred this year (2011: R73 million), principally in Spain. The increase in the company's share price since September 2011 resulted in an increased charge of R25 million in respect of the provision required for cash-settled Share Appreciation Rights previously awarded to employees (2011: R33 million). A change in the statutory measure of inflation for the UK pensioner increases reduced the company's pension fund liability in the year giving rise to a once-off benefit to operating profit of R74 million (£6.1 million).

The total negative fair value adjustments on financial instruments of R93 million (2011: R65 million) mainly comprised the cost of forward points in foreign exchange contracts in Equipment southern Africa.

Finance costs increased by R72 million to R827 million mainly owing to higher average debt. Additional interest charges of R23 million were incurred on the debt to fund the acquisition of the Bucyrus businesses for the last three months of the year.

Exceptional gains of R190 million mainly comprise net gains arising from the disposals of the Handling businesses in the US and UK (R500 million) including realised foreign currency translation gains of R593 million, profits on disposals of properties (R9 million), reduced by impairments of goodwill in equipment Iberia (R213 million) and Logistics Middle East (R142 million).

Taxation, before Secondary Tax on Companies (STC), increased by 39% to R789 million. The charge includes the impairment of the deferred tax asset in Handling USA (R61 million) and the partial impairment of the deferred tax asset in Spain (R41 million). The effective taxation rate (excluding STC, prior year taxation and taxation on exceptional items) was 32.7% (2011: 34.2%). The effective rate is lower than last year mainly owing to increased profits earned in lower taxed jurisdictions. Unrelieved tax losses in Spain increased the effective tax rate by 3.0% (2011: 3.0%).

Income from associates almost doubled to R141 million (2011: R71 million) owing to a substantially increased contribution from the Bartrac equipment joint venture in the DRC.

The non-controlling interest in the current year's earnings includes R27 million representing the dividends paid to the holders of 14 485 013 ordinary shares in terms of the BEE transaction concluded in 2008. These shares are not included in issued shares for purposes of calculating headline earnings per share (HEPS).

HEPS increased by 46% to 680 cents (2011: 465 cents).

Cash flow and debt

Working capital increased by R3.1 billion to support the growth in revenue, particularly in Equipment southern Africa and Russia. This resulted in a net outflow of funds this year of R2.9 billion (2011: R0.9 billion inflow).

A total of R1.4 billion (\$164 million) was outlaid to acquire the Bucyrus businesses in southern Africa. The disposals of the handling businesses in the US and UK realised gross proceeds of R465 million and R626 million, respectively.

Total assets employed in the group increased by R4 878 million to R35 810 million. The increase was driven by the acquisition of the Bucyrus businesses (R1 381 million) and increased inventories and trade

receivables (R3 319 million), which were up by 26%. The disposals of the handling businesses reduced assets by R1 424 million.

Total interest bearing debt at 30 September 2012 increased to R10 088 million (2011: R7 243 million). Cash and cash equivalents amounted to R2 624 million (2011: R2 754 million). Net interest bearing debt at 30 September 2012 of R7 464 million (2011: R4 489 million) was R592 million lower than at March 2012 despite the acquisition of Bucyrus.

The group's funding maturity profile is well-balanced with only 6% of long-term debt maturing next year and a further 28% in 2014. Long-term debt raised during the year included three corporate bonds totalling R1 759 million (BAW12 to 14). The funds raised were utilised to pay for the South African tranche of the Bucyrus transactions and to fund growth in working capital. The long-term debt maturity profile at 30 September 2012 was 70% (2011: 76%).

Debt maturity profile

R million	Borrowings September	Redemption			
		2012	2013	2014	2015 2016 onwards
South Africa	8 958	2 138	1 933	1 862	3 025
Offshore	1 130	902	175	17	36
Total	10 088	3 040	2 108	1 879	3 061

In South Africa, short-term debt due for redemption in 2012 include commercial paper (CP) totalling R900 million. The CP market has remained liquid during the current year with spreads narrowing and we expect to maintain our participation in this market. The company has unutilised debt facilities with domestic banks totalling R3 297 million at 30 September 2012. The offshore facilities include five bilateral loans totalling £100 million (R1 332 million) which were undrawn at 30 September 2012. Other offshore unutilised bank lines amounted to the equivalent of R1 794 million.

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

Total debt to equity (%)	Trading	Leasing	Car rental	Group debt	Group net debt
Target range	30 – 50	600 – 800	200 – 300		
Ratio at 30 September 2012	50	472	217	77	57
Ratio at 30 September 2011	30	577	196	57	36

Going forward

The group achieved a return on net operating assets (excluding goodwill) of 18.8% in the current year. This was up on the 17.1% achieved last year. The group continues to focus on improving the return and the disposal of underperforming assets this year, together with an expected improvement in the Equipment Iberia performance, should contribute to a further increase next year.



DG Wilson
Finance director

Operational reviews

EQUIPMENT

R million	Revenue Year ended 30 Sept		Operating profit/(loss) Year ended 30 Sept		Net operating assets 30 Sept	
	2012	2011	2012	2011	2012	2011
– Southern Africa	16 326	12 578	1 535	1 228	6 587	3 395
– Europe	4 180	3 574	(139)	(102)	2 177	2 288
– Russia	3 767	2 535	344	226	1 836	939
	24 273	18 687	1 740	1 352	10 600	6 622
Share of associate income			146	59		

Net operating assets exclude goodwill of R115 million (2011: R318 million)

Barloworld Equipment produced pleasing results driven largely by mining and contract mining activity in southern Africa. The profit was boosted by increased demand for mining machinery and associated parts and services in South Africa, Zambia and Botswana.

Approval for the Bucyrus transaction was granted by the South African competition authorities on 27 June 2012 and we commenced sales and support of the legacy Bucyrus range of opencast and underground mining machines in all our southern African territories on 2 July 2012.

A softening in the commodity cycle led by the slowdown in Chinese domestic growth and uncertainty in the South African mining sector, started to impact our mining operations in mid-2012. The last three months of the financial year saw several mining houses announce plans to defer or curtail project investment. Accordingly, the firm order book in southern Africa, excluding Bucyrus is lower at R3.9 billion compared to R5.2 billion at 30 September 2011.

The Joint Venture with Tractafric produced an excellent result, with the Equipment equity accounted share of the profits more than doubling from R63 million to R138 million. The term of the JV agreement, which was scheduled to terminate in 2017, has been extended by 50 years from October 2012.

Iberia continued to trade amidst rising economic and political turmoil in the Eurozone leading to further reductions in the new machines market. The delivery of large mining equipment packages in Spain were hampered following the Spanish government's decision to cut subsidies to the mining sector resulting in the cancellation of a portion of mining equipment orders.

However, the Iberian business maintained their position as market leader, with management focusing on available market opportunities, maintaining a strong control over costs, asset efficiency and cash flows. Staff reductions at a cost of €9.7 million were implemented during the year to further align the cost base to prevailing activity levels and will position the business for an expected improvement next year.

Barloworld Global Power continued to gain traction with focus on the recruitment of specialised resources to further the development of the group's capabilities in the various power market segments.

Favourable conditions in the mining and power segments in our Russian territory enabled Equipment Russia to achieve record revenues and operating profits. Total customer firm orders amounted to \$77 million (2011: \$70 million) and the outlook for 2013 remains positive with a high level of activity coming from customers operating in the gold industry.

In November Barloworld announced the acquisition of the Bucyrus distribution business for the Siberian and Russian Far East territories which will bolster revenues in the year ahead.

Growth in skilled people and expanding our branch infrastructure throughout Siberia and the Russian Far East remain strategic priorities to ensure sustainable growth.

AUTOMOTIVE AND LOGISTICS

R million	Revenue Year ended 30 Sept		Operating profit/(loss) Year ended 30 Sept		Net operating assets 30 Sept	
	2012	2011	2012	2011	2012	2011
Car rental Southern Africa	3 555	3 341	251	220	1 966	1 642
Motor retail	20 256	17 895	479	379	3 096	2 727
– Southern Africa	15 209	14 050	352	279	1 669	1 471
– Australia	5 047	3 845	127	100	1 427	1 256
Fleet services Southern Africa	2 294	1 779	349	285	2 587	2 173
Logistics	3 385	3 400	73	27	354	461
– Southern Africa	2 535	2 294	92	49	224	316
– Europe, Middle East and Asia	850	1 106	(19)	(22)	130	145
	29 490	26 415	1 152	911	8 003	7 003
Share of associate (loss)/income			(7)	9		

Net operating assets exclude goodwill of R1 622 million (2011: R1 733 million)

The division produced a record result in a competitive trading environment. The operating margin improved to 3.9% from 3.4% in the prior year. The division generated good positive operating cash flow, which was reinvested into leasing and rental assets. Growing revenue by 12% improved the overall operating profit by 26%.

Avis Rent a Car southern Africa improved operating profit by 14% despite difficult trading conditions in the new luxury coach charter business. The business further improved its high fleet utilisation, grew rental day volumes and increased revenue per rental day.

The southern African motor retail operations delivered a good result. Improved margins, cost containment and a strong finance and insurance contribution supported the result, while service hours were marginally lower than the prior period. The Australian operations continued to perform well.

Avis Fleet Services produced a solid result in the current low interest rate environment. The remaining shares in PhakisaWorld Fleet Solutions were acquired during the year and the business was consolidated with effect from January.

The logistics business has improved on the back of focused management actions. New contracts awarded in southern Africa supported the result. Overall volumes and margins remain under pressure in the international businesses, however opportunities to improve the mix of business continue to be progressed.

Associates include our Soweto and Sizwe BEE joint ventures which performed in line with expectations. The Soweto Toyota and Soweto Volkswagen dealerships will take time to mature in this developing market and have performed better in the second half of the financial year.

Operational reviews continued

HANDLING

	Revenue		Operating profit/(loss)		Net operating assets/(liabilities)	
	Year ended 30 Sept		Year ended 30 Sept		30 Sept	
R million	2012	2011	2012	2011	2012	2011
– Southern Africa	1 484	1 141	61	76	581	457
– Europe	2 277	1 983	(9)	(2)	167	634
– North America	1 013	1 585	(14)	(2)	(15)	430
	4 774	4 709	38	72	733	1 521
Share of associate income			2	3		

Net operating assets exclude goodwill of R22 million (2011: R41 million)

The market for new forklift trucks was flat in all our territories apart from Netherlands where it shrank. UK, Belgium and Netherlands in particular have slowed largely as a result of the Eurozone debt crisis.

Revenue grew in all businesses apart from the UK and the Netherlands which were down on last year. Orders on hand at the end of September were 9% up on last year-end, with Handling in South Africa more than 60% ahead. While our used business was robust, margins elsewhere came under pressure. Short-term rental utilisation has moderated but this is for larger fleets in some countries.

Agricultural sentiment was good for the first half of the year but drought conditions in certain parts of South Africa and Russia caused a large drop in demand in the second half. Price competition in the low cost tractor sector further reduced returns in South Africa. The new agricultural operation in Mozambique almost broke even while the market in Siberia was down more than 50% from last year. Nevertheless future prospects remain bright for the agriculture businesses. The SEM activity in South Africa again showed growth.

Overall operating profits are down largely due to currency impacts and the drought. Market shares improved in the UK, SEM and Agriculture SA.

Agriculture stock levels ended the year too high in Russia and South Africa as a result of lower sales growth following the drought. All other businesses reduced net assets.

The Handling business in the US was sold at the end of April, generating some \$60 million of cash and the Handling business in the UK was sold at the end of September, generating some £47 million of cash.

The trading outlook for 2013 is positive for the agriculture businesses assuming the drought has abated. Slowing order intake as a result of the Eurozone debt crisis will depress returns in the Netherlands and Belgium. The Handling business in South Africa and SEM should grow profitably in the new year.

CORPORATE

	Revenue		Operating profit/(loss)		Net operating assets/(liabilities)	
	Year ended 30 Sept		Year ended 30 Sept		30 Sept	
R million	2012	2011	2012	2011	2012	2011
– Southern Africa	17	12	(10)	(32)	739	587
– Europe			68	(14)	(1 154)	(889)
	17	12	58	(46)	(415)	(302)

Corporate comprises the activities of the corporate offices, including the treasuries, in South Africa and the United Kingdom. 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 of R74 million (£6.1 million)

DIVIDEND DECLARATION

Dividend number 168

Notice is hereby given that final dividend number 168 of 150 cents (gross) per ordinary share in respect of the year ended 30 September 2012 has been declared subject to the applicable dividends tax levied in terms of the Income Tax Act (Act No. 58 of 1962)(as amended) ("the Income Tax Act").

In accordance with paragraphs 11.17(a)(i) to (x) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of income reserves;
- Local dividends tax rate is 15% (fifteen per centum);
- Secondary Tax on Companies (STC) credits utilised are R7 500 000;
- Barloworld has 231 011 981 ordinary shares in issue;
- The STC credit per share is accordingly 3.24658 cents;
- The gross dividend for determining dividends tax is 146.75342 cents and dividends tax payable is 22.01301 cents per share for shareholders who are not exempt;
- The net dividend payable to shareholders who are not exempt will therefore be 127.98699 cents per share.

In compliance with the requirements of Strate and the JSE Limited, the following dates are applicable:

- Dividend declared Monday, 19 November 2012
- Last day to trade cum dividend Friday, 4 January 2013
- Shares trade ex-dividend Monday, 7 January 2013
- Record date Friday, 11 January 2013
- Payment date Monday, 14 January 2013

Share certificates may not be dematerialised or rematerialised between Monday, 7 January 2013 and Friday, 11 January 2013, both days inclusive.

On behalf of the board



B Ngwenya

Group company secretary

Condensed consolidated income statement

for the year ended 30 September

	Notes	Audited	
		2012 Rm	2011 Rm % change
Revenue		58 554	49 823 18
Operating profit before items listed below (EBITDA)		4 905	3 993
Depreciation		(1 806)	(1 620)
Amortisation of intangible assets		(111)	(84)
Operating profit		2 988	2 289 31
Fair value adjustments on financial instruments		(93)	(65)
Finance costs		(827)	(755)
Income from investments		51	62
Profit before exceptional items		2 119	1 531 38
Exceptional items	3	190	62
Profit before taxation		2 309	1 593
Taxation		(789)	(566)
Secondary taxation on companies		(26)	(18)
Profit after taxation		1 494	1 009
Income from associates and joint ventures		141	71
Net profit		1 635	1 080
Net profit attributable to:			
Owners of Barloworld Limited		1 559	1 017
Non-controlling interest in subsidiaries		76	63
		1 635	1 080
Earnings per share (cents)			
– basic		739.9	482.7
– diluted		734.5	479.1

Condensed consolidated statement of comprehensive income

for the year ended 30 September

	Audited	
	2012 Rm	2011 Rm
Profit for the year	1 635	1 080
Items that may be reclassified subsequently to profit or loss:	(452)	1 243
Exchange gains on translation of foreign operations	276	1 048
Translation reserves realised on disposal of foreign joint venture and subsidiaries	(593)	11
(Loss)/gain on cash flow hedges	(178)	246
Deferred taxation on cash flow hedges	43	(62)
Items that will not be reclassified to profit or loss:	(133)	(274)
Actuarial losses on post-retirement benefit obligations	(149)	(351)
Taxation effect	16	77
Other comprehensive income for the year	(585)	969
Total comprehensive income for the year	1 050	2 049
Total comprehensive income attributable to:		
Owners of Barloworld Limited	974	1 986
Non-controlling interest in subsidiaries	76	63
	1 050	2 049

Condensed consolidated statement of financial position

for the year ended 30 September

		Audited	
	Notes	2012 Rm	2011 Rm
ASSETS			
Non-current assets		13 470	12 667
Property, plant and equipment		9 473	8 743
Goodwill		1 759	2 092
Intangible assets		1 049	421
Investment in associates and joint ventures		430	329
Finance lease receivables		125	286
Long-term financial assets		97	147
Deferred taxation assets		537	649
Current assets		22 340	18 252
Vehicle rental fleet		1 908	1 695
Inventories		10 855	7 323
Trade and other receivables		6 916	6 448
Taxation		37	32
Cash and cash equivalents		2 624	2 754
Assets classified as held for sale	4		13
Total assets		35 810	30 932
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium		309	304
Other reserves		2 433	3 016
Retained income		10 127	9 069
Interest of shareholders of Barloworld Limited		12 869	12 389
Non-controlling interest		298	263
Interest of all shareholders		13 167	12 652
Non-current liabilities		8 964	7 279
Interest-bearing		7 048	5 522
Deferred taxation liabilities		371	229
Provisions		254	265
Other non-interest-bearing		1 291	1 263
Current liabilities		13 679	10 996
Trade and other payables		9 548	8 395
Provisions		839	633
Taxation		252	247
Amounts due to bankers and short-term loans		3 040	1 721
Liabilities directly associated with assets classified as held for sale	4		5
Total equity and liabilities		35 810	30 932

Condensed consolidated statement of changes in equity

for the year ended 30 September

	Share capital and premium Rm	Other reserves Rm	Retained income Rm	Attributable to Barloworld Limited shareholders Rm	Non- controlling interest Rm	Interest of all shareholders Rm
Balance at 1 October 2010	295	1 750	8 548	10 593	233	10 826
Total comprehensive income for the year		1 243	743	1 986	63	2 049
Transactions with owners, recorded directly in equity						
Other reserve movements		23	1	24	1	25
Dividends			(223)	(223)	(34)	(257)
Treasury shares issued	3			3		3
Shares issued in current year	6			6		6
Balance at 30 September 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

Condensed consolidated statement of cash flows

for the year ended 30 September

	Audited	
	2012 Rm	2011 Rm
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	5 199	4 528
Increase in working capital	(3 128)	(27)
Cash generated from operations before investment in rental assets	2 071	4 501
Net investment in fleet leasing assets	(1 481)	(1 013)
Net investment in vehicle rental fleet	(633)	(384)
Cash (utilised in)/generated from operations	(43)	3 104
Finance costs	(827)	(755)
Realised fair value adjustments on financial instruments	(19)	(172)
Dividends received from investments, associates and joint ventures	82	67
Interest received	49	60
Taxation paid	(596)	(389)
Cash (outflow)/inflow from operations	(1 354)	1 915
Dividends paid (including non-controlling interest)	(443)	(257)
Cash (applied to)/retained from operating activities	(1 797)	1 658
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, investments and intangibles	(1 589)	(271)
Proceeds on disposal of subsidiaries, investments and intangibles	931	185
Net investment in leasing receivables	98	56
Acquisition of other property, plant and equipment	(824)	(880)
Replacement capital expenditure	(334)	(305)
Expansion capital expenditure	(490)	(575)
Proceeds on disposal of property, plant and equipment	264	198
Net cash used in investing activities	(1 120)	(712)
Net cash (outflow)/inflow before financing activities	(2 917)	946
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on share issue	2	6
Shares repurchased for forfeitable share plan	(24)	(21)
Non-controlling equity loans	9	
Proceeds from long-term borrowings	3 842	2 653
Repayment of long-term borrowings	(2 474)	(1 470)
Increase/(decrease) in short-term interest-bearing liabilities	1 360	(1 346)
Net cash from/(used in) financing activities	2 715	(178)
Net (decrease)/increase in cash and cash equivalents	(202)	768
Cash and cash equivalents at beginning of year	2 754	1 928
Cash and cash equivalents held for sale at beginning of year		6
Effect of foreign exchange rate movement on cash balances	72	52
Cash and cash equivalents at end of year	2 624	2 754
Cash balances not available for use due to reserving restrictions	182	503

Audited results for the year ended 30 September 2012

Notes to the condensed consolidated financial statements

for the year ended 30 September

1. BASIS OF PREPARATION

The condensed financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board 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 2011, except for the new or amended Standards and new Interpretations adopted as detailed in note 8.

	Audited	
	2012 Rm	2011 Rm
2. RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS		
Net profit attributable to Barloworld shareholders	1 559	1 017
Adjusted for the following:		
Profit on disposal of subsidiaries and investments (IAS 27)	(571)	(73)
Realisation of translation reserve on disposal of foreign joint venture		11
Profit on disposal of properties (IAS 16)	(9)	(213)
Impairment of goodwill (IFRS 3)	363	211
Reversal of impairment of investments in associates (IAS 28) and joint ventures (IAS 31)		(3)
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38)	31	5
Profit on sale of intangible assets (IAS 38)		1
Profit on sale of plant and equipment excluding rental assets (IAS 16)	2	(7)
Taxation effects of remeasurements	59	30
Non-controlling interests in remeasurements	(2)	
Headline earnings	1 432	979
Weighted average number of ordinary shares in issue during the year (000)		
– basic	210 693	210 708
– diluted	212 244	212 261
Headline earnings per share (cents)		
– basic	679.7	464.6
– diluted	674.7	461.2
3. EXCEPTIONAL ITEMS		
Profit on disposal of properties, investments and subsidiaries	586	286
Realisation of translation reserve on disposal of foreign joint venture		(11)
Impairment of goodwill	(363)	(211)
(Impairment)/reversal of investments in associates and joint ventures	(2)	3
Impairment of plant and equipment	(31)	(5)
Gross exceptional profit	190	62
Taxation charge on exceptional items	(59)	(30)
Net exceptional profit before non-controlling interest	131	32
Non-controlling interest on exceptional items	2	
Net exceptional profit	133	32

Notes to the condensed consolidated financial statements

for the year ended 30 September

continued

		Audited	
		2012 Rm	2011 Rm
4. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE			
Assets classified as held for sale consist of the following:			
– Automotive dealerships sold			13
			13
Liabilities directly associated with assets classified as held for sale consist of the following:			
– Automotive dealerships sold			5
			5
5. DIVIDENDS			
Ordinary shares			
Final dividend No 166 paid on 16 January 2012: 105 cents per share (2011: No 164 – 55 cents per share)		223	117
Interim dividend No 167 paid on 18 June 2012: 80 cents per share (2011: No 165 – 50 cents per share)		170	106
		393	223
Paid to non-controlling interest		50	34
		443	257
Dividends per share (cents)		230	155
– interim (declared May)		80	50
– final (declared November)		150	105
6. CONTINGENT LIABILITIES			
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims		1 440	1 316
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 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		131	161
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.			
Subsequent to year-end a customer notified the company of an equipment failure which will become the subject of a warranty claim on the company. The cause of the failure and the cost of rectification has not yet been determined. The company has insurance cover and reciprocal warranty agreements with suppliers and contractors and as a result does not expect a material loss.			
7. COMMITMENTS			
Capital expenditure commitments to be incurred:			
Contracted		1 355	1 236
Approved but not yet contracted		201	80
		1 556	1 316
Operating lease commitments		1 810	2 009
Finance lease commitments		546	634
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:

- IAS 24 Related party disclosure (Revised)
- IFRS 7 Disclosures – Transfers of financial assets
- IFRS 1 Severe hyperinflation and removal of fixed dates for first-time adopters
- IAS 12 Deferred tax: Recovery of underlying assets
- Annual improvements project 2010
- IAS 1 Presentation of Items of Other Comprehensive Income
- IFRIC 20 Stripping costs in the production phase of a surface mine
- Circular 3/2012 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 minority shareholding of 25% in Barloworld Logistics Africa (Pty) Limited from Old Priory Investments (Pty) Limited. Mr Isaac Shongwe, a director of Barloworld Limited, 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 purchase price of this shareholding is considered to be at fair value. The cash consideration of R125 million for the shares and R50 million loan funding was outstanding at 30 September 2012.

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. EVENTS AFTER THE REPORTING PERIOD

On 9 November 2012 certain Barloworld subsidiaries concluded an agreement with Caterpillar Global Mining LLC to acquire assets and assume liabilities in respect of the Bucyrus distribution and support business in our Caterpillar dealership territories in Russia. The transaction is expected to close in December 2012. The purchase consideration is US\$50 million (R436 million) subject to adjustments for working capital at closing date.

11. AUDIT OPINION

The auditors, Deloitte & Touche have issued their opinion on the group's financial statements for the year ended 30 September 2012. 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 21. Their report was issued in accordance with International Standards 3000 for Assurance Engagements other than audits or reviews of historical financial information. They have issued an unmodified limited assurance report.

12. PREPARER OF FINANCIAL STATEMENTS

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

Operating segments

	Revenue Year ended 30 September		Operating profit/(loss) Year ended 30 September		Fair value adjustments on financial instruments Year ended 30 September		Operating profit/ (loss) including fair value adjustments Year ended 30 September		Net operating assets/(liabilities) 30 September	
	2012 Rm	2011 Rm	2012 Rm	2011 Rm	2012 Rm	2011 Rm	2012 Rm	2011 Rm	2012 Rm	2011 Rm
Equipment	24 273	18 687	1 740	1 352	(62)	(89)	1 678	1 263	10 600	6 622
Automotive and Logistics	29 490	26 415	1 152	911	12	3	1 164	914	8 003	7 003
Handling	4 774	4 709	38	72	(44)	17	(6)	89	733	1 521
Corporate	17	12	58	(46)	1	4	59	(42)	(415)	(302)
Total group	58 554	49 823	2 988	2 289	(93)	(65)	2 895	2 224	18 921	14 844

Net operating assets/(liabilities) exclude goodwill of R1 759 million (2011: R2 092 million).

Salient features

for the year ended 30 September

	Audited	
	2012	2011
FINANCIAL		
Headline earnings per share (cents)	680	465
Dividend per share (cents)	230	155
Operating margin (%)	5.1	4.6
Net asset turn (times)	2.7	2.7
EBITDA/interest paid (times)	5.9	5.3
Net debt/equity (%)	56.7	35.5
Return on net operating assets (%)	18.8	17.1
Net asset value per share including investments at fair value (cents)	6 062	5 839
Number of ordinary shares in issue, including BEE shares (000)	231 012	230 878
NON-FINANCIAL[#]		
Energy consumption (GJ)	1 921 347	1 807 244
Greenhouse gas emissions (CO ₂ e tons)	197 489	189 043
Water consumption (ML)	799	767
Number of employees	19 238	18 671
LTIFR [*]	1.22	1.31
Fatalities	1	2
Corporate social investment (R million)	17	16
dti [^] B-BBEE rating (level) ⁺	2	2

[#] Limited assurance (note 11).

^{*} 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	
	2012 Rand	2011 Rand	2012 Rand	2011 Rand
Exchange rates				
United States dollar	8.25	8.04	8.02	6.91
Euro	10.62	10.79	10.45	9.67
British sterling	13.32	12.52	12.69	11.12

Notes

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