Barloworld
Leading brands

Barloworld Limited

Reviewed interim results

for the six months ended 31 March 2004

Tony Phillips, CEO of Barloworld, said:

"Our strong first half operating results have been driven by margin improvements as we continue to reap the benefits of our Value Based Management approach to doing business. It has been underpinned by lower finance costs and fair value adjustments relating to financial instruments. We are continuing to grow the company organically and through acquisition. The outlook for the full year is excellent and we look forward to reporting further progress as we take advantage of the improved global economic environment."

12 May 2004

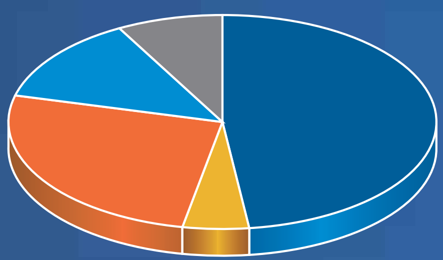
Highlights

Strong first half performance underpins prospects for the full year

- Improved global trading conditions
- Operating margin rises to 6,8% (2003: 6,3%) as Value Based Management continues to deliver
- Operating profits up 6% to R1 184 million
- Strong operating cash flows of R1 472 million (2003: R994 million)
- Active acquisition and disposals programme continues
  - R1,5 billion Avis acquisition completed
  - R1,4 billion equipment finance book disposal announced
- Headline earnings rise 77% to 374 cents per share (2003: 211 cents)
  - reduced interest costs
  - lower negative fair value adjustments on financial instruments R57 million (2003: R313 million)
- Dividend increased 28% to 115 cents per share (2003: 90 cents)

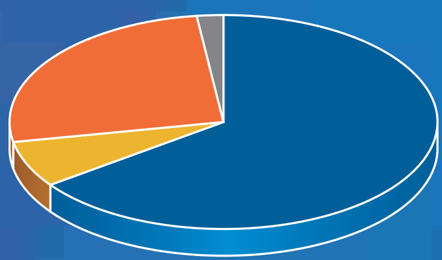
GEOGRAPHIC SEGMENTAL ANALYSIS
(6 months to 31 March 2004)

REVENUE



South Africa	*48%*
Rest of Africa	*5%*
Europe	*26%*
North America	*13%*
Austria and Asia	*8%*

RESULTS



South Africa	*65%*
Rest of Africa	*7%*
Europe	*26%*
North America	*0%*
Austria and Asia	*2%*

Chairman and Chief Executive's report

A STRONG PERFORMANCE

During the first six months of 2004, Barloworld produced good results in relevant trading currencies.

On a constant currency basis, worldwide revenues grew 8%. Our businesses outside South Africa accounted for 52% of total revenue (2003: 52%). Despite marginally lower rand revenues compared with the first half of last year, operating profit rose 6% as we continued to improve the quality of our business through Value Based Management. The operating margin increased from 6,3% for the six months to March 2003 to 6,8% for the period under review.

Lower interest costs and fair value adjustments on financial instruments, combined with the reversal of the pension fund closure provision from the 2002 financial year resulted in the solid operating performance translating into headline earnings per share growth of 77% to 374 cents (2003: 211 cents). The interim dividend was increased by 28% to 115 cents per share.

The strength of cement demand in South Africa resulted in substantially higher profit contributions from Cement & Lime, while Coatings benefited from a continuing improvement in margins. Growth in Equipment profits in South Africa was due primarily to lower negative fair value adjustments on financial instruments. The South African motor business performed well.

The Spanish equipment business maintained its strong performance and there was a pleasing turnaround in Portugal. Improved conditions in the United States economy were seen in higher dollar revenues in both Scientific and Industrial Distribution however, the full benefits will only be seen in the second half of the year. Market conditions in Australia remained favourable although the results of our Motor operations there continued to be impacted by dealership renovations.

ACQUISITIONS AND DISPOSALS TO IMPROVE VALUE CREATION CONTINUE

We have continued our strategy of incremental acquisitions to add geographic territory and extend our total solutions, product and service offerings in the things we do well.

The largest acquisition was the completion of the transaction to acquire 100% of Avis Southern Africa Limited (Avis). In addition to the payment of R1 085 million in cash, approximately 5,6 million Barloworld shares were issued to Avis shareholders. The effects are fully consolidated on the balance sheet at the half year and integration of Avis with our existing motor operations is going well.

The sale of our South African equipment finance book to Wesbank for approximately R1,4 billion is under way. Subject to regulatory approvals, it is expected to be completed before the end of the current financial year.

BLACK ECONOMIC EMPOWERMENT (BEE)

A key to South Africa's future is that all South Africans participate fully in every aspect of the economy. Our focus is to ensure that whatever we do in this area creates long term sustainable value for all our stakeholders. As part of this systematic structured approach, in the past six months we have entrenched our position as the leaders in BEE in the motor industry through further equity transactions involving our BMW and DaimlerChrysler dealerships.

BOARD AND MANAGEMENT CHANGES

As previously announced, in January 2004 Russell Chambers retired from the board and Gonzalo Rodrigues de Castro de los Rios was appointed as an independent director. Mr de Castro is a former chief executive of the Madrid stock exchange and will bring another valuable international perspective to the work of the board. Peter Maybury who has served the organisation with distinction over 20 years, retired from the board on 31 March 2004 following his retirement as an executive of the company. On 10 May 2004 John Blackbeard, CEO designate of Barloworld Scientific and currently Chief Operating Officer of PPC was appointed to the board. In accordance with international best practice in corporate governance Warren Clewlow, the Chairman of Barloworld Limited has resigned from the audit committee.

EXCELLENT PROSPECTS FOR THE FULL YEAR

In South Africa demand for cement, coatings and motor vehicles remains strong and while we do not anticipate the same rate of growth, we expect further progress across all these sectors in the second half of the year. The prospect of continued high real interest rates remains a concern in an economy that is still only growing slowly. Trading conditions are expected to remain positive in the United Kingdom and Australia while the US recovery is expected to continue. In Spain some uncertainty has been created by the terrorist attacks and subsequent change of government.

A key uncertainty for the short term remains currency volatility. A strong rand will continue to affect earnings through lower export volumes and/or margins, the translation impact on offshore profits and fair value adjustments on financial instruments. This remains difficult to forecast.

Against this background and the fact that Avis's results and cash flows will be consolidated from 1 April 2004, we anticipate an even stronger operating performance in the second half. We are well positioned to take advantage of the improvement in global trading conditions. Subject to a degree of exchange rate stability we look forward to being able to report a better performance at the headline earnings per share level for the full financial year compared with 2003.

The medium term outlook for Barloworld remains positive. We are continually improving the quality of existing operations to generate sustainable higher margins and profits, and strong cash flows. These are the foundation on which we will implement our growth strategy to expand both organically and through incremental acquisitions as we work to create a growing global organisation producing value for all stakeholders.

WAM Clewlow
Chairman

AJ Phillips
Chief Executive Officer

Group financial review

Revenues declined by 2% during the period to R17,5 billion mainly due to the impact of the stronger rand on the translation of offshore revenues.

Operating profit improved by 6% to R1 184 million as a result of a continuing improvement in margins and tight control of operating expenses. Included in operating profit is a trading benefit of approximately R84 million (2003: R71 million) arising from the sale of inventories at selling prices based on rates in forward cover contracts, whereas cost of sales is recorded at average spot rates at the date of the transaction.

Fair value adjustments on financial instruments resulted in a charge to income of R57 million (2003: R313 million). The considerable decline was due to a less steep appreciation in the rand against the dollar in comparison to the six-month period to March 2003.

Finance costs decreased to R182 million (2003: R298 million) due to lower South African interest rates and reduced average net borrowing levels.

Exceptional profits of R159 million include profits on the disposal of properties, investments and subsidiaries (R64 million) and a reversal of a provision raised in 2002 for the closure of a South African pension fund (R100 million).

The taxation charge of R428 million is in line with the higher profits. The effective tax rate, excluding STC, prior year taxation and taxation on exceptional items increased slightly to 32,9% (2003: 31,6%).

Headline earnings per share increased by 77% to 374 cents. This is mainly attributable to improved operating margins, lower fair value adjustments, lower local interest rates and the reversal of the pension fund closure provision.

The balance sheet reflects the Avis acquisition which was effective on 29 March 2004, and is therefore fully consolidated at the half year. Total assets employed in the business grew by R5 089 million in the past six months which is attributable to the inclusion of the Avis assets and goodwill arising on the acquisition.

Avis interest-bearing debt of R2 028 million together with the R1 085 million cash portion of the purchase consideration for the additional shareholding contributed to borrowings increasing by R4 084 million since September 2003.

In light of the Avis transaction we have reassessed the gearing ratios appropriate for the different components of the group's operations. For this purpose three broad segments have been defined, namely Trading (manufacturing and dealership businesses), Leasing (long-term leasing solutions including fleet services) and Car Rental. The target and actual debt-to-equity ratios for these segments are as follows:

Total debt to equity (%)	**Trading**	**Leasing**	**Car Rental**	**Total group**
Target range	20 – 40	600 – 800	200 – 300	
Ratio at 31 March 2004*	34	614	264	95

* *The R1 085 million Avis acquisition debt has been allocated between Avis Rent A Car and Fleet Services on a pro forma basis in proportion to equity*

The total debt to equity ratio for the group will depend on the relative mix of assets between these three segments. Under the assumption that each segment is geared at the mid-point of the target range as at 31 March 2004, the total debt-to-equity ratio for the group would amount to approximately 95% which is in line with the actual ratio as at this date. The recently announced sale of our equipment finance book is anticipated to reduce the group's total gearing ratio by approximately 13 percentage points.

Total interest cover for the group improved considerably to 4,6 times (2003: 2,4 times) as did interest cover for the Trading segment at 6,6 times (2003: 3,0 times). These ratios have not been impacted by the Avis acquisition due to the effective date being 29 March 2004.

Cash generated from operations was strong at R1 472 million (2003: R994 million). Net cash applied to investing activities of R2 255 million includes the cash portion of the Avis acquisition and an amount of R189 million to increase the group's holding in Pretoria Portland Cement Company Limited (PPC) to 70,1% from 67,4%. In addition, we acquired a logistics business ZA Trans for R26 million, an additional Freightliner dealership, Texarkana Truck Center for US$8,2 million (R57 million) and Geveke Intern Transport B.V. for €4,9 million (R40 million). Proceeds on disposal of investments amounting to R184 million included the sale of three South African motor dealerships, the Melles Griot operation in Ely, Cambridgeshire and our Henry Cooke paper mill in the United Kingdom. The group has cash and cash equivalents at the end of the period amounting to R1 637 million.

CB Thomson
Finance Director

Segmental review

The segment result disclosed in the segmental review includes operating profit net of goodwill amortisation and fair value adjustments on financial instruments 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 commentaries in the segmental reviews reflect performance in the relevant local currencies.

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.

EQUIPMENT

R million	Revenue 6 months ended 31 Mar 04	Revenue 6 months ended 31 Mar 03	Revenue Year ended 30 Sept 03	Segment result 6 months ended 31 Mar 04	Segment result 6 months ended 31 Mar 03	Segment result Year ended 30 Sept 03	Net assets 31 Mar 04	Net assets 30 Sept 03
Europe	**2 564**	2 900	5 303	**248**	262	505	**1 552**	1 601
South Africa	**1 654**	1 784	3 817	**73**	(148)	67	**1 579**	1 410
Rest of Africa	**583**	785	1 501	**55**	80	170	**255**	145
Trading	**4 801**	5 469	10 621	**376**	194	742	**3 386**	3 156
South Africa	**92**	91	207	**20**	7	43	**1 445**	1 375
Europe	**35**	53	80	**3**	9	7	**221**	304
Leasing	**127**	144	287	**23**	16	50	**1 666**	1 679
	4 928	5 613	10 908	**399**	210	792	**5 052**	4 835
Share of associate income after tax					2			

The business in this segment arises mainly from our longstanding relationship with Caterpillar Inc. as their dealer-partner in 17 countries.

Activity levels in Europe remained high against a background of the ongoing public sector infrastructure investment programme in Spain and a market recovery in Portugal. Revenues grew 9% and operating margins were maintained at 9% despite a volume trend towards smaller units. The Siberian business continued its satisfactory development.

The southern African business (South Africa and Rest of Africa) achieved a solid result in a positive trading environment. Market share gains were made in all sectors and the strong operating performance was enhanced by lower negative fair value adjustments on financial instruments of R77 million (2003: R298 million).

The South African equipment finance business, which is in the process of being sold to Wesbank, performed well and the book grew from R1 377 million in September 2003 to R1 438 million at 31 March 2004.

The division had a strong order book of R1 410 million at 31 March 2004 (30 September 2003: R1 113 million) and is expected to show an improved performance for the full year compared with 2003.

INDUSTRIAL DISTRIBUTION

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 04	31 Mar 03	30 Sept 03	**31 Mar 04**	31 Mar 03	30 Sept 03	**31 Mar 04**	30 Sept 03
Europe	**959**	784	2 052	**31**	35	79	**380**	356
North America	**2 038**	1 632	3 135	**14**	8	10	**1 047**	1 029
Trading	**2 997**	2 416	5 187	**45**	43	89	**1 427**	1 385
Europe	**201**	223	383	**24**	20	40	**1 789**	1 660
North America	**49**	35	74	**(12)**	5	6	**736**	668
Leasing	**250**	258	457	**12**	25	46	**2 525**	2 328
	3 247	2 674	5 644	**57**	68	135	**3 952**	3 713
Share of associate income after tax				**(2)**	(2)	(3)		

In Europe, revenues improved in quiet trading conditions in the UK and Belgium due to the acquisition of the Hyster dealership for the Netherlands on 1 October 2003. Profits were maintained and the order book at the end of the period was strong.

In the US, the lift truck market showed a marked improvement and whilst unit deliveries were in line with last year, the order book grew 46% compared with the first half of 2003 to 984 units. Operational highlights included the winning of the contracts to supply the new Hyundai and Mercedes-Benz auto plants in Alabama. The class eight truck market continued its recovery and Barloworld Freightliner delivered 1 919 units (2003: 649 units) however, most of the sales were to corporate fleets at low margins. The order book has grown from 480 units at 30 September 2003 to 2 751 units at 31 March 2004.

The European leasing business performed well however, the US business made a lower profit contribution due to the write off of US$2,9 million in doubtful debts on pure finance loans written in 2002. Pure finance lending will be phased out over the next year. The book grew from £207 million in September 2003 to £231 million at 31 March 2004.

During the second half of the year improved margins on higher business volumes should result in a higher contribution for the full year compared with 2003.

Segmental review continued

MOTOR

R million	Revenue 6 months ended 31 Mar 04	Revenue 6 months ended 31 Mar 03	Revenue Year ended 30 Sept 03	Segment result 6 months ended 31 Mar 04	Segment result 6 months ended 31 Mar 03	Segment result Year ended 30 Sept 03	Net assets 31 Mar 04	Net assets 30 Sept 03
South Africa	**3 598**	3 621	6 652	**47**	50	72	**698**	1 008
Rest of Africa	**169**	154	302	**(5)**	0	(7)	**36**	36
Australia	**698**	703	1 393	**0**	12	17	**394**	412
Trading	**4 465**	4 478	8 347	**42**	62	82	**1 128**	1 456
South Africa	**–**	75	75	**–**	10	10	**2 937**	8
Rest of Africa	**–**	–	–	**–**	–	–	**356**	–
Europe	**–**	–	–	**–**	–	–	**992**	–
Car rental and leasing*		75	75		10	10	**4 285**	8
	4 465	4 553	8 422	**42**	72	92	**5 413**	1 464
Share of associate income after tax				**47**	38	76		

* *Car rental and leasing operations' net assets reflect the consolidation of the Avis balance sheet as at 31 March 2004, while the proportionate share of profit is shown under share of associate income*

The South African operations did well in a strong market. The underlying performance is stronger than the reported numbers suggest as a number of dealerships have either been sold or transferred into empowerment joint ventures where their results are now reported as a share of associate income after tax.

Namibia and Botswana experienced a poor trading period and made a loss.

In Australia, revenues and profits were adversely affected by lower demand for the Mercedes brand, the residual effect of last year's rebuilding programmes at our largest dealership, Barloworld Holden/VW and strong competition to the Holden brand from new models in other brands.

Avis produced a solid performance and retained market share in all its operations. Its Fleet Services division improved profitability in the six months from an increased range of value added services. The Rent A Car southern African operations grew rental days by 3% over the comparable six-month period resulting in a marginal improvement in profitability. Sound pricing improvements and significantly lower fleet holding costs were achieved in the second quarter. The Scandinavian operations increased rental days by 10% over the comparative six-month period, however, the strength of the rand resulted in a reduced profitability from this region.

The outlook for the second half of the year is positive in all territories and a full contribution from 100% of Avis Southern Africa should result in a significant increase in operating profits.

CEMENT AND LIME

R million	Revenue 6 months ended 31 Mar 04	31 Mar 03	Year ended 30 Sept 03	Segment result 6 months ended 31 Mar 04	31 Mar 03	Year ended 30 Sept 03	Net assets 31 Mar 04	30 Sept 03
South Africa	**1 512**	1 280	2 776	**494**	370	845	**2 227**	2 687
Rest of Africa	**118**	120	240	**22**	21	28	**417**	320
	1 630	1 400	3 016	**516**	391	873	**2 644**	3 007
Share of associate income after tax				**5**	1	6		

The strong performance in the first half is largely attributable to the continued growth in cement demand arising from improved levels of infrastructural spending and buoyant housing construction prompted by the lower interest rates. Domestic cement sales for the half-year increased by 15% over the comparable period last year with Gauteng, the Western, Southern and Eastern Cape being the regions showing the greatest volume growth. The Coega Harbour project and associated development has been a major boost to construction activity in the Eastern Cape and sales in the Port Elizabeth area for the month of March 2004 were at an all time record.

This growth combined with further cost savings and efficiency improvements resulted in a 32% increase in profits compared with the first half of 2003. Demand for lime was lower than last year.

The Botswana operations performed satisfactorily. Although not consolidated for the period under review, Portland Holdings Limited in Zimbabwe reported a small operating profit.

Increased operating profits are anticipated for the full year however, the rate of growth is unlikely to match that achieved in the first half.

COATINGS

R million	Revenue 6 months ended 31 Mar 04	31 Mar 03	Year ended 30 Sept 03	Segment result 6 months ended 31 Mar 04	31 Mar 03	Year ended 30 Sept 03	Net assets 31 Mar 04	30 Sept 03
South Africa	**670**	684	1 104	**105**	58	107	**422**	359
Rest of Africa	**59**	59	121	**6**	5	15	**25**	26
Australia and Asia	**540**	569	1 028	**21**	18	33	**276**	262
Europe	**–**	–	–	**–**	–	–	**0**	7
	1 269	1 312	2 253	**132**	81	155	**723**	654
Share of associate income after tax				**13**	15	30		

Segmental review continued

The trend of improved results continued as the business benefited from growth in demand for decorative coatings. On a comparable basis revenue grew by more than 3%. This combined with further efficiency gains throughout the business and in particular in South Africa, saw operating profits increase by 63%.

The Australian results reflect an improved retail performance and increased operating efficiencies.

The rest of Africa produced results in line with expectations and sustained comparable levels of returns.

The automotive coatings division also performed well.

The outlook for the second half remains positive but the level of the strong showing of the first half will not be matched. Notwithstanding this, the business is expected to show substantially improved results for the full year compared with 2003.

SCIENTIFIC

R million	Revenue			Segment result			Net assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 04	31 Mar 03	30 Sept 03	**31 Mar 04**	31 Mar 03	30 Sept 03	**31 Mar 04**	30 Sept 03
Europe	**521**	622	1 167	**8**	18	46	**751**	784
North America	**206**	243	466	**0**	(8)	(34)	**300**	370
Asia	**69**	72	135	**2**	1	0	**98**	100
	796	937	1 768	**10**	11	12	**1 149**	1 254

In Europe, the Laboratory business experienced weak first quarter demand combined with some one-off restructuring and other costs. The second quarter showed a strong recovery which should continue through the second half. Melles Griot's loss-making UK operation in Ely, Cambridgeshire was sold.

In the United States, demand for Melles Griot's laser and photonics products increased steadily through the first half and the business showed a return to break even, reflecting the benefits of the extensive restructuring carried out over the previous two years.

The Scientific businesses are expected to make a substantially higher profit contribution for the full year driven by the sustained upturn in demand for Melles Griot's products and the improved conditions in the Laboratory market.

STEEL TUBE

R million	Revenue 6 months ended 31 Mar 04	31 Mar 03	Year ended 30 Sept 03	Segment result 6 months ended 31 Mar 04	31 Mar 03	Year ended 30 Sept 03	Net assets 31 Mar 04	30 Sept 03
South Africa	**819**	937	1 736	**17**	31	38	**527**	514
Share of associate income after tax				**3**	3	5		

Demand for steel tube from the mining industry and exporters, particularly for capital projects was depressed. This combined with the adverse impact of the stronger rand on export profit margins resulted in lower profits than the comparative period last year.

The outlook for the business is considerably better in the second half due to a recent sharp rise in international steel prices and a worldwide shortage of steel products.

CORPORATE OPERATIONS AND OTHER

R million	Revenue 6 months ended 31 Mar 04	31 Mar 03	Year ended 30 Sept 03	Segment result 6 months ended 31 Mar 04	31 Mar 03	Year ended 30 Sept 03	Net assets 31 Mar 04	30 Sept 03
South Africa	**110**	174	234	**(21)**	(43)	(72)	**1 015**	232
Rest of Africa	**24**	18	39	**(1)**	(2)	(4)	**209**	273
Europe	**244**	297	583	**(24)**	(12)	(2)	**1 013**	1 077
	378	489	856	**(46)**	(57)	(78)	**2 237**	1 582

The corporate operations are primarily the corporate offices in South Africa and the United Kingdom, and include shared services such as treasury, risk management and information technology.

In South Africa the segment result benefited from a reduction in fair value adjustments on financial instruments. Net assets increased mainly due to goodwill arising from the recent purchase of additional shares in PPC, the reversal of the pension fund closure provision and movements in cash balances.

In the United Kingdom a charge of £3 million (R35 million) was taken to income in respect of the funding and amortisation of pension fund deficits.

Other operations include the Logistics businesses in Spain and South Africa which continued to develop satisfactorily.

Group income statement

R million	Notes	Six months ended 31 March 2004 Reviewed	31 March 2003 Reviewed	% change	Year ended 30 Sept 2003 Audited
Revenue		**17 532**	17 915	(2)	34 603
Operating profit	1	**1 184**	1 120	6	2 353
Fair value adjustments on financial instruments	2	**(57)**	(313)		(334)
Finance costs	3	**(182)**	(298)		(531)
Income from investments		**103**	149		274
Profit before exceptional items		**1 048**	658	59	1 762
Exceptional items	4	**159**	46		81
Profit before taxation		**1 207**	704		1 843
Taxation	5	**(428)**	(274)		(604)
Profit after taxation		**779**	430	81	1 239
Income from associates and joint ventures		**66**	57		114
Minority interest and 6% preference shareholders in Barloworld Limited		**(101)**	(85)		(212)
Net profit		**744**	402	85	1 141
Reconciliation of net profit to headline earnings					
Net profit		**744**	402		1 141
Profit on disposal of properties, investments and subsidiaries		**(64)**	(50)		(123)
Impairment losses		**5**	3		45
Goodwill amortisation		**51**	51		102
Interest in associate goodwill amortisation		**6**	3		9
(Profit)/loss on sale of plant and equipment excluding rental assets		**(3)**	1		(6)
Other exceptional items			1		4
Taxation on exceptional items		**(3)**			(11)
Interest of outside shareholders in exceptional items			1		1
Headline earnings		**736**	412		1 162
Weighted average number of ordinary shares in issue during the period (000)					
– basic		**196 628**	195 737		196 028
– fully diluted		**203 073**	198 930		202 460
Net profit per share (cents)					
– basic		**378**	205	84	582
– fully diluted		**369**	202	83	571
Headline earnings per share (cents)					
– basic		**374**	211	77	593
– fully diluted		**365**	207	76	581
Ordinary dividends per share (cents)		**115**	90	28	290

Group balance sheet

R million	Notes	31 March 2004 Reviewed	31 March 2003 Reviewed	30 Sept 2003 Audited
Assets				
Non-current assets		**14 203**	12 180	12 093
Property, plant and equipment		**7 632**	7 012	6 672
Other non-current assets	6	**1 059**	855	699
Goodwill and intangible assets		**2 499**	1 419	1 464
Investment in associates and joint ventures	7	**185**	420	535
Finance lease receivables		**2 311**	2 075	2 267
Deferred tax assets		**517**	399	456
Current assets		**14 526**	12 738	11 547
Inventories		**5 085**	5 325	5 010
Vehicle rental fleet		**1 881**		
Trade and other receivables		**5 923**	6 055	4 990
Cash and cash equivalents		**1 637**	1 358	1 547
Total assets		**28 729**	24 918	23 640
Equity and liabilities				
Capital and reserves				
Share capital and premium		**1 091**	709	712
Other reserves		**1 616**	1 921	1 727
Retained income		**7 444**	6 763	7 137
Equity portion of convertible bond		**30**	36	36
Interest of shareholders of Barloworld Limited		**10 181**	9 429	9 612
Minority interest		**637**	650	708
Interest of all shareholders		**10 818**	10 079	10 320
Non-current liabilities		**5 323**	4 215	4 870
Interest-bearing		**3 750**	2 736	3 404
Deferred tax liabilities		**675**	555	621
Convertible bond			207	
Non-interest bearing		**898**	717	845
Current liabilities		**12 588**	10 624	8 450
Amounts due to bankers and short-term loans		**6 377**	4 816	2 559
Convertible bond		**100**		180
Taxation		**507**	473	461
Trade and other payables		**4 942**	4 724	4 746
Provisions		**662**	611	504
Total equity and liabilities		**28 729**	24 918	23 640

Group cash flow statement

R million	Six months ended 31 March 2004 Reviewed	31 March 2003 Reviewed	Year ended 30 Sept 2003 Audited
Cash flow from operating activities			
Operating cash flows before movements in working capital	**1 976**	1 868	3 798
Increase in working capital	**(504)**	(874)	(275)
Cash generated from operations	**1 472**	994	3 523
Realised fair value adjustments on financial instruments	**(15)**	203)	(320)
Finance costs and investment income	**(106)**	(131)	(218)
Taxation paid	**(448)**	(300)	(566)
Cash flow from operations	**903**	360	2 419
Dividends paid	**(596)**	(711)	(940)
Net cash from/(used in) operating activities	**307**	(351)	1 479
Net cash applied to investing activities	**(2 255)**	(1 305)	(1 812)
Acquisition of subsidiaries and investments	**(1 525)**	(171)	(294)
Acquisition of property, plant and equipment	**(291)**	(363)	(843)
Investment in rental assets	**(315)**	(554)	(1 039)
Investment in instalment sale and leasing receivables	**(308)**	(427)	(1 103)
Proceeds on disposal of subsidiaries, investments and property, plant and equipment	**184**	210	1 467
Net cash outflow before financing activities	**(1 948)**	(1 656)	(333)
Net cash available from financing activities	**2 066**	1 536	487
Ordinary shares issued, net of buyback	**10**	23	26
Increase in interest-bearing liabilities	**2 056**	1 513	461
Net increase/(decrease) in cash and cash equivalents	**118**	(120)	154
Cash and cash equivalents at beginning of period	**1 547**	1 754	1 754
Effect of foreign exchange rate movements	**(28)**	(276)	(361)
Cash and cash equivalents at end of period	**1 637**	1 358	1 547

Statement of changes in equity

R million	Six months ended 31 March 2004 Reviewed	31 March 2003 Reviewed	Year ended 30 Sept 2003 Audited
Interest of Barloworld Limited shareholders			
Balance at the beginning of the period	**9 612**	11 234	11 234
Net movements not recognised through the income statement	**219**	(1 647)	(2 030)
Buyback of Barloworld Limited shares		(4)	(4)
Barloworld Limited ordinary shares issued	**382**	27	30
Movement on foreign currency translation reserve	**(221)**	(1 681)	(2 072)
Other reserve movements	**58**	11	16
Net movements recognised through the income statement	**350**	(158)	408
Net profit for the period	**744**	402	1 141
Reserve released on disposal of investments			3
Dividends on ordinary shares	**(394)**	(560)	(736)
Balance at the end of the period	**10 181**	9 429	9 612

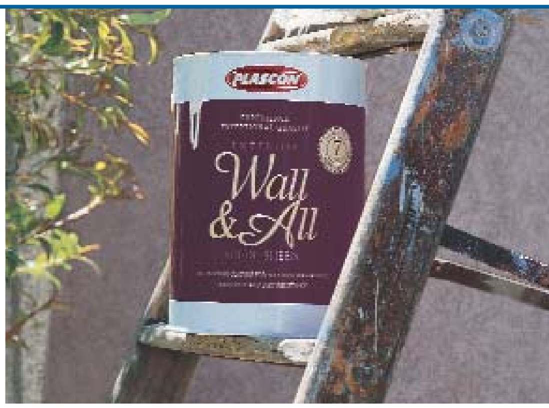
Segmental summary

R million	Revenue			Operating profit before goodwill amortisation		
	6 months ended		Year ended	6 months ended		Year ended
	31 Mar 04	31 Mar 03	30 Sept 03	**31 Mar 04**	31 Mar 03	30 Sept 03
Equipment	**4 928**	5 613	10 908	**476**	509	1 125
Industrial distribution	**3 247**	2 674	5 644	**69**	80	159
Motor	**4 465**	4 553	8 422	**53**	94	128
Cement and lime	**1 630**	1 400	3 016	**517**	377	866
Coatings	**1 269**	1 312	2 253	**137**	87	164
Scientific	**796**	937	1 768	**21**	23	34
Steel tube	**819**	937	1 736	**2**	10	10
Corporate operations and other	**378**	489	856	**(40)**	(9)	(31)
	17 532	17 915	34 603	**1 235**	1 171	2 455

Group salient features

R million	Six months ended **31 March 2004 Reviewed**	Six months ended 31 March 2003 Reviewed	Year ended 30 Sept 2003 Audited
Number of ordinary shares in issue, net of buyback (000)	**202 274**	196 262	196 339
Net asset value per share including investments at market value (cents)	**5 123**	4 920	5 063
Total liabilities to total shareholders' funds (%)	**159,3**	141,7	123,1
Total borrowings to total shareholders' funds (%)			
– Trading segment	**34,4**	36,5	26,7
– Total group	**94,5**	77,0	59,5
Interest cover (times)			
– Trading segment	**6,6**	3,0	4,1
– Total group	**4,6**	2,4	3,1

Goodwill amortisation			Fair value adjustment on financial instruments			Segment result			Net assets	
6 months ended		Year ended	6 months ended		Year ended	6 months ended		Year ended		
31 Mar 04	31 Mar 03	30 Sept 03	**31 Mar 04**	31 Mar 03	30 Sept 03	**31 Mar 04**	31 Mar 03	30 Sept 03	**31 Mar 04**	30 Sept 03
	(1)	(1)	**(77)**	(298)	(332)	**399**	210	792	**5 052**	4 835
(12)	(12)	(24)				**57**	68	135	**3 952**	3 713
(10)	(9)	(20)	**(1)**	(13)	(16)	**42**	72	92	**5 413**	1 464
			(1)	14	7	**516**	391	873	**2 644**	3 007
(1)	(1)	(1)	**(4)**	(5)	(8)	**132**	81	155	**723**	654
(10)	(12)	(23)	**(1)**		1	**10**	11	12	**1 149**	1 254
			15	21	28	**17**	31	38	**527**	514
(18)	(16)	(33)	**12**	(32)	(14)	**(46)**	(57)	(78)	**2 237**	1 582
(51)	(51)	(102)	**(57)**	(313)	(334)	**1 127**	807	2 019	**21 697**	17 023



Notes

R million	Six months ended 31 March 2004 Reviewed	31 March 2003 Reviewed	Year ended 30 Sept 2003 Audited
1. Operating profit			
Included in operating profit are:			
Cost of sales	**13 891**	14 666	27 264
Depreciation	**614**	694	1 226
Goodwill amortisation	**51**	51	102
Charge in respect of UK pension fund deficit	**35**	–	–
Profit/(loss) on sale of plant and equipment	**9**	48	(19)
2. Fair value adjustments on financial instruments			
Losses on foreign currency contracts and other financial instruments	**(62)**	(308)	(352)
Translation gains/(losses) on foreign currency monetary items	**5**	(5)	18
	(57)	(313)	(334)
3. Finance costs			
Total finance cost	**292**	455	826
Less: Leasing interest classified as cost of sales	**110**	157	295
	182	298	531
4. Exceptional items			
Profit on disposal of properties, investments and subsidiaries	**64**	50	123
Impairment losses	**(5)**	(3)	(45)
Reversal of provision for closure of pension fund	**100**		
Other		(1)	3
Exceptional profits	**159**	46	81
Taxation on exceptional items	**(27)**		11
Interest of outside shareholders		(1)	(1)
Net exceptional profits	**132**	45	91

R million	Six months ended 31 March 2004 Reviewed	Six months ended 31 March 2003 Reviewed	Year ended 30 Sept 2003 Audited
5. Taxation			
Taxation per income statement	**428**	274	604
Prior year taxation		(11)	30
Taxation on exceptional items	**(27)**		11
Secondary tax on companies (STC)	**(60)**	(59)	(58)
Taxation on profit before STC and exceptional items	**341**	204	587
Profit before exceptional items	**1 048**	658	1 762
Dividend income	**(12)**	(14)	(30)
Profit before exceptional items and dividends received	**1 036**	644	1 732
Effective taxation rate (excluding exceptional items, STC, prior year tax and dividends received) (%)	**32,9**	31,6	33,9

	Reviewed Six months ended 31 March 2004		Reviewed Six months ended 31 March 2003		Audited Year ended 30 September 2003	
	Market value/ Directors' valuation	**Book value**	Market value/ Directors' valuation	Book value	Market value/ Directors' valuation	Book value
6. Other non-current assets						
Listed investments	8	**8**	14	14	8	8
Unlisted investments	**294**	**294**	292	292	295	295
Investment in Portland Holdings Limited	**322**	**322**	–	–	–	–
	624	**624**	306	306	303	303
Other non-current assets		**435**		549		396
		1 059		855		699
7. Investment in associates and joint ventures						
Listed associates	–	–	421	242	595	323
Unlisted associates	**377**	**196**	316	168	393	208
	377	**196**	737	410	988	531
Loans and advances		**(11)**		10		4
		185		420		535

Notes continued

R million	Six months ended 31 March 2004 Reviewed	31 March 2003 Reviewed	Year ended 30 Sept 2003 Audited
8. Capital expenditure	**606**	917	1 882
Rental assets	**315**	554	1 039
Other	**291**	363	843
9. Commitments			
Capital commitments to be incurred	**578**	584	442
Contracted	**379**	239	181
Approved	**199**	345	261
Operating lease commitments	**1 503**	1 403	1 363
10. Contingent liabilities			
Guarantees and claims	**382**	166	284

11. Post-balance sheet events

The Barloworld Equipment Finance debtors book is being sold for approximately R1,4 billion to Wesbank, a division of FirstRand Bank Limited. The effective date of the transaction will be the first day of the month following approval from the Competition Tribunal. The final consideration will be based on the net asset value of finance contracts on the effective date. Thereafter, Barloworld Equipment will receive a share in the profits flowing from both the existing finance contracts being sold to Wesbank as well as any future new business flows. Barloworld will not be required to inject any capital into the alliance.

12. Basis of preparation

The interim financial results have been prepared in accordance with IAS34 and AC127 (Interim Financial Reporting). The accounting policies used to prepare the interim financial statements are consistent with those used in the 2003 annual financial statements and are in accordance with International Financial Reporting Standards and South African Statements of Generally Accepted Accounting Practice.

13. Comparative information

In terms of Circular 3/2004 issued by the South African Institute of Chartered Accountants, goodwill amortisation has been included in operating profit and comparatives are stated on a consistent basis. In the cash flow statement, investment in lease receivables is shown under investing activities and the buy back of Barloworld shares under financing activities. Comparatives have been reclassified on a consistent basis.

14. Deconsolidation of Portland Holdings Limited (Porthold)

The results of Porthold, a wholly owned Zimbabwean subsidiary of Pretoria Portland Cement Company Limited have not been consolidated in the Group results as at 31 March 2004 in terms of the exclusions contained in IAS27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries).

15. Auditors' review

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

Dividend declaration

Notice is hereby given that an interim ordinary dividend (No. 150) of 115 cents per ordinary share (2003: 90 cents per ordinary share) has been declared by the directors for the half-year ended 31 March 2004. 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, 4 June 2004
Shares trade "ex" dividend	Monday, 7 June 2004
Record date	Friday, 11 June 2004
Payment date	Monday, 14 June 2004

Share certificates may not be dematerialised or rematerialised between Monday, 7 June 2004 and Friday, 11 June 2004, both days inclusive.

On behalf of the Board

MJ Barnett
Secretary

Directors
Non-executive: WAM Clewlow (Chairman), MJ Levett, SB Pfeiffer**

Independent: DB Ntsebeza, LA Tager, G Rodriquez de Castro de los Rios***
EP Theron, RC Tomkinson*

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

**British **American ***Spanish*

Addresses

REGISTERED OFFICE AND BUSINESS ADDRESS

Barloworld Limited
180 Katherine Street
PO Box 782248
Sandton, 2146
South Africa
Phone: +27 11 445 1000
E-mail: invest@barloworld.com

United Kingdom registrar
Lloyds TSB Registrars
The Causeway, Worthing
West Sussex, BN99 6DA, England
Phone: +44 190 350 2541

TRANSFER SECRETARIES

Ultra Registrars (Pty) Ltd
Physical address:
5th Floor
11 Diagonal Street
Johannesburg, 2000
South Africa

Postal address:
PO Box 4844
Johannesburg, 2000
South Africa

Phone: +27 11 834 2266
E-mail: info@ultrareg.co.za

ABOUT BARLOWORLD

Barloworld is an international industrial brand management company founded in 1902. We have operations in thirty-three countries around the world and approximately half of our 24 000 people are in South Africa. We offer our global customer base business solutions backed by leading industrial brands, supported by service, relationships and attention to detail. These include both rental options and the sale of products and services. We operate under a philosophy of Value Based Management which focuses on creating sustainable value for all our 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 Surebuild (cement), Plascon, Taubmans, Bristol and White Knight (coatings), Robor (steel tube), Melles Griot (photonics) and Bibby Sterilin (laboratory equipment). We are also developing logistics businesses in southern Africa and Europe and are the Avis licensee for southern Africa, Sweden and Norway.

Striving for market leadership, the Barloworld team thrives on taking on difficult business challenges. We do things differently and we use our diversity to deliver value to our stakeholders.

Enquiries

Barloworld Limited: Mark Drewell, Tel: +27 11 445 1204

E-mail: invest@barloworld.com

For background information visit

www.barloworld.com

GRAPHICOR 31007

www.barloworld.com