BARLOWORLD LIMITED

Reviewed Interim Results

for the six months ended 31 March 2003

Strong operating performance in uncertain times

- Operating profits rise 41% to R1 171 million
- Improving quality of business seen in operating margin increase to 6.5% (2002: 4.7%)
- 58% of profits outside South Africa
- Headline earnings per share of 211 cents (2002: 270 cents) impacted by IAS fair value adjustments on financial instruments
- Dividend maintained at 90 cents per share
- Another US Freightliner dealership acquired

Tony Phillips, CEO of Barloworld, said:

"The Barloworld Limited interim results reflect further progress in improving the performance of the company with strong operating profit growth accompanied by good cash flow. The complex accounting standards IAS 21 and 39, that deal with transactions in foreign currencies and the recognition and valuation of financial instruments, have adversely affected the reported financial performance as a result of the strong appreciation of the Rand in the period under review. We are determined to continue to build value for our shareholders by enhancing our overall reputation as a company that sets goals and achieves them."

20 May 2003

Enquiries

Barloworld Limited: Mark Drewell Tel +27 11 445 1204, e-mail invest@barloworld.com
For background information visit www.barloworld.com

Chairman and Chief Executive's Report

During the first six months of 2003, Barloworld delivered a strong performance at the operating level, but was adversely affected by the strength of the Rand.

Operating profits rose 41% as continued efforts to improve the quality of our business produced further successes, despite marginally increased revenues compared with the first half of last year. The appreciation of the Rand against the US dollar was the major factor giving rise to negative IAS fair value adjustments of R313 million (2002: R36 million gain). This resulted largely from the marking-to-market of financial instruments taken out to cover exposure to foreign currency denominated imports. The overall impact was a 22% reduction in headline earnings per share, however the interim dividend was maintained at 90 cents per share.

The relative strength of the South African economy was seen in the good profit improvement in Cement & Lime and Coatings. Despite a strong trading performance, the contribution from the Capital Equipment business in South Africa was adversely affected by the appreciation of the Rand. Improved results were achieved in difficult circumstances in the Industrial Distribution business and it was pleasing to see reduced losses in the US scientific business despite no upturn in the telecoms and semi-conductor markets we serve.

The profit contribution from operations outside South Africa rose despite the strength of the Rand and accounted for 58% of the total (2002: 52%).

The business environment remained difficult
Barloworld is impacted by changes in the performance of the global economy in general and the South African, Spanish, US, UK and Australian economies in particular. During the period, the global economy remained in a state of flux, dominated by the absence of any signs of a recovery in the US exacerbated by the uncertainties created by the prospect of a US invasion of Iraq.

It is expected that the South African economy will slow down from the 3% growth it achieved in 2002 to 2.6% this year. This trend was already evident during the first half of our financial year. Total fixed capital formation, accelerating to a 6% growth rate for the first three quarters of 2002, continued to grow. However it is only slightly above 15% of GDP and remains at historically low levels. There were some signs of an increase in infrastructure investment with national cement demand growing 8%. Interest rates in SA remained at high levels resulting in lower demand for motor vehicles and dealer sales declined approximately 5%.

In Spain, the economy sustained a growth rate double the European average and the EU-led public works programmes continued at high levels. Recent trends show a gradual movement away from national to regional and local government projects. The economy of the United Kingdom grew at an annualised average of 1.2% but showed signs of a manufacturing slowdown towards the end of the period. By contrast Australia continued growing well with housing starts at higher levels than last year.

A strong operating performance
Throughout the company we are working to increase value creation substantially, having set aggressive targets over the period through to 2006. The benefits of this drive were evident during the past six months in improved operating margins across the company. In addition to each business unit improving its performance, the work of company-wide benchmarking and a series of integrated task teams looking at specific issues are identifying where further opportunities for improvement lie in the future.

There were many operational highlights during the first half of the year. A number of these revolve around our concept of *Smart Partnerships*™, which is a process through which we seek to deepen our relationships with our major customers around the world. Examples are winning the lion's share of the three major earthmoving equipment and the cement supply contracts for the Coega harbour in the Eastern Cape, South Africa and the ever-growing success of our UK materials handling equipment contracts with the Ministry of Defence. Other successes include the growth of our Mera equipment rentals outlets in Spain and the continued rapid expansion of Barloworld Logistics in South Africa.

Acquisitions and disposals continue
Our stated strategy of expanding through acquisition saw us acquire an additional Freightliner truck dealership in northwest Arkansas (R49 million), a further 676 138 shares in Pretoria Portland Cement

Our stated criteria that all acquisitions must, on average through the business cycle, exceed our real cash flow return on investment hurdle rate of 8%, continue to apply. In April 2003 we completed the disposal of our South African motor leasing business for R877 million.

Committed to meaningful Black Economic Empowerment (BEE) in South Africa
We believe meaningful BEE is an important ingredient in the creation of a successful South Africa. Accordingly, on 7 May 2003 we were delighted to announce the largest BEE initiative to date in the motor industry. In terms of the transaction, we have entered into a 50/50 joint venture with Durban South Motors, incorporating the ex-McCarthy Pinetown DaimlerChrysler operations, to form a new company employing 650 people that will trade as NMI Durban South Motors (Pty) Ltd. Headed by Mr Yunus Akoo (owner of Durban South Motors), the business is expected to sell more than 6 000 DaimlerChrysler passenger and commercial vehicles annually generating some R2 billion in revenue.

Board of Directors
With effect from 31 March 2003 Mr Des Arnold retired from the position of Director, Finance and Administration. For 36 years he dedicated himself to the company and was a major architect of many dimensions of the success that we enjoy today. His successor Mr Clive Thomson has been appointed from within the management team. This is testimony to the strength and depth of financial expertise that Mr Arnold leaves as his legacy. Non-executive director Mr Graham Ross Russell has also retired and his contribution that brought a London-based perspective to the company over many years is appreciated and will be missed.

Corporate Governance
The company remains committed to the principles of world-class corporate governance and we note the growth in compliance issues arising from initiatives such as King II in South Africa, Sarbanes-Oxley in the United States and the Higgs report in the United Kingdom. We endorse the sentiments expressed in these initiatives but are concerned about the burgeoning of rules-based mechanisms seeking to enforce good governance. We believe that the key to good corporate governance is the ethics and attitude of the leadership in an organisation and the extent to which they are committed to "doing the right thing" in all circumstances. That has always been one of the cornerstones of Barloworld.

Looking ahead
In South Africa there are indications that the effects of the high interest rates and the strength of the Rand are beginning to be felt across the economy. Motor vehicle demand is soft and paint volumes static, while steel tube export markets are more difficult. We are expecting a slowdown in the growth rate of cement demand. Trading conditions have remained positive in Spain and Australia, but Portugal is difficult as a result of the clampdown on public sector spending. In the United States there are some indications of an upturn, but by contrast, the United Kingdom manufacturing sector is slowing.

A key uncertainty for the short term remains the current strength and future direction of the Rand. The exchange rate has an impact on earnings through lower export volumes and/or margins, the translation effects on offshore profits and the IAS fair value adjustments on financial instruments. This is difficult to forecast.

We are well positioned to take advantage of any improvement in trading conditions, particularly in the US. Subject to a degree of exchange rate stability at end of March levels, we look forward to being able to report a better performance at the earnings per share level in the second half compared with the first half.

In the medium term, we will continue improving the quality of our existing operations to generate sustainable higher margins and profits. We will also expand our business through acquisition as we work to create a growing global organisation producing value for all our stakeholders.

WAM Clewlow
Chairman

AJ Phillips
Chief Executive Officer

GROUP FINANCIAL REVIEW

Revenues increased marginally to R17.9 billion (2002: R17.7 billion). With the notable exception of the US, most geographic areas showed revenue growth in local currency terms.

Operating profit increased 41% to R1 171 million as a result of improved margins, good cost control, and a net benefit of approximately R71 million largely due to the sale of inventories recorded using spot rates at the transaction date (as required by IAS21) at prices based on rates in forward cover contracts. This impact, however, is more than offset by the related fair value adjustments on financial instruments referred to below. The year on year improvement is achieved despite the fact that the strong overall operating profit growth in the non-South African businesses was diluted on translation due to the strength of the Rand.

Fair value adjustments on financial instruments resulted in a charge to income of R313 million (2002: R36 million gain) of which R203 million is realised. Our group policy is to cover forward all foreign exchange commitments. In terms of IAS39 (Recognition and Measurement of Financial Instruments), which was applied for the first time in the 2002 financial year, financial instruments must be recorded at fair value with the resultant mark-to-market gain or loss taken to income. The major impact for the period under review is in the Capital Equipment business in South Africa where, due to the strengthening of the Rand against the US dollar, forward exchange contracts taken out to cover machine and parts purchases are the principle reason for negative fair value adjustments amounting to R292 million (2002: R9 million gain).

Finance costs rose to R298 million (2002: R207 million) as a result of higher local borrowings due to growth in the rental business and higher working capital arising from increased activity levels in certain operations. Local interest rates were also higher compared to the same period last year.

The decrease in the tax charge to R274 million is in line with the reduction in profit before taxation, with the effective tax rate excluding STC and taxation on exceptional items remaining relatively constant at 31.6% (2002: 32.4%).

Exceptional profits amount to R46 million (2002: R41 million) and comprise mainly profits arising on the sale of motor dealerships as part of manufacturer rationalisation programmes and certain property disposals.

Headline earnings per share of 211 cents (2002: 270 cents) reflect the impact of the appreciation of the Rand during the period. In addition to the fair value adjustments arising on marking-to-market financial instruments, the strong currency also affected the translation of profits from our non-South African businesses to the extent of approximately 23 cents per share.

Cash generated from operations of R567 million (2002: R1 157 million) is after deducting an amount of R427 million which represents growth in the lease receivables book. Significant cash outflows during the period include dividends paid (R711 million) and net cash applied to investing activities (R882 million). The net impact on the group's gearing ratio (excluding leasing operations) is an increase to 36.5% (March 2002: 31.1%) and an increase to 77.0% (March 2002: 63.4%) including leasing. An amount of R877 million was received in April 2003 from the disposal of the motor leasing book which has the effect of improving the group's gearing ratio including leasing by approximately 9%. The balance sheet remains healthy despite the impact of the strength of the Rand on the translation of non-South African assets. Total assets decreased by R 2 179 million from 30 September 2002.

CB Thomson
Financial Director

SEGMENTAL REVIEW

The Segment result disclosed in the segmental review includes operating profit, fair value adjustments on financial instruments and goodwill amortisation but is stated before investment income, interest paid and taxation. In the case of the leasing businesses, segment result is net of interest paid. The prior year numbers have been stated on a consistent basis.

Net assets disclosed in the segmental review comprise total assets excluding current and deferred tax assets, less non-interest bearing liabilities excluding current and deferred tax liabilities.

Capital Equipment

R million	**Revenue**			**Segment result**			**Net assets**	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 03	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
- Europe	**2 900**	3 232	6 199	**262**	252	520	**1 509**	1 779
- South Africa	**1 784**	1 295	2 790	**(148)**	45	88	**1 588**	1 197
- Rest of Africa	**785**	609	1 141	**80**	54	136	**250**	188
Total Trading	**5 469**	5 136	10 130	**194**	351	744	**3 347**	3 164
Leasing	**144**	98	168	**16**	10	23	**1 581**	1 363
	5 613	5 234	10 298	**210**	361	767	**4 928**	4 527
Share of associate income				**2**	4	0		

Most of the activity in this segment arises from our valued association with Caterpillar.

Activity levels in Europe remained high against a background of the continuing public sector infrastructure investment programme in Spain. Government/European Union-led investment in high-speed trains, roads and ports ensured strong demand for our products and services and a firm order book. In Portugal business is being downsized as a result of a clamp down on public sector spending. Operating margins in Europe rose from 8% to 9% as the portion of higher margin after market business increased relative to new and used equipment sales. The Siberian business continued its satisfactory development.

The South African business achieved excellent margins in a good trading environment. However the strong operating performance was more than offset in the segment result by R292 million in negative fair value adjustments on financial instruments. Market share gains were made in both the Caterpillar-based mining and construction sectors. The mining division saw repeat sales of Cat equipment fleets to satisfied customers. A notable achievement in the construction division was being awarded the bulk of the earthmoving equipment supply to all three of the main contractors on the Coega harbour project in the Eastern Cape. The introduction of the full Hyster range of warehousing equipment and growth in *Smart Partnerships™* with key South African customers has allowed the Handling division to increase operating profit. The agriculture division continues to increase market share out of the two key brands, Massey Ferguson and Claas.

In the rest of Africa, we achieved excellent growth in Angola as improved political stability resulted in improved demand for infrastructure rehabilitation and mining expansion. This was supported by both Botswana and Namibia, which continued to perform well.

The South African equipment finance business, which is an important part of the total solution-based *Smart Partnership™* offering to mining and construction customers, performed well and the book grew from R948 million in September 2002 to R1 150 million at 31 March 2003. The Spanish leasing business is a small but growing component.

Given the strength of the Rand in the first half, the capital equipment business is unlikely to show an improved performance for the full year compared with 2002.

Industrial Distribution

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 03	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
- Europe	**784**	838	2 202	**35**	25	95	**400**	550
- North America	**1 632**	2 008	3 812	**8**	9	28	**1 292**	1 545
Total trading	**2 416**	2 846	6 014	**43**	34	123	**1 692**	2 095
Leasing	**258**	270	582	**25**	14	35	**2 315**	2 759
	2 674	3 116	6 596	**68**	48	158	**4 007**	4 854
Share of associate income				**(2)**	(1)	0		

In Europe, the UK and Belgium Hyster lift truck operations achieved a good improvement in their profit generation. A slower trading environment was offset by better equipment deliveries and the contribution of the long term contracts with the UK Ministry of Defence.

In the US, the lift truck market remained fairly static but improved market shares helped to generate local currency profit improvement over the prior year with deliveries up 18%. The benefits of restructuring the US Handling business in the previous year also helped the operating profit levels. This was achieved in a difficult business environment. Barloworld Freightliner had a difficult first half-year with markets for trucks down in general. They delivered the same number of trucks as last year's first half, however the aftermarket business was affected by the slow economy.

A good performance by the leasing business due to an improved rate of delivery of contracted equipment in Europe and strong growth in the US from a small base produced a significant improvement in leasing profits. The book grew from £171 million in September 2002 to £190 million at 31 March 2003.

The US businesses are expected to show improvement in the second half linked to an improvement in business confidence levels in the US economy. The European businesses should maintain their current level of performance in the second half, albeit in more difficult business conditions than the period under review. Overall for 2003 Industrial Distribution should show an improvement on the previous year.

Motor

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 03	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
- South Africa	**3 621**	3 403	6 851	**50**	62	146	**991**	799
- Rest of Africa	**154**	174	357	**0**	6	10	**29**	24
- Australia	**703**	848	1 656	**12**	13	28	**408**	472
Total trading	**4 478**	4 425	8 864	**62**	81	184	**1 428**	1 295
Leasing	**75**	56	112	**10**	6	19	**936**	870
	4 553	4 481	8 976	**72**	87	203	**2 364**	2 165
Share of associate income				**38**	19	46		

The South African operations did well to increase revenue in a weak market. This was achieved after the sale of two DaimlerChrysler and one BMW dealership in line with manufacturer imposed dealership restructuring.

In Australia, the sale and rationalisation of the Mitsubishi dealerships resulted in lower revenue but a stronger segment result in local currency. The benefit of this was masked by the impact of the stronger Rand on translation.

Namibia produced another satisfactory result but the Botswana operations experienced a poor trading period

The leasing business, which was sold in April 2003, produced a satisfactory result for the period. Our associate company Avis Southern Africa Limited performed strongly.

The outlook for the second half of the year is positive in Australia and we expect the Botswana operations to perform better out of a new facility. However the outlook in South Africa is less positive and the prevailing high interest rates are expected to continue depressing demand. Overall it will be difficult to match last year's performance for the total motor business.

Cement & Lime

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 03	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
South Africa	**1 280**	994	2 226	**370**	219	586	**2 304**	2 591
Rest of Africa	**120**	204	345	**21**	27	44	**464**	635
	1 400	1 198	2 571	**391**	246	630	**2 768**	3 226
Share of associate income				**1**	13	34		

Stronger demand in both domestic and export markets resulted in significantly increased profitability. Price realisation and cost efficiencies also improved. Higher levels of activity were experienced at the PPC Saldanha material handling facility.

Portland Holdings Limited Zimbabwe reported a small operating loss following a planned shut down for maintenance in March, continued economic difficulties and problems relating to the regular supply of power, diesel and coal.

Increased operating profits are anticipated for the full year despite an expected decline in export revenues due to the stronger Rand and the situation in Zimbabwe which is not expected to improve in the short term. In the second half of last year profits recovered strongly and accordingly the second half performance for 2003 will be measured against a high comparative base.

Scientific Products

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 03	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
Europe	**622**	746	1 459	**18**	33	57	**876**	1 171
North America	**243**	365	720	**(8)**	(40)	(52)	**447**	601
Asia	**72**	79	157	**1**	2	4	**103**	133
	937	1 190	2 336	**11**	(5)	9	**1 426**	1 905

In Europe, economic and political uncertainties were reflected in destocking by our Laboratory distributors, particularly in the second quarter. Lower demand for Melles Griot's telecommunication products, which are manufactured in the UK, also caused some reduction in performance.

In the United States, overall losses were reduced despite continuing weak sales of Melles Griot's laser and photonics products. The ongoing programme of restructuring has achieved significant cost economies and the consolidation of the Irvine operations onto an enlarged site in Carlsbad positions the business to take full advantage of any upturn. Demand from the semiconductor manufacturing sector remained at historically low levels. Sales of laboratory products in the USA showed some growth over the previous year.

The Scientific businesses are expected to show earnings growth for the full year as the outlook for the second half is more positive driven by a further improvement in Melles Griot's performance and increased demand for laboratory products, as customer destocking comes to an end.

Coatings

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 03	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
South Africa	**684**	607	1 071	**58**	41	78	**477**	445
Rest of Africa	**59**	55	114	**5**	6	14	**22**	23
Australia & Asia	**569**	609	1 235	**18**	18	36	**251**	312
Europe	**0**	54	81	**0**	0	3	**8**	16
	1 312	1 325	2 501	**81**	65	131	**758**	796
Share of associate income				**15**	12	28		

In South Africa, the trend of good results continued and the business benefited from an improved product mix with growth in the premium brand segment and further market share gains in automotive coatings. Combined with continuing efficiency gains throughout the business, operating profits rose 51%.

With the exception of Zambia, the rest of Africa produced results in line with expectations and sustained a high level of returns.

Progress is ongoing in Australia and all aspects of the business improved with a consequent increase in returns. Notwithstanding a strengthening of the Rand, the result was in line with the prior year.

The outlook for the second half remains positive but the strong showing of the first half will not be matched. Notwithstanding this, the business is expected to show improved results for the full year compared with 2002.

Steel Tube

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 03	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
South Africa	**937**	793	1 720	**31**	29	84	**505**	486
Share of associate income				**3**	7	11		

Despite the adverse impact on exports of a substantially stronger Rand, profits were similar to last year. The drop in associate income reflects the sale of our 50% investment in steel trading company Stemcor at the end of the prior year.

The continued strength of the Rand and deteriorating international prices have reduced export margins further and last year's record profit levels will not be matched.

Corporate Services and Other

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 03	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
South Africa	**174**	9	176	**(43)**	(18)	(33)	**525**	173
Rest of Africa	**18**	18	80	**(2)**	1	6	**187**	287
Europe	**297**	314	745	**(12)**	(6)	51	**919**	1 438
	489	341	1 001	**(57)**	(23)	24	**1 631**	1 898

The logistics operations in South Africa grew non-group revenues strongly and traded profitably as the business continued to expand its supply chain management offering and gain market share. High levels of re-investment in capacity to fuel future growth continued in the current period. The Spanish logistics

Group income statement

R million	Notes	Six months ended 31 March 2003 Reviewed	31 March 2002 Unaudited	% Change	Year ended 30 Sept 2002 Audited
Revenue		**17 915**	17 678	1	35 999
Operating profit	1	**1 171**	832	41	2 067
Fair value adjustments on financial instruments	2	**(313)**	36		55
Finance costs	3	**(298)**	(207)		(401)
Income from investments		**149**	148		253
Goodwill amortisation		**(51)**	(60)		(116)
Profit before exceptional items		**658**	749	-12	1 858
Exceptional items		**46**	41		369
Profit before taxation		**704**	790		2 227
Taxation	4	**274**	283		636
Profit after taxation		**430**	507		1 591
Income from associates and joint ventures		**57**	43		119
Minority interest and 6% preference shareholders in Barloworld Limited		**(85)**	(47)		(207)
Net profit		**402**	503		1 503
Weighted average number of ordinary shares in issue during the period (000)					
- basic		**195 737**	195 284		195 284
- fully diluted		**198 930**	202 655		199 755
Net profit per share (cents)					
- basic		**205**	258	-21	770
- fully diluted		**202**	252	-20	751
Earnings per share excluding exceptional items (cents)					
- basic		**182**	233	-22	592
- fully diluted		**179**	228	-22	579
Headline earnings per share (cents)					
- basic		**211**	270	-22	622
- fully diluted		**207**	264	-22	608
Ordinary dividends per share (cents)		**90**	90		275

Group balance sheet

R million	Notes	31 March 2003 Reviewed	31 March 2002 Unaudited	30 September 2002 Audited
Assets				
Non-current assets		**12 180**	12 826	13 872
Property, plant and equipment		**7 012**	7 440	7 811
Other non-current assets	7	**855**	812	971
Goodwill and intangible assets		**1 419**	1 890	1 657
Investment in associates and joint ventures	8	**420**	392	373
Finance lease receivables		**2 075**	2 111	2 675
Deferred tax assets		**399**	181	385
Current assets		**12 738**	12 412	13 225
Inventories		**5 325**	5 401	5 895
Trade and other receivables		**6 055**	5 525	5 576
Cash and cash equivalents		**1 358**	1 486	1 754
Total assets		**24 918**	25 238	27 097
Equity and Liabilities				
Capital and reserves				
Share capital and premium		**709**	682	682
Other reserves		**1 921**	3 666	3 789
Retained income		**6 763**	6 227	6 727
Equity portion of convertible bond		**36**	17	36
Interest of shareholders of Barloworld Limited		**9 429**	10 592	11 234
Minority interest		**650**	634	791
Interest of all shareholders		**10 079**	11 226	12 025
Non-current liabilities		**4 215**	4 852	5 195
Interest-bearing		**2 736**	3 220	3 248
Deferred tax liabilities		**555**	367	617
Convertible bond		**207**	298	263
Non-interest bearing		**717**	967	1 067
Current liabilities		**10 624**	9 160	9 877
Amounts due to bankers and short-term loans		**4 816**	3 599	3 677
Taxation		**473**	400	479
Trade and other payables		**4 724**	4 745	5 168
Provisions		**611**	416	553
Total equity and liabilities		**24 918**	25 238	27 097

Group cash flow statement

R million	Six months ended 31 March 2003 Reviewed	Six months ended 31 March 2002 Unaudited	Year ended 30 September 2002 Audited
Cash flow from operating activities			
Operating cash flows before movements in working capital	**1868**	1386	3244
(Increase)/decrease in working capital	**(874)**	(106)	416
Increase in instalment sale and leasing receivables	**(427)**	(123)	(828)
Cash generated from operations	**567**	1 157	2 832
Realised adjustments on financial instruments	**(203)**	36	55
Finance costs and investment income	**(131)**	(59)	(111)
Taxation paid	**(300)**	(250)	(567)
Cash flow from operations	**(67)**	884	2 209
Dividends paid	**(711)**	(449)	(649)
Net cash (used in) / from operating activities	**(778)**	435	1 560
Net cash applied to investing activities	**(882)**	(1 068)	(1 793)
Acquisition of subsidiaries and investments	**(171)**	(323)	(431)
Buy-back of Barloworld shares	**(4)**		
Acquisition of property, plant and equipment			
- rental assets	**(554)**	(301)	(1 041)
- other	**(363)**	(645)	(1 281)
Proceeds on disposal of subsidiaries, investments and property, plant and equipment	**210**	201	960
Net cash available from financing activities	**1 540**	133	(24)
Ordinary shares issued	**27**		
Increase in interest-bearing liabilities	**1 513**	133	(24)
Net decrease in cash and cash equivalents	**(120)**	(500)	(257)
Cash and cash equivalents at beginning of period	**1 754**	1 781	1 781
Effect of foreign exchange rate movements	**(276)**	205	230
Cash and cash equivalents at end of period	**1 358**	1 486	1 754

Statement of changes in equity

R million	Six months ended 31 March 2003 Reviewed	31 March 2002 Unaudited	Year ended 30 September 2002 Audited
Interest of Barloworld Limited shareholders			
Balance at the beginning of the period	**11 234**	9 077	9 061
Net movements not recognised through the income statement	**(1 647)**	1 295	1 160
Buy-back of Barloworld Limited shares	**(4)**		
Barloworld Limited ordinary shares issued	**27**		
Movement on foreign currency translation reserve	**(1 681)**	1 344	1 359
Translation reserves realised on liquidation of offshore subsidiaries			(201)
Other reserve movements	**11**	(49)	2
Net movements recognised through the income statement	**(158)**	220	1 013
Net profit for the period	**402**	503	1 503
Hedge reserve release to income			(30)
Reserve released on disposal of available-for-sale investments			(1)
Dividends on ordinary shares	**(560)**	(283)	(459)
Balance at the end of the period	**9 429**	10 592	11 234

Group salient features

	Six months ended 31 March 2003 Reviewed	31 March 2002 Unaudited	Year ended 30 September 2002 Audited
Number of ordinary shares in issue (000)	**196 262**	195 284	195 284
Net asset value per share including investments at market value (cents)	**4 920**	5 633	5 872
Total liabilities to total shareholders' funds (%)	**141.7**	121.5	120.2
Total borrowings to total shareholders' funds			
- gross excluding leasing operations (%)	**36.5**	31.1	23.3
- gross including leasing operations (%)	**77.0**	63.4	59.8
Interest cover (times)			
- excluding leasing operations	**3.0**	4.5	6.1

otes

R million	Six months ended 31 March 2003 Reviewed	Six months ended 31 March 2002 Unaudited	Year ended 30 September 2002 Audited
. Operating profit			
Included in operating profit are:			
Cost of sales	**14 666**	14 434	28 173
Depreciation	**694**	657	1 305
Profit on sale of plant and equipment	**48**	24	77
2. Fair value adjustments on financial instruments			
Foreign exchange (losses) / gains arising from:			
Financial instruments designated as hedging instruments			(14)
Forward exchange contracts and other financial instruments	**(308)**	18	30
Translation of foreign currency monetary items	**(5)**	18	39
	(313)	36	55
3. Finance costs			
Total finance costs	**657**	358	724
Less: Leasing interest classified as cost of sales	**359**	151	322
Less: Capitalised to property, plant and equipment			1
	298	207	401
4. Taxation			
Taxation per Income Statement	**274**	283	636
Prior year taxation	**(11)**	(1)	19
Taxation on exceptional items		2	32
Secondary tax on companies (STC)	**(59)**	(51)	(56)
Taxation on profit before STC and exceptional items	**204**	233	631
Profit before exceptional items	**658**	749	1,858
Dividend income	**(14)**	(29)	(30)
Profit before exceptional items and dividends received	**644**	720	1 828
Effective taxation rate (excluding exceptional items, STC, prior year tax and dividends received)	**31.6%**	32.4%	34.5%
5. Net profit excluding exceptional items			
Net profit attributable to ordinary shareholders	**402**	503	1 503
Profit realised on share issue to minorities in subsidiary		(62)	(60)
Impairment losses	**3**	23	131
Profit on disposal of properties, investments and subsidiaries	**(50)**		(352)
Realisation of translation reserve on liquidation of offshore subsidiaries			(201)
Attributable exceptional items of associates			10
Provision for pension fund closure costs			100
Other	**1**	(2)	3
Exceptional profits	**(46)**	(41)	(369)
Taxation on exceptional items		(2)	(32)
Interest of outside shareholders	**1**	(5)	54
Net exceptional profits	**(45)**	(48)	(347)
Net profit excluding exceptional items attributable to ordinary shareholders	**357**	455	1 156
6. Headline earnings			
Net profit excluding exceptional items	**357**	455	1 156
Provision for pension fund closure costs net of taxation			(70)
Goodwill amortisation	**51**	60	116
Interest in associate goodwill amortisation	**3**	7	11
Loss on sale of plant and equipment*	**1**	6	1

R Million	Reviewed Six months ended 31 March 2003 Market value/ Directors' valuation	Book value	Unaudited Six months ended 31 March 2002 Market value/ Directors' valuation	Book value	Audited Year ended 30 September 2002 Market value/ Directors' valuation	Book value
'. Other non-current assets						
Listed investments	**14**	**14**	16	12	17	17
Unlisted investments	**292**	**292**	263	250	299	299
	306	**306**	279	262	316	316
Other non-current assets		**549**		550		655
		855		812		971
'. Investment in associates and joint ventures						
Listed associates	**421**	**242**	274	175	386	184
Unlisted associates	**316**	**168**	585	197	292	172
		410		372		356
Loans and advances		**10**		20		17
	737	**420**	859	392	678	373

	Six months ended 31 March 2003 Reviewed	31 March 2002 Unaudited	Year ended 30 September 2002 Audited
). Capital expenditure	**917**	946	2 322
Rental assets	**554**	301	1 041
Other	**363**	645	1 281
0. Commitments			
Capital commitments to be incurred	**584**	523	638
Contracted	**239**	383	379
Approved	**345**	140	259
Operating lease commitments	**1 403**	1 785	1 750
1. Contingent liabilities			
Guarantees and claims	**166**	236	394

2. Post Balance Sheet events

The Barloworld Leasing debtors book was sold for R877m to Wesbank effective 1 April 2003. The purchase consideration due is disclosed with current assets as other receivables as at 31 March 2003. The 49% interest in the Coatings joint venture Schenectady (Pty) Ltd was sold for R30m with effect from 2 May 2003. We entered into a 50/50 joint venture with Durban South Motors in a transaction representing the largest

3. Basis of preparation

The interim financial results have been prepared in accordance with IAS34 as well as AC127 (Interim Financial Reporting). The accounting policies used to prepare the interim financial statements are consistent with those used in the 2002 annual financial statements, which were in accordance with International Financial Reporting Standards and with South African Statements of Generally Accepted Accounting Practice.

4. Auditors review

Deloitte & Touche has reviewed these interim results. Their unqualified review opinion is available for inspection at the company's registered office.

Segmental summary

	Revenue			Operating Profit			Fair value adjustments on financial instruments			Goodwill amortisation			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended	6 months ended		Year ended	6 months ended		Year ended	6 months ended		Year ended		
R million	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	31 Mar 02	30 Sep 02	**31 Mar 03**	30 Sep 02
apital quipment	**5 613**	5 234	10 298	**509**	357	737	**(298)**	10	32	**(1)**	(6)	(2)	**210**	361	767	**4 928**	4 527
ndustrial istribution	**2 674**	3 116	6 596	**80**	64	201	**0**	0	(13)	**(12)**	(16)	(30)	**68**	48	158	**4 007**	4 854
lotor	**4 553**	4 481	8 976	**94**	97	224	**(13)**	0	0	**(9)**	(10)	(21)	**72**	87	203	**2 364**	2 165
ement & ime	**1 400**	1 198	2 571	**377**	235	613	**14**	14	20	**0**	(3)	(3)	**391**	246	630	**2 768**	3 226
cientific roducts	**937**	1 190	2 336	**23**	9	38	**0**	0	0	**(12)**	(14)	(29)	**11**	(5)	9	**1 426**	1 905
oatings	**1 312**	1 325	2 501	**87**	62	129	**(5)**	3	3	**(1)**	0	(1)	**81**	65	131	**758**	796
teel Tube	**937**	793	1 720	**10**	29	84	**21**	0	0	**0**	0	0	**31**	29	84	**505**	486
orporate ervices nd Other	**489**	341	1 001	**(9)**	(21)	41	**(32)**	9	13	**(16)**	(11)	(30)	**(57)**	(23)	24	**1 631**	1 898
	17 915	17 678	35 999	**1 171**	832	2 067	**(313)**	36	55	**(51)**	(60)	(116)	**807**	808	2 006	**18 387**	19 857

Directors

Non executive: WAM Clewlow (Chairman) RKJ Chambers MJ Levett DB Ntsebeza SB Pfeiffer** LA Tager EP Theron RC Tomkinson*

Executive: AJ Phillips (Chief Executive)* K Brown** MD Coward LS Day* BP Diamond JE Gomersall* AJ Lamprecht PJ Maybury* PM Surgey CB Thomson

*British **American

Dividend Declaration

Notice is hereby given that an interim ordinary dividend (No. 148) of 90 cents per ordinary share (2002 : 90 cents per ordinary share) has been declared by the directors for the half-year ended 31 March 2003. In compliance with the requirements of the electronic settlement system of the JSE Securities Exchange South Africa, the following dates are applicable:

Last day to trade "CUM" dividend	Friday, 6 June 2003
Shares trade "Ex" dividend	Monday, 9 June 2003
Record date	Friday, 13 June 2003
Payment date	Tuesday, 17 June 2003

The interim dividend will be converted at the ruling GBP/ZAR exchange rate at the close of business on Friday 13 June 2003, for shareholders registered in the United Kingdom.

Shareholders in respect of the South African register will not be permitted to dematerialise/rematerilise their shares, nor may transfers between the South African register and the United Kingdom register take place, between Monday 9 June 2003 and Friday 13 June 2003, both days inclusive.

On behalf of the Board, **M J Barnett,** Secretary

About Barloworld

Barloworld is an international industrial brand management company. We offer our global customer base business solutions backed by leading industrial brands, supported by service, relationships and attention to detail. We strive to make their businesses excel. Founded in 1902 in South Africa, the company operates under a philosophy of Value Based Management and focuses on creating sustainable value for all stakeholders.

We market and distribute leading international brands on behalf of principals as well as offering our own market leading brands. Our principals include Caterpillar (machines and engines), Hyster (lift trucks), Freightliner (trucks), and many of the world's leading motor vehicle brands. We manufacture, market and distribute our own brand products and services under brand names such as PPC (cement and lime), Plascon, Taubmans, Bristol and White Knight (coatings), Robor (steel tube), Melles Griot (photonics) and Bibby Sterilin (laboratory equipment). We are developing a major logistics business and we also offer a finance solution to many of our capital goods customers.

Barloworld employs 23 000 people, half of whom are in South Africa. We have operations in thirty-one countries around the world.

Striving for market leadership wherever we operate, the Barloworld team thrives on taking on difficult business challenges. Barloworld people seek to do things differently and to take advantage of the diversity within the company to deliver value to customers.

Addresses

Registered office and business address:
Katherine Street
P O Box 782248
Sandton
2146, South Africa

United Kingdom registrar:
Lloyds TSB Registrars
The Causeway, Worthing
West Sussex, BN99 6DA, England

Transfer secretaries:
Computershare Investor Services Limited
11 Diagonal Street
Johannesburg
2091, South Africa

Postal address:
P O Box 1053
Johannesburg
2000, South Africa