Barloworld
Leading brands

Year end results
for the 12 months to
30 September 2013

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 and Handling (earthmoving, power systems, materials handling and agriculture), Automotive and Logistics (car rental, motor retail, fleet services, used vehicles and disposal solutions, logistics management and supply chain optimisation). 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 25 countries around the world with approximately 70% of just over 19 600 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")

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Directors
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Executive: CB Thomson (*Chief Executive*), PJ Blackbeard, PJ Bulterman, M Laubscher, OI Shongwe, DG Wilson
**British ~German •American*

Group company secretary
Lerato Manaka

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For background information visit www.barloworld.com

Salient features

Clive Thomson, CEO of Barloworld, said:

"The group performed strongly in the current financial year with headline earnings per share up by 26%.

The Equipment results were boosted by the recent acquisitions of the Bucyrus distribution businesses in Southern Africa and Russia which performed ahead of expectation, despite facing a difficult external environment as global mining companies reduced capital expenditure.

The Automotive and Logistics division delivered a strong result with all business units performing well ahead of the prior year.

We continued our strategy of allocating capital to higher returning businesses and were successful in concluding a number of important acquisitions and disposals in the period. These will position us well for the future and we expect to make further progress in the year ahead."

18 November 2013

Revenue up by 11% to R65.1 billion

Operating profit up by 18% to R3 527 million

Profit before exceptional items up 20% to R2 538 million

HEPS up by 26% to 860 cents

Cash generated from operations of R4 263 million (2012: R43 million utilised)

Total dividend per share up 27% to 291 cents

Chairman and Chief Executive's report

Overview

The group delivered a very strong result in the current year increasing revenue by 11% and operating profit by 18% to R3 527 million, notwithstanding challenging conditions and a slowdown in capital expenditure in the mining industry.

Headline earnings per share (HEPS) increased by 26% to 860 cents and the total dividend for the year of 291 cents represents a 27% increase on 2012.

Cash generated from operations amounted to R4 263 million (2012: R43 million utilised) as working capital levels were reduced significantly in the second half. As a result, our net debt to equity ratio at year end was 47% (H1: 77%) with gearing levels for our key business segments being well within internal target ranges.

The group's return on net operating assets of 18.6% was in line with the prior year while the return on ordinary shareholder's funds increased by 1.5 percentage points for the year.

Strategic developments

We have progressed with various strategic initiatives which aim to position the company for future growth and continue to review our overall portfolio of businesses with a view to reallocating capital to higher return opportunities over time.

In the Equipment division, we successfully integrated the Bucyrus southern Africa distribution businesses acquired towards the end of our 2012 financial year. We are pleased to report that the acquisition has performed well and has been earnings accretive for the group in its first full year of operation.

During the current year we acquired the Bucyrus Russia distribution business for $49 million (R420 million) which provides us with an expanded range of surface and underground mining products to serve our customer base. The transaction has performed in line with expectations in the first year and has significant long-term growth potential.

Following the sale of our Handling businesses in the US and UK in 2012, we disposed of our Handling business in Belgium in the current year, realising cash proceeds of €7.5 million. We are also progressing the sale of the shares in our Handling business in The Netherlands.

Within the Automotive & Logistics division there were a number of actions that position the business for future growth. We continued to grow Avis Fleet Services into Ghana off a small base and acquired the 25% minority share in our fleet services business in Lesotho. On the motor retail side we acquired the 49% minority share of our Toyota Stellenbosch dealership. In Australia we disposed of the Ferntree Gully dealership effective 31 October 2013.

In our logistics business we benefited from the buyout of the minorities in Barloworld Logistics Africa at the end of September 2012 and concluded a transaction to merge our dedicated transport services business with Manline Logistics to form Barloworld Transport Solutions. We also acquired a controlling stake in a business transporting abnormal loads, which has since been re-named Manline Mega, effective 5 June 2013. A 25.1% interest was acquired in re-, an environmental solutions business, which provides green supply chain solutions in the waste management sector. We also successfully restructured our logistics business in Spain and disposed of our loss-making Far East airfreight business, effective 1 November 2013. All the above transactions position the logistics business for future growth and higher financial returns.

Operational review

Equipment and Handling

Equipment southern Africa

Revenue for the year of R19.1 billion was R2.8 billion (17%) up on the prior year. The acquired Bucyrus distribution business now referred to as "extended mining product range" (EMPR) generated revenue of R2.7 billion.

Consistent with global trends, mining demand for legacy Caterpillar machines was significantly down on last year with a 38% drop in large mining units delivered. Contract miners were less affected by the reduction in new mining projects.

Infrastructure and construction activity across southern Africa has shown some resilience despite relatively muted activity levels in South Africa. Angola has experienced a strong increase in revenue as a result of the various infrastructure developments underway in that country.

The division generated a pleasing level of operating profit of R1 678 million exceeding the prior year result by 9.3%. The EMPR operating result for the year exceeded our expectations driven by strong after sales activity particularly in the closing months. After sales parts and service revenues exceeded 50% of the total EMPR sales mix in the year.

Our 50% joint venture in the Katanga province of the DRC continued to show strong profitability contributing R185 million to our share of associate income for the year.

Equipment Russia

Revenues in Equipment Russia were 5% up on the prior year in US dollar terms mainly driven by mining demand in the Russian Far East, while coal mining activity in the Siberian region slowed.

The operating profit for the year of $43.1 million was up on the record result achieved in 2012. Total after sales business has shown continued growth and including EMPR now represents 33% of total revenue for the year. We invested further in facilities throughout the region to support our customer base and position the business for long term growth.

Equipment Iberia

Industry sales in Iberia continued to decline in the current year as the Spanish economy remained weak and subsidies to the mining sector were cut.

Notwithstanding the challenging environment Equipment Iberia generated a substantially reduced operating loss of €1.3 million (R16 million) compared to the loss of €13.3 million (R139 million) in the prior year. No further restructuring took place in the current year but management progressed other cost cutting measures to deliver this significant turnaround in performance. The Power systems business also performed well.

Portugal was profitable in the current year despite the austerity measures underway in that country.

Iberia remained strongly cash flow positive as tight working capital management yielded benefits.

Handling

The disposals of the US and UK businesses in the prior year and Belgium in current year make like for like comparisons for the division difficult. Overall, the Handling division generated an operating profit of £3.8 million in 2013, up 27% on the £3 million profit in the prior year.

The Handling operations in South Africa and The Netherlands were both strongly up on the prior year while the results from the Agriculture operations were weaker.

Automotive and Logistics

The Automotive and Logistics division increased revenue from R29.5 billion to R34.4 billion (17%) in the current year with all business segments performing well ahead of the prior year.

The division generated a 28% increase in operating profit to R1 479 million compared to R1 152 million in 2012. The operating margin for the division has increased from 3.9% to 4.3% as a result of operating efficiencies across all business units.

Motor retail

In the nine months to September industry new vehicle sales in South Africa have grown by 5%. Motor Retail southern Africa increased revenue by 15% and operating profit by 22% driven by strong growth in vehicle sales, an increased finance and insurance contribution and strong after-sales activity.

Australian industry new vehicle sales grew by 3.3% in the calendar year. Motor Retail Australia increased operating profit by 15% to R146 million on the back of strong performances in the Mercedes-Benz and Volkswagen dealerships. The disposal of the Ferntree Gully dealership was completed in early November 2013.

Car rental

Avis Rent a Car increased revenue by 16% driven by a 6% increase in rental days, a 2.4% increase in the rate per day as well as an increased profit contribution. Operating profit of R317 million was 26% ahead of the prior year.

Fleet Services

Avis Fleet Services increased revenue by 26% to R2 895 million and produced an operating profit of R484 million which was 39% up on last year.

Logistics

Logistics generated an operating profit of R101 million for the year, a 38% improvement on 2012. Barloworld Transport Solutions which includes the Manline business acquired earlier this year was the most significant contributor at operating level while Supply Chain Management also produced an improved result. The Freight Management and Services business incurred an operating loss for the year mainly due to the Spanish operations where significant restructure actions have been taken as well as Hong Kong which was disposed of shortly after year-end.

Sustainable development

In line with our Value-Based Management philosophy greater emphasis has been placed on stakeholder engagement at both divisional and group levels with oversight remaining with an executive director.

A revitalised people management methodology launched during the year ensures that we efficiently implement our strategies to attract, develop and retain required talent.

Providing a safe and healthy work environment is central to our approach. While we continue our focus on safety, tragically, there were three work-related deaths all involving drivers who died in motor vehicle accidents during the year and a subsequent fatality in Equipment South Africa. We extend our condolences to their families and continue to implement measures to prevent such accidents in future.

Diversity and transformation remain a key focus area and it was pleasing that the group maintained its dti B-BBEE Level 2 rating in South Africa. Across our international businesses attention is given to gender equity, diversity and localisation, appreciating the importance of our businesses reflecting the demographics of the societies in which we operate.

Our aspirational non-renewable energy and greenhouse gas emissions (scope 1 and 2) efficiency improvement targets continue to receive attention with various operations making good progress. The expansion of our road transport activities through acquisition has increased the logistics business' energy consumption and emissions patterns, with a corresponding group impact.

Directorate and senior management changes

Mr Gonzalo Rodriguez de Castro Garcia de los Rios having reached retirement age, retired from the board in January 2013 and we would like to thank him for his valuable contribution during the past nine years.

Dr Alexander Landia joined the board as a non-executive director on 1 October 2013. His considerable business experience in Russia will provide a useful source of strategic input to our growing operations in that region.

With effect from 1 October 2013 Mr Peter Bulterman assumed overall responsibility as CEO for the Equipment division across our dealership territories in southern Africa, Iberia and Russia.

Mr Dominic Sewela was promoted to CEO of Equipment southern Africa effective 1 October 2013, reporting to Mr Bulterman.

Mr John Blackbeard assumed overall responsibility as CEO of our Power systems business across southern Africa, Iberia and Russia in addition to his Handling responsibilities.

Outlook

The US economy continues along the path to recovery and tapering of the quantitative easing measures is likely to be delayed into 2014.

Fears of a hard landing for China's economy have dissipated somewhat following a rebound in growth in the third quarter supported by accelerated infrastructure investment. While the outlook for the Chinese economy in 2014 remains one of slowing growth, the outlook for medium-term commodity demand remains solid.

Recent IMF forecasts for economic growth in sub-Saharan Africa project increased growth in GDP from 5% in 2013 to 6% in 2014. Following the wave of strike actions in South Africa in both the mining and the vehicle manufacturing sectors, economic growth in the current year is now forecast at approximately 2% but expected to rise to 2.8% next year.

In Equipment southern Africa, the outlook for mining in the coming year remains mixed as we expect a further decline in the traditional Caterpillar mining units. The firm order book at September 2013 of R3.5 billion is well down on the March level of R5.2 billion. The most significant reduction occurred in the Caterpillar legacy product range while the EMPR orders on hand remain strong and represent the majority of the total order book. We expect strong after sales activity to continue into 2014.

The outlook for infrastructure and construction in southern Africa is showing renewed optimism driven by proposed projects in transportation infrastructure, power and mining. While South Africa should play a role in the infrastructure drive, countries like Angola, Zambia and Mozambique will be stronger contributors.

In southern Africa a number of significant long-term power projects have been identified and opportunities for gas powered engines have increased.

The European economy has now come out of recession and is projected to grow by 1.5% next year. In Iberia, we believe that the equipment industry has bottomed and product support revenues are also expected to grow. The order book is dominated by Power where the outlook for marine in Spain remains positive.

The firm order book for Equipment Russia has decreased to $40 million compared to $72 million at the half year. A number of major mining projects under discussion for both Caterpillar legacy as well as the new EMPR product range are progressing and we expect a satisfactory level of closure in the coming months.

While the order books for both Handling and Agriculture are down on the prior year there has been an increase in average bookings over the last quarter in Agriculture South Africa.

The recent strikes in the auto manufacturing and components sectors have impacted supply which will affect deliveries in the first quarter. The outlook for the South African automotive industry in 2014 is expected to be flat as consumers battle with high levels of household indebtedness and new vehicle price inflation. Consequently we are expecting a stable result from our motor retail business in southern Africa.

The car rental business is expected to show further growth despite the competitive pricing environment while Avis Fleet Services will show continued growth from new and existing contracts.

The niche logistics acquisitions concluded in 2013 have broadened our market offering and will benefit the results in the year ahead.

Overall, the various strategic initiatives undertaken together with our focus on achieving ongoing operational efficiencies should ensure further progress in 2014.

DB Ntsebeza
Chairman

CB Thomson
Chief Executive

Group financial review

Revenue for the year increased by 11% to R65.1 billion. Good revenue growth was achieved in Equipment southern Africa which was up by 17% mainly as a result of the inclusion of the EMPR Bucyrus business for the full year and in Automotive and Logistics, which was also up by 17%. The weakening rand increased revenue for the year by R2.1 billion.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 15% to R5 623 million with depreciation and amortisation increasing by 9%, while operating profit rose by 18% to R3 527 million.

The equipment businesses in southern Africa and Russia performed well in difficult trading conditions particularly in the mining sector. Equipment southern Africa increased operating profit by 9% to R1 678 million assisted by a strong performance from the EMPR business. Equipment Iberia incurred a loss of R16 million which was substantially below the loss of R139 million in the prior year. No further restructuring charges were incurred this year despite a continued decline in demand in Iberia.

The Automotive and Logistics division performed well in a competitive trading environment, once again improving operating margins and increasing operating profit by 28% to a record R1 479 million for the year.

The increase in the company's share price since September 2012 resulted in a charge of R121 million for the year in respect of the provision required for cash-settled Share Appreciation Rights previously awarded to employees (2012: R25 million).

The total negative fair value adjustments on financial instruments of R47 million (2012: R93 million) mainly relate to the cost of forward points in foreign exchange contracts in Equipment southern Africa.

Finance costs increased by R156 million to R983 million mainly owing to higher average debt levels during the year. Additional interest charges of R92 million were incurred on the debt utilised to fund the acquisition of the southern Africa and Russian EMPR businesses.

Exceptional charges of R119 million mainly comprise impairments of goodwill in Handling Netherlands (R28 million) and Motor Retail Australia (R40 million) together with losses on disposal of subsidiaries of R43 million.

Taxation for the year was R804 million. The charge includes impairments of deferred tax assets of R17 million. The effective taxation rate (excluding prior year taxation and taxation on exceptional items) was 31.7% (2012: 32.7% excluding STC). The effective rate is lower than last year mainly owing to reduced losses in Spain.

Income from associates increased by 31% to R185 million (2012: R141 million) again driven by a strong performance from the Bartrac equipment joint venture in the DRC.

The non-controlling interest in the current year's earnings includes R36 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 26% to 860 cents (2012: 680 cents).

Cash flow

Good equipment deliveries in the second half resulted in a reduction in working capital this year of R0.5 billion (2012: R3.1 billion increase). This contributed to a net inflow of funds this year of R653 million (2012: R2.9 billion outflow). This was also a significant improvement on the cash outflow of R2.9 billion reported at the interim. A net R1.3 billion was applied in investing activities during the year. This mainly comprised R497 million incurred to acquire the Bucyrus business in Russia and the Logistics acquisitions in South Africa and net property, plant and equipment expenditure during the year of R701 million.

Financial position and debt

Total assets employed in the group increased by R4 923 million to R40 733 million. The increase was driven by the weaker rand (R2 879 million) and an increase in rental and leasing assets, as well as the acquisition of property, plant and equipment during the year.

Total interest bearing debt at 30 September 2013 increased to R10 253 million (2012: R10 088 million) while cash and cash equivalents increased to R2 836 million (2012: R2 624 million). Net interest bearing debt at 30 September 2013 of R7 417 million was slightly down on the prior year of R7 464 million.

Debt maturity profile (R'million)

	Borrowings September	Redemption			
	2013	2014	2015	2016	2017 onwards
Southern Africa	**9 117**	2 033	2 956	1 098	3 030
Offshore	**1 136**	935	166	11	24
Total	**10 253**	2 968	3 122	1 109	3 054

During the year the R1 billion Bucyrus funding note was extended into 2015 and a R700 million maturing bank loan was extended into 2019. The long-term debt maturity profile at 30 September 2013 was 71% (2012: 70%). However, in addition to a number of bonds, the R1.2 billion BEE loan is scheduled to mature in 2015 and it is our intention to address certain of these maturities in the 2014 financial year.

In South Africa, short-term debt due for redemption includes commercial paper (CP) totalling R1 200 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 R4 606 million at 30 September 2013. The offshore facilities include five bilateral loans totalling £100 million (R1 630 million) which were undrawn at 30 September 2013. Other offshore unutilised bank lines amounted to the equivalent of R1 720 million. Of the total unutilised facilities of R7 956 million at September 2013, R4 865 million are considered to be committed facilities.

The company's credit rating of A+ was recalibrated upwards to AA- (Stable Outlook) at the time the South African sovereign credit was downgraded by Fitch Ratings. The company's credit rating was re-affirmed by Fitch Ratings following the formal credit review in February 2013.

Gearing in the three segments 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 2013	**39**	**666**	**224**	**65**	**47**
Ratio at 30 September 2012	50	472	217	77	57

The weaker rand resulted in an increase of R1 671 million in shareholders' funds (2012: R276 million) and increased net debt at September by R124 million.

Going forward

The group return on shareholders' funds of 12.8% in the current year was up on the 11.3% achieved last year. The group continues redeployment of capital into higher returning businesses, which together with a projected return to profitability in Equipment Iberia, should contribute to improved returns in 2014.

DG Wilson
Finance Director

Operational reviews

Equipment and Handling

	Revenue Year ended 30 September		Operating profit/(loss) Year ended 30 September		Net operating assets 30 September	
	2013 Rm	2012 Rm	**2013 Rm**	2012 Rm	**2013 Rm**	2012 Rm
Equipment	**28 148**	24 273	**2 069**	1 740	**11 876**	10 600
Southern Africa	**19 126**	16 326	**1 678**	1 535	**6 901**	6 587
Europe	**4 377**	4 180	**(16)**	(139)	**2 292**	2 177
Russia	**4 645**	3 767	**407**	344	**2 683**	1 836
Handling	**2 534**	4 774	**54**	38	**774**	733
	30 682	29 047	**2 123**	1 778	**12 650**	11 333
Share of associate income			**188**	148		

Equipment southern Africa produced a pleasing result, despite the slowdown in the mining sector. This was largely due to strong after sales performance and a better than expected result from the EMPR business. Our construction business showed resilience and sales exceeded target despite a lack of major capital projects.

Revenue at year end of R19.1 billion was 17% higher than the R16.3 billion produced last year. Operating profit of R1 678 million was 9.3% higher than the comparative figure for September 2012. Our operating margin, despite being lower than the previous year, was better than expected due to operational efficiencies and continued focus on operating costs. The business generated a net cash inflow of R1.4 billion in the reporting period.

Barloworld Equipment was previously awarded a number of significant orders for EMPR mining machines. July 2013 saw the arrival of the components for the first Cat electric rope shovel at the FQM mine in Zambia (Total order: R1.1 billion). The first Cat hydraulic shovel arrived in Walvis Bay in September and is being assembled on the Swakop Uranium mine in Namibia (Total order: R1.2 billion). The Cat 795 AC trial at Sishen is going well with fleet performance exceeding contractual KPIs to date.

The mining sector continued its slowdown in 2013, resulting in mining houses cutting back on capital expenditure projects. The Chinese economy also grew at a slower pace which had an impact on the commodities market. As a result, our firm order book was lower at R3.5 billion compared to R5.3 billion in 2012.

Equipment Russia has finished another successful year achieving revenue of $498 million (2012: $476 million) and operating profit of $43.1 million, slightly ahead of the 2012 result. A pleasing operating margin of 8.8% was achieved and the business generated over $20 million net cash inflow. Aftermarket revenues grew strongly and the EMPR segment performed in line with acquisition expectations.

Total firm customer orders as at 30 September amounted to $40 million compared to $77 million at September 2012 and we are participating in a number of projects in the mining, construction and power segments.

Equipment Iberia revenue to September of €367 million was marginally down from last year. The Spanish construction sector remains depressed with overall equipment industry sales continuing to decline off an already low base. Power systems activity in both Spain and Portugal was up on the prior year. The operating loss to September of €1.3 million was a significant improvement compared to the prior year loss of €13.3 million, which included restructure costs of €9.7 million. Pleasingly, the business delivered strong positive cash inflows of €28 million in the year.

The Handling business continued to reshape itself post the disposals of the lift truck businesses in the US, UK and Belgium. Demand for forklift trucks remained subdued in Europe, while South Africa benefited from a strong order book. The South African agricultural market was impacted by drought in the western region and overall machine volumes fell slightly while sales declined in Mozambique but more than doubled in Russia. Nonetheless future prospects remain bright for the agriculture businesses. The SEM activity in South Africa again showed growth.

Automotive and Logistics

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

The division produced an excellent result, in the year under review, in a demanding trading environment. Revenue growth of 17% resulted in an improvement in operating profit of 28%, while the operating margin improved to 4.3% from 3.9% in the prior year. The division generated good positive operating cash flow, which was reinvested into leasing and rental assets, and growing the logistics business in southern Africa.

Avis Rent a Car southern Africa improved operating profit by 26% despite operating losses and closure costs in the luxury coach charter operation. The business maintained high fleet utilisation, grew rental day volumes and increased revenue per rental day. A strong used vehicle performance contributed to the result.

The southern African motor retail operations performed well. Higher vehicle and after sales volumes, improved margins, cost containment, and a strong finance and insurance contribution supported the result. The effects of the large-scale motor industry strike had a marginal impact in the last quarter. The Australian operations continued to perform well. A decision to exit the Ferntree Gully dealership was taken and the transaction is effective from 31 October 2013.

Avis Fleet Services produced a superb result in the current low interest rate environment improving operating profit by 39%. The business has continued to benefit from organic growth and recently awarded contracts.

The logistics business has improved on the back of focused management actions. The formation of Barloworld Transport Solutions assisted the results for southern Africa in the second half. All major supply chain and dedicated transport contracts have been successfully renewed and the business is well positioned for continued growth. Overall volumes and margins remain under pressure in the international businesses. The Spanish business was restructured to meet current lower activity levels. The loss-making airfreight business in the Far East was sold with an effective date of 1 November 2013.

Associates, including our Soweto and Sizwe BEE joint ventures, performed in line with expectations.

Corporate

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

Corporate primarily comprises the operations of the headquarters and treasury in Johannesburg, the treasury in Maidenhead, United Kingdom, and the captive insurance company.

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

Dividend declaration

Dividend number 170

Notice is hereby given that final dividend number 170 of 195 cents (gross) per ordinary share in respect of the year ended 30 September 2013 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);
- There are no Secondary Tax on Companies (STC) credits utilised;
- Barloworld has 231 291 819 ordinary shares in issue;
- The gross local dividend amount is 195 cents per ordinary share.
- The net dividend amount is 165.75 cents per share.

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

Dividend declared	Monday, 18 November 2013
Last day to trade cum dividend	Friday, 10 January 2014
Shares trade ex-dividend	Monday, 13 January 2014
Record date	Friday, 17 January 2014
Payment date	Monday, 20 January 2014

Share certificates may not be dematerialised or rematerialised between Monday, 13 January 2014 and Friday, 17 January 2014, both days inclusive.

On behalf of the board

LP Manaka
Group company secretary

Summarised consolidated income statement
for the year ended 30 September

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

Summarised consolidated statement of comprehensive income

for the year ended 30 September

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

Summarised consolidated statement of financial position
at 30 September

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

Summarised consolidated statement of changes in equity

at 30 September

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

Summarised consolidated statement of cash flows
for the year ended 30 September

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

Summarised notes to the consolidated financial statements

for the year ended 30 September

1. Basis of preparation

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

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

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

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

8. Accounting policies

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

– Circular 2/2013 Headline Earnings

9. Related party transactions

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

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

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

10. Audit opinion

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

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

In addition, Deloitte & Touche, has issued a limited assurance report on the non-financial salient features included on page 24. Their report was issued in accordance with International Standards 3000 on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. They have issued an unmodified limited assurance report.

11. Preparer of financial statements

These condensed consolidated financial statements have been prepared under the supervision of S.Y. Moodley B.Com CA (SA).

Operating segments
for the year ended 30 September

Audited	**Revenue** Year ended 30 Sept **2013** Rm	**Revenue** Year ended 30 Sept 2012 Rm	**Operating profit/(loss)** Year ended 30 Sept **2013** Rm	**Operating profit/(loss)** Year ended 30 Sept 2012 Rm
Equipment and Handling	**30 682**	29 047	2 123	1 778
Automotive & Logistics	**34 410**	29 490	1 479	1 152
Corporate	**10**	17	(75)	58
Total group	**65 102**	58 554	3 527	2 988

	Fair value adjustments on financial instruments		Operating profit/(loss) including fair value adjustments		Net operating assets/(liabilities)	
	Year ended 30 Sept		Year ended 30 Sept		Year ended 30 Sept	
	2013	2012	**2013**	2012	**2013**	2012
	Rm	Rm	**Rm**	Rm	**Rm**	Rm
	(54)	(106)	**2 069**	1 672	**12 650**	11 333
	4	12	**1 483**	1 164	**9 566**	8 003
	3	1	**(72)**	59	**(898)**	(415)
	(47)	(93)	**3 480**	2 895	**21 318**	18 921

Salient features
for the year ended 30 September

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

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

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

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