Highlights

CORPORATE ACTION ENHANCES GROUP PROFILE AND PERFORMANCE

- Revenues **up 8% to R19 462 million** (1H '05: R18 015 million)
- Operating profit increases **16% to R1 748 million** (1H '05: R1 511 million)
- Strong performance in cement and turnaround in scientific business
- Cash generated from operations **up 30% to R1 913 million**
- Headline earnings per share **up 10% to 402 cents** (1H '05: 367 cents)
- Dividend increased **15% to 150 cents per share**
- Intended disposal of steel tube division announced

TONY PHILLIPS, CEO OF BARLOWORLD, SAID:

"In line with our ongoing focus on value creation, we made progress in a number of areas during the period. Highlights included a strong performance from our cement business, the turnaround in the scientific operations and the announcement of the intended sale of the steel tube division. For the full year we expect continued growth in our southern African businesses and further recovery from the offshore operations."

15 May 2006

ENQUIRIES

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For background information visit **www.barloworld.com**

Chairman and CHIEF EXECUTIVE'S REPORT

FIRST HALF SETS PLATFORM FOR FULL YEAR

Group revenue grew by 8% due to increased activity in our cement, equipment, coatings and motor businesses within southern Africa. Operating profit increased by 16%, with margins rising to 9,0% (1H '05: 8,4%). Notable results were the strong performance of our cement business and the turnaround in our scientific operations. Cash generated from operations increased by 30% to R1 913 million.

Headline earnings per share increased by 10% to 402 cents per share. The dividend has been increased by 15% to 150 cents per share for the interim period.

CORPORATE ACTION ENHANCES GROUP PROFILE AND PERFORMANCE

We are pleased to report significant steps have been taken in streamlining the future group profile. In particular, negotiations have reached an advanced stage in relation to the disposal of the steel tube business to a management led consortium, which includes black economic empowerment. It is anticipated that this transaction will be concluded soon.

In addition negotiations have commenced to sell our US handling lease book and we are investigating various alternatives in respect of the UK handling leasing business.

The focus on restructuring businesses that are not achieving our required returns has proved to be successful in the scientific group and Truck Center. We are currently in an advanced stage of remodelling and restructuring the UK handling business.

On the acquisition front, the offer for Wattyl Limited amounting to R1 411 million (A$321 million) still remains subject to competition authority approval in Australia.

Approval has been received from the South African competition authorities for the acquisition of Prostart (automotive refinish) and Midas Paints in the coatings division. These two transactions are expected to contribute positively to the division in the second half.

In the Motor division the purchase of the Avis and Budget operations in Denmark was completed during November 2005 and we have also acquired the 50% stake in Avis Fleet Services owned by WesBank with effect from 14 April 2006.

DIRECTORATE

Ms Sibongile Mkhabela was appointed to the board on 27 January 2006. As an independent non-executive director she will bring a diverse range of skills to our board deliberations and we look forward to her contribution.

OUTLOOK

Our southern African operations contributed 85% of operating profit for the period and their strong performance is expected to continue. In particular, the civil construction sector is forecast to enter a period of sustained growth as government and private enterprise starts to invest in infrastructure and growth opportunities. The mining industry is also starting to invest in major expansion projects. This will benefit our cement, equipment and logistics divisions. Firmer rental rates and continued strong rental and new vehicle demand should boost the result from our motor division, and the coatings division should benefit from the growth initiatives put in place in the first half.

In Spain, the construction outlook remains buoyant and strong public infrastructure spend is expected to continue for the medium-term.

Evidence of the strength of demand for capital equipment in all territories can be seen in the fact that we currently have the largest ever order book at R5,1 billion placed on Caterpillar in the 78 years of our partnership.

Our handling business in the US continues to be underpinned by solid growth in the south-east region. Management initiatives in the Truck Center are achieving positive results and we expect a strong contribution in the second half with a record order book of over 3 000 trucks.

Trading conditions in the UK are currently weak and this is affecting our handling and scientific businesses. However, we look forward to an improved performance from our handling business as the benefits from the cost reduction initiatives are realised.

In line with our focus on value creation, we will continue with our efforts to grow in areas where we have core expertise and dispose of interests that no longer fit the profile of the group. We expect to achieve our medium-term goal of doubling the value of the company in four years by the end of this year.

Overall, we anticipate an improved result in the second half and resulting good growth for the full year.

WAM Clewlow
Chairman

AJ Phillips
Chief executive officer

Group FINANCIAL REVIEW

CEMENT DRIVES OPERATING PERFORMANCE

Strong demand in most of the southern African businesses boosted revenue from continuing operations by 8% to R19 462 million.

Operating profit rose by 16% to R1 748 million driven by a strong performance in our cement business. Operating profit margins increased to 9,0% (1H '05: 8,4%).

Headline earnings per share of 402 cents (1H '05: 367 cents) is 10% higher than last year.

The charge for fair value adjustments on financial instruments increased to R69 million (1H '05: R47 million) and arises mainly from the effect of rand appreciation on marking to market forward cover contracts in the equipment business. It also includes the impact of marking to market the option contract taken out to hedge the exchange rate risk on the proposed Wattyl transaction.

Finance costs increased to R245 million (1H '05: R199 million), principally as a result of the acquisition of Avis Denmark in November 2005 and increases in working capital in line with activity levels.

The taxation charge (before STC) of R439 million represents an effective tax rate of 29,1% (1H '05: 30,0%), excluding prior year taxation and taxation on exceptional items. The increase of 12% in the STC charge to R116 million is a consequence of the higher final dividend paid by the company in January 2006.

Net profit from continuing operations rose by 15% to R1 008 million (1H '05: R878 million).

STEEL TUBE BUSINESS DISCLOSED AS DISCONTINUED

Following progress made in disposing of the steel tube division, it has been accounted for as a discontinued operation and is separately disclosed in the current and comparative reporting period. The loss of R116 million from the discontinued operation includes an impairment charge, which has been recorded in order to reflect the net assets of the division at the anticipated recoverable amount from the disposal.

GEARING TARGET REVISED

Total interest-bearing borrowings of R9 762 million represent a group debt to equity ratio of 78% (September 2005: 63%). The gearing for the trading, leasing and car rental segments is as follows:

Total debt to equity (%)	Trading	Leasing	Car rental	Total group
Target range	20 – 40	600 – 800	200 – 300	
Ratio at 31 March 2006	35	589	275	78

Interest cover for the trading segment at 10,5 times remains well above the 5 times target. The group therefore has the financial flexibility to increase its debt to equity ratio for the trading segment and the board has approved a revised target range of 30 – 50%.

CAPITAL STRUCTURE OPTIMISATION

In order to simplify its capital structure, the company is seeking approval from shareholders for the repurchase and cancellation of its existing treasury shares representing 8,3% of its issued share capital. We are also considering ways of further optimising the group's capital structure, which may involve on-market share buybacks as and when conditions are suitable.

STRONG CASH GENERATION AND HEALTHY BALANCE SHEET

Cash generated from operations increased by 30% to R1 913 million. Net cash applied to investing activities of R1 654 million includes the acquisition of businesses for R262 million; property, plant and equipment and intangibles for R824 million; and a further net investment of R799 million in rental assets and hire vehicles.

The group's balance sheet remains strong with total assets employed in the business growing by 4% in the past six months to R29 778 million. The effect of currency movement on translation was not material.

Capital commitments of R2 364 million include the approved expansions within our cement business estimated at R1 500 million.

CB Thomson
Finance director

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

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

Comparative numbers have been restated as per note 15.

EQUIPMENT

	Revenue			**Operating profit including fair value adjustments**			**Net operating assets**	
	6 months ended 31 Mar		Year ended 30 Sept	6 months ended 31 Mar		Year ended 30 Sept	31 Mar	30 Sept
R million	**2006**	2005	2005	**2006**	2005	2005	**2006**	2005
– Europe	**2 519**	2 608	5 301	**218**	237	483	**2 459**	2 388
– Southern Africa	**2 830**	2 314	4 983	**189**	174	423	**2 092**	1 835
	5 349	4 922	10 284	**407**	411	906	**4 551**	4 223
Share of associate income after taxation				**10**	(1)	8		

The business in this division arises mainly from our enduring partnership of over 78 years with Caterpillar Inc as their dealer in 16 countries.

Revenue in Iberia maintained recent high levels in local currency. Margins, however, declined slightly due to competitive pressure, although this was balanced by an improved mix with increased after sales business. A renewed effort on recovering market share has been initiated. Rental focus has been improved by the integration of all short-term rental business under the single brand of Barloworld Mera. Labour costs increased in line with increased activity, early retirement benefits and an initiative to introduce younger management skills.

The southern African markets were characterised by the highest levels of activity seen for some time, with machine sales growing strongly. Revenues rose 22%, with sales of Caterpillar machines being boosted by growth in mining and construction activity. Earnings from the handling and agriculture divisions declined in difficult markets. While trading profit grew at a similar rate to revenue growth, the effect of the currency volatility and fair value adjustments on financial instruments resulted in lower reported operating profit growth. The energy business has benefited from the recent power outages in the Western Cape, with improved sales and maintenance of generators. A new enlarged R35 million facility in Durban was opened in April 2006.

Associate income includes the results from the Siberian joint venture business, which is well on track to meet the $100 million sales target for the year.

All territories recorded high levels of order intake reflecting confidence in the future. At March 2006 there are firm customer orders of R3 013 million (September 2005: R2 890 million). Due to current and expected customer demand, and longer supplier lead times, we currently have the largest ever order book placed on Caterpillar at R5,1 billion. We are working closely with Caterpillar to ensure that we are able to satisfy our customers' requirements.

INDUSTRIAL DISTRIBUTION

	Revenue			Operating profit including fair value adjustments			Net operating assets	
	6 months ended 31 Mar		Year ended 30 Sept	6 months ended 31 Mar		Year ended 30 Sept	31 Mar	30 Sept
R million	**2006**	2005	2005	**2006**	2005	2005	**2006**	2005
– Europe	**852**	977	1 983	**(2)**	22	41	**539**	437
– North America	**1 929**	1 810	3 922	**30**	19	75	**1 001**	992
Trading	**2 781**	2 787	5 905	**28**	41	116	**1 540**	1 429
– Europe	**145**	184	367	**12**	24	66	**227**	260
– North America	**49**	48	98	**(8)**	(1)	(40)	**60**	52
Leasing*	**194**	232	465	**4**	23	26	**287**	312
	2 975	3 019	6 370	**32**	64	142	**1 827**	1 741

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

The US handling business continues to show solid growth, with increased margins and a strong order book. The Truck Center continues to improve, with new management initiatives proving successful and a record order book of over 3 000 trucks.

In Europe, flat UK industry conditions and further remodelling and restructuring has negatively impacted on the overall result for the European handling business. However, restructuring benefits, a healthy order book and the traditional seasonal strength are expected to contribute towards a recovery in the second half.

The leasing business was impacted by lower activity levels and adjustments in respect of amended lease conditions on lift truck contracts. The Freightliner finance book continues to be managed out as planned, down to R37,0 million (US$6,0 million) from R74,4 million ($11,7 million) at 30 September 2005. Negotiations on the sale of the US handling leasing book are well advanced and various options for the future of the UK handling book are under consideration.

The outlook for the second half is positive due to expected improvements in the UK handling business and enhanced seasonal and industry driven factors at Truck Center.

MOTOR

R million	Revenue 6 months ended 31 Mar 2006	Revenue 6 months ended 31 Mar 2005	Revenue Year ended 30 Sept 2005	Operating profit including fair value adjustments 6 months ended 31 Mar 2006	Operating profit including fair value adjustments 6 months ended 31 Mar 2005	Operating profit including fair value adjustments Year ended 30 Sept 2005	Net operating assets 31 Mar 2006	Net operating assets 30 Sept 2005
– Southern Africa	**4 503**	4 275	8 795	**87**	78	175	**894**	640
– Australia	**764**	728	1 607	**4**	4	12	**345**	399
Trading	**5 267**	5 003	10 402	**91**	82	187	**1 239**	1 039
– Southern Africa	**546**	470	881	**134**	124	210	**2 480**	2 396
– Europe	**322**	213	478	**(7)**	16	66	**1 825**	1 231
Car rental	**868**	683	1 359	**127**	140	276	**4 305**	3 627
Leasing Southern Africa*	**320**	299	638	**33**	43	88	**339**	334
	6 455	5 985	12 399	**251**	265	551	**5 883**	5 000
Share of associate income after taxation				**12**	11	23		

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

The southern African motor retail operations continued to perform well as the new vehicle market maintained its strong growth, driven by the increased size of the South African consumer market, low interest rates and new product offerings from manufacturers. New vehicle sales increased by 15% over the period. Growing demand for used vehicles in the region resulted in a 16% increase in retail sales of used vehicles. In Australia, new vehicle sales increased by 6% and used retail sales volumes were marginally lower.

While Avis Rent a Car Southern Africa experienced an increase in rental days of 19%, pressure on rental rates and increasing costs resulted in lower margins. Rental rates are now firming and an increased focus on specific cost items are anticipated to assist margins in the period ahead. In Scandinavia, rental days increased by 12% on a comparable basis. The successful integration of the Denmark operations, which were acquired with effect from 1 November 2005, was more than offset by a significant increase in fleet costs in Sweden resulting from changes in the supply and pricing strategy of our major vehicle supplier. Plans are being implemented to restore Sweden's profitability.

In the fleet services division, lower used vehicle margins in this segment and continued pressure on finance margins contributed to the subdued result. However, new business continues to be won which should result in long-term profit growth. Full ownership of Avis Fleet Services was secured in April 2006.

Associate income includes a strong performance from our DaimlerChrysler BEE joint venture in KwaZulu-Natal.

The outlook for the second half of the year is positive, underpinned by continued strong new vehicle sales and rental demand.

CEMENT

	Revenue			Operating profit including fair value adjustments			Net operating assets*	
	6 months ended 31 Mar		Year ended 30 Sept	6 months ended 31 Mar		Year ended 30 Sept	31 Mar	30 Sept
R million	**2006**	2005	2005	**2006**	2005	2005	**2006**	2005
– Southern Africa	**2 183**	1 813	3 974	**855**	642	1 502	**2 569**	2 502
Share of associate income after taxation					2	2		

** Net operating assets include goodwill arising on PPC shares purchased by Barloworld.*

The strong South African economy, together with increasing investment in public-sector infrastructure, continues to create a growing demand for cement. South African domestic cement industry sales remained buoyant with volume growth of more than 13% over the comparable period last year.

The recommissioning of the Jupiter kiln in Johannesburg was successfully completed in the March quarter and provides an additional 550 000 tons per annum of cement capacity. The Batsweledi project is progressing according to plan and within budget. Design and process changes have increased the original estimated 1 million tons capacity to 1,25 million tons of cement per annum for the same capital expenditure.

In order to meet demand during this period all kilns were fully operational. However, these older kilns cannot be run cost effectively for a sustained period, and replacement will become necessary if cement demand continues to grow.

The surge in building activity, especially in the residential sector, continues due to lower interest rates. Although growth in the residential sector appears to be slowing, increased investment on infrastructural projects is likely to offset this. This bodes well for future industry cement demand, which the company estimates could grow by around 12% in the current financial year. The shortage of skills and delivery of infrastructural services are increasingly proving to be a constraint in the residential construction sector. The company should, however, continue to report an improved performance for the second half of the year.

OPERATIONAL REVIEWS (CONTINUED)

In view of the positive outlook for cement demand, the PPC board has approved the planning phase to expand and modernise the capacity in the Western Cape, complementing the capacity expansion project under way in the inland region. In addition, the planning phase of a state-of-the-art cement milling facility in the inland region is in process. Estimated capital expenditure for these two projects, if approved, could be in the region of R3 billion and would be incurred over three years commencing during the next financial year.

COATINGS

R million	Revenue 6 months ended 31 Mar 2006	Revenue 6 months ended 31 Mar 2005	Revenue Year ended 30 Sept 2005	Operating profit including fair value adjustments 6 months ended 31 Mar 2006	Operating profit including fair value adjustments 6 months ended 31 Mar 2005	Operating profit including fair value adjustments Year ended 30 Sept 2005	Net operating assets 31 Mar 2006	Net operating assets 30 Sept 2005
Southern Africa	**978**	809	1 558	**152**	150	283	**664**	522
Australia and Asia	**466**	471	949	**(17)**	(16)	(30)	**229**	254
	1 444	1 280	2 507	**135**	134	253	**893**	776
Share of associate income after taxation				**9**	9	20		

While revenue grew by 21% in the southern African region, margins were impacted by increased costs. These related primarily to non-recurring costs for growth initiatives such as the launch of the Bristol brand in South Africa, the opening of the Plascon concept store and a new warehouse in Port Elizabeth. Along with increased marketing spend, the positive benefit of these initiatives will become apparent in future periods. The automotive business grew significantly on the back of the strong vehicle market in South Africa, with the refinish market being particularly active. Both the Prostart and Midas acquisitions have been approved by the competition authorities and will contribute in the second half. The recently acquired ICC colourants business continues to perform strongly.

In Australia, the offer for Wattyl remains subject to competition authority approval. Profitability in Australia remains under pressure but steps are being taken to reduce fixed costs, with restructuring and non-recurring costs of approximately R4,4 million (A$1 million) being incurred during the period. The commercial phase of our project in China remains on track.

The outlook for the second half remains favourable due to continued steady growth in the southern Africa coatings market.

SCIENTIFIC

R million	Revenue			Operating profit including fair value adjustments			Net operating assets	
	6 months ended 31 Mar		Year ended 30 Sept	6 months ended 31 Mar		Year ended 30 Sept	31 Mar	30 Sept
	2006	2005	2005	**2006**	2005	2005	**2006**	2005
Europe	**479**	501	1 009	**35**	6	23	**631**	629
North America	**200**	178	382	**(1)**	(8)	(6)	**268**	359
Asia	**69**	70	135	**3**	3	4	**84**	87
	748	749	1 526	**37**	1	21	**983**	1 075

The restructuring undertaken in Europe last year has produced the expected reduction in costs. Sales are on target in all areas except the UK and Italy. The British National Health Service is experiencing severe financial difficulties and this, together with imported product from the East, is depressing sales. The elections and increased competition have reduced demand for our products in Italy. Overall margins have improved despite large increases in the cost of energy and the continued high prices of plastic raw materials. The science equipment businesses are performing well.

The US has benefited from the cost reductions resulting from last year's restructuring. The business has also enjoyed a modest improvement in volumes, led in part by an upturn in semi-conductor activity. Activity in certain laser product lines has improved appreciably over last year.

The outlook is mixed with the trading weakness in the UK set to continue for the foreseeable future whereas the apparent upturn in the semi-conductor industry should benefit US profits in the latter part of the year.

CORPORATE AND OTHER

	Revenue			Operating profit including fair value adjustments			Net operating assets	
	6 months ended 31 Mar		Year ended 30 Sept	6 months ended 31 Mar		Year ended 30 Sept	31 Mar	30 Sept
R million	**2006**	2005	2005	**2006**	2005	2005	**2006**	2005
Southern Africa	**184**	153	561	**(21)**	(4)	21	**1 064**	870
Europe	**124**	94	177	**(17)**	(49)	(54)	**143**	85
	308	247	738	**(38)**	(53)	(33)	**1 207**	955

In southern Africa, results were adversely affected by the mark-to-market adjustment on the option contract entered into in order to hedge the exchange rate risk on the proposed Wattyl transaction.

In Europe, results were favourably impacted by a lower charge to the income statement in respect of pension fund deficits.

The logistics businesses in South Africa and Spain have been consolidated under a single executive management team and growth prospects remain good.

Dividend DECLARATION

Notice is hereby given that the following dividend has been declared in respect of the six months ended 31 March 2006: Number 154 (interim dividend) of 150 cents per ordinary share (2005: 130 cents per ordinary share).

In compliance with the requirements of the JSE Securities Exchange South Africa, the following dates are applicable:

Last day to trade cum dividend	Friday, 2 June 2006
Shares trade ex dividend	Monday, 5 June 2006
Record date	Friday, 9 June 2006
Payment date	Monday, 12 June 2006

Share certificates may not be dematerialised or rematerialised between Monday, 5 June 2006 and Friday, 9 June 2006, both days inclusive.

On behalf of the Board

S Mngomezulu
Secretary

Directors

Independent:	WAM Clewlow (Chairman), SAM Baqwa, MJ Levett, S Mkhabela, DB Ntsebeza, G Rodriquez de Castro de los Rios***, EP Theron, RC Tomkinson*, SB Pfeiffer**
Executive:	AJ Phillips (Chief executive)*, PJ Blackbeard, MD Coward, LS Day*, BP Diamond, JE Gomersall*, AJ Lamprecht, M Laubscher, PM Surgey, CB Thomson

**British **American ***Spanish*

CONDENSED CONSOLIDATED INCOME STATEMENT

R million	Notes	Six months ended 31 Mar 2006 Reviewed	31 Mar 2005 Reviewed Restated	% Change	Year ended 30 Sept 2005 Audited Restated
CONTINUING OPERATIONS					
Revenue		**19 462**	18 015	8	37 798
Operating profit	3	**1 748**	1 511	16	3 399
Fair value adjustments on financial instruments	4	**(69)**	(47)		(57)
Finance costs	5	**(245)**	(199)		(438)
Income from investments		**81**	71		186
Profit before exceptional items		**1 515**	1 336	13	3 090
Exceptional items	6	**20**	26		7
Profit before taxation		**1 535**	1 362		3 097
Taxation	7	**(558)**	(505)		(1 035)
Profit after taxation		**977**	857	14	2 062
Income from associates and joint ventures		**31**	21		53
Net profit from continuing operations		**1 008**	878	15	2 115
DISCONTINUED OPERATION					
(Loss)/profit from discontinued operation	11	**(116)**	2		23
Net profit		**892**	880		2 138
Attributable to:					
Minority shareholders		**160**	117		314
Barloworld Limited shareholders		**732**	763		1 824
		892	880		2 138
Net profit per share* (cents)					
– basic		**349,6**	369,9		879,6
– diluted		**342,5**	360,8		859,9
Net profit per share from continuing operations* (cents)					
– basic		**405,0**	368,9	10	868,5
– diluted		**396,8**	359,9	10	849,1
Net profit per share from discontinued operation* (cents)					
– basic		**(55,4)**	1,0		11,1
– diluted		**(54,3)**	0,9		10,8

** Refer note 2 for details of headline earnings per share calculation.*

CONDENSED CONSOLIDATED BALANCE SHEET

R million	Notes	**31 Mar 2006 Reviewed**	31 Mar 2005 Reviewed Restated	30 Sept 2005 Audited Restated
ASSETS				
Non-current assets		**14 003**	13 989	14 070
Property, plant and equipment		**7 969**	7 739	7 922
Goodwill		**2 573**	2 487	2 485
Intangible assets		**252**	249	260
Investment in associates and joint ventures	9	**552**	328	518
Finance lease receivables		**1 349**	1 542	1 495
Long-term financial assets	10	**781**	1 147	840
Deferred taxation assets		**527**	497	550
Current assets		**15 775**	14 154	14 535
Vehicle rental fleet		**2 764**	2 110	2 196
Inventories		**4 686**	5 102	4 825
Trade and other receivables		**6 082**	5 854	5 935
Cash and cash equivalents		**1 386**	1 000	1 399
Assets classified as held for sale	11	**857**	88	180
Total assets		**29 778**	28 143	28 605
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium		**1 461**	1 385	1 397
Other reserves		**1 239**	2 013	1 541
Retained income		**9 182**	8 166	9 143
Interest of shareholders of Barloworld Limited		**11 882**	11 564	12 081
Minority interest		**567**	496	644
Interest of all shareholders		**12 449**	12 060	12 725
Non-current liabilities		**7 058**	6 402	7 103
Interest-bearing		**5 453**	4 604	5 410
Deferred taxation liabilities		**937**	810	906
Provisions		**400**	577	383
Other non-interest bearing		**268**	411	404
Current liabilities		**10 271**	9 681	8 777
Trade and other payables		**4 900**	4 855	5 208
Provisions		**531**	492	480
Taxation		**311**	451	457
Amounts due to bankers and short-term loans		**4 309**	3 883	2 632
Liabilities directly associated with assets classified as held for sale	11	**220**		
Total equity and liabilities		**29 778**	28 143	28 605

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

R million	Notes	Six months ended 31 Mar 2006 Reviewed	Six months ended 31 Mar 2005 Reviewed Restated	Year ended 30 Sept 2005 Audited Restated
Cash flow from operating activities				
Operating cash flows before movements in working capital		**2 739**	2 414	5 275
Increase in working capital		**(826)**	(948)	(475)
Cash generated from operations		**1 913**	1 466	4 800
Realised fair value adjustments on financial instruments		**(27)**	(27)	(18)
Finance costs and investment income		**(141)**	(120)	(231)
Taxation paid		**(651)**	(506)	(975)
Cash flow from operations		**1 094**	813	3 576
Dividends paid (including minority shareholders)		**(933)**	(883)	(1 197)
Net cash from/(used in) operating activities		**161**	(70)	2 379
Net cash applied to investing activities		**(1 654)**	(1 324)	(2 980)
Acquisition of subsidiaries and investments		**(262)**	(254)	(443)
Acquisition of property, plant and equipment and intangibles		**(824)**	(660)	(1 186)
Net investment in rental assets	12	**(459)**	(441)	(1 090)
Net investment in car hire vehicles	12	**(340)**	(157)	(592)
Reduction in instalment sale and leasing receivables		**168**	4	53
Proceeds on disposal of subsidiaries, investments and property, plant and equipment		**63**	184	278
Net cash outflow before financing activities		**(1 493)**	(1 394)	(601)
Net cash available from financing activities		**1 530**	947	601
Ordinary shares issued		**64**	176	188
Increase in interest-bearing liabilities		**1 466**	771	413
Net increase/(decrease) in cash and cash equivalents		**37**	(447)	0
Cash and cash equivalents at beginning of period		**1 399**	1 443	1 443
Effect of foreign exchange rate movements		**(45)**	4	(44)
Effect of cash included in assets classified as held for sale		**(5)**		
Cash and cash equivalents at end of period		**1 386**	1 000	1 399

GROUP SALIENT FEATURES

	Six months ended 31 Mar 2006 Reviewed	31 Mar 2005 Reviewed Restated	Year ended 30 Sept 2005 Audited Restated
Number of ordinary shares in issue, net of buyback (000)	**210 206**	208 221	208 612
Net asset value per share including investments at market value (cents)	**5 799**	5 672	5 905
Total liabilities to total shareholders' funds (%)	**131,7**	126,6	117,7
Total borrowings to total shareholders' funds (%)			
– Trading segment*	**34,6**	28,9	19,8
– Total group	**78,4**	70,4	63,2
Interest cover (times)			
– Trading segment*	**10,5**	10,2	10,5
– Total group	**5,5**	5,5	5,8

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R million	Share capital	Share premium
Balance at 1 October 2004 as previously reported	10	1 199
Adjustment to opening balance for changes in accounting policy		
Balance at 1 October 2004 as restated	10	1 199
Movement on foreign currency translation reserve		
Other reserve movements		
Net income recognised directly in equity		
Profit for the period		
Total recognised income and expense for the period		
Dividends on ordinary shares		
Shares issued in the current period	1	175
Balance at 31 March 2005	11	1 374
Movement on foreign currency translation reserve		
Reclassifications		
Other reserve movements		
Net income recognised directly in equity		
Profit for the period		
Total recognised income and expense for the period		
Dividends on ordinary shares		
Shares issued in the current period		12
Balance at 30 September 2005	11	1 386
Movement on foreign currency translation reserve		
Other reserve movements		
Net income recognised directly in equity		
Profit for the period		
Total recognised income and expense for the period		
Dividends on ordinary shares		
Shares issued in the current period		**64**
Balance at 31 March 2006	**11**	**1 450**

Foreign currency translation reserve	Legal and other reserves	Retained income	Attributable to Barloworld Limited shareholders	Minority interest	Total equity
1 393	564	7 936	11 102	719	11 821
	19	(18)	1	(1)	
1 393	583	7 918	11 103	718	11 821
3			3		3
	34	37	71	(8)	63
3	34	37	74	(8)	66
		763	763	117	880
3	34	800	837	109	946
		(552)	(552)	(331)	(883)
			176		176
1 396	617	8 166	11 564	496	12 060
(281)			(281)		(281)
(3)	(203)	206			
3	12	(19)	(4)	(6)	(10)
(281)	(191)	187	(285)	(6)	(291)
		1 061	1 061	197	1 258
(281)	(191)	1 248	776	191	967
		(271)	(271)	(43)	(314)
			12		12
1 115	426	9 143	12 081	644	12 725
(326)			**(326)**		**(326)**
	24	**(10)**	**14**	**13**	**27**
(326)	**24**	**(10)**	**(312)**	**13**	**(299)**
		732	**732**	**160**	**892**
(326)	**24**	**722**	**420**	**173**	**593**
		(683)	**(683)**	**(250)**	**(933)**
			64		**64**
789	**450**	**9 182**	**11 882**	**567**	**12 449**

SEGMENTAL SUMMARY

R million	Revenue Six months ended 31 Mar 2006 Reviewed	Revenue Six months ended 31 Mar 2005 Reviewed Restated	Revenue Year ended 30 Sept 2005 Audited Restated	Operating profit Six months ended 31 Mar 2006 Reviewed	Operating profit Six months ended 31 Mar 2005 Reviewed Restated	Operating profit Year ended 30 Sept 2005 Audited Restated
Equipment	**5 349**	4 922	10 284	**445**	453	957
Industrial distribution	**2 975**	3 019	6 370	**32**	64	142
Motor	**6 455**	5 985	12 399	**261**	269	559
Cement	**2 183**	1 813	3 974	**856**	646	1 509
Coatings	**1 444**	1 280	2 507	**139**	133	253
Scientific	**748**	749	1 526	**37**	1	21
Corporate and other	**308**	247	738	**(22)**	(55)	(42)
Total continuing operations	**19 462**	18 015	37 798	**1 748**	1 511	3 399
Discontinued operation – Steel tube	**796**	777	1 603	**12**	22	43
	20 258	18 792	39 401	**1 760**	1 533	3 442

Fair value adjustments on financial instruments			Operating profit including fair value adjustments			Net operating assets	
Six months ended		Year ended	Six months ended		Year ended		
31 Mar 2006 Reviewed	31 Mar 2005 Reviewed Restated	30 Sept 2005 Audited Restated	**31 Mar 2006 Reviewed**	31 Mar 2005 Reviewed Restated	30 Sept 2005 Audited Restated	**31 Mar 2006 Reviewed**	30 Sept 2005 Audited Restated
(38)	(42)	(51)	**407**	411	906	**4 551**	4 223
			32	64	142	**1 827**	1 741
(10)	(4)	(8)	**251**	265	551	**5 883**	5 000
(1)	(4)	(7)	**855**	642	1 502	**2 569**	2 502
(4)	1		**135**	134	253	**893**	776
			37	1	21	**983**	1 075
(16)	2	9	**(38)**	(53)	(33)	**1 207**	955
(69)	(47)	(57)	**1 679**	1 464	3 342	**17 913**	16 272
3	2	1	**15**	24	44	**468**	593
(66)	(45)	(56)	**1 694**	1 488	3 386	**18 381**	16 865

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The accounting policies used are consistent with those used for the group's 2005 annual financial statements (which were prepared in accordance with International Financial Reporting Standards) except for the adoption of the following revised or new standards:

– IFRS 2 Share-based Payment
– IAS 27 Consolidated and Separate Financial Statements

The effect of adoption of these standards was not material and is set out in note 15.

R million	Six months ended 31 Mar 2006 Reviewed	Six months ended 31 Mar 2005 Reviewed Restated	Year ended 30 Sept 2005 Audited Restated
2. RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS			
Net profit attributable to Barloworld shareholders	**732**	763	1 824
Profit on disposal of properties, investments and subsidiaries	**(20)**	(24)	(25)
Impairment of assets	**5**	9	21
Loss/(profit) on sale of plant and equipment excluding rental assets	**1**	3	(2)
Taxation on exceptional items		2	(6)
Interest of outside shareholders in exceptional items		3	4
Impairment loss on planned disposal of discontinued operation	**123**		
Headline earnings	**841**	756	1 816
Headline earnings from continuing operations	**830**	746	1 791
Headline earnings from discontinued operation	**11**	10	25
Weighted average number of ordinary shares in issue during the period (000)			
– basic	**209 371**	206 249	207 367
– diluted	**213 732**	211 501	212 117

R million	Six months ended 31 Mar 2006 Reviewed	31 Mar 2005 Reviewed Restated	Year ended 30 Sept 2005 Audited Restated
2. RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS (continued)			
Headline earnings per share (cents)			
– basic	**401,7**	366,5	875,7
– diluted	**393,5**	357,4	856,1
Headline earnings per share from continuing operations (cents)			
– basic	**396,4**	361,7	863,6
– diluted	**388,4**	352,7	844,3
Headline earnings per share from discontinued operation (cents)			
– basic	**5,3**	4,8	12,1
– diluted	**5,1**	4,7	11,8
3. OPERATING PROFIT			
Included in operating profit are:			
Cost of sales (including allocation of depreciation)	**13 826**	13 129	27 378
Depreciation	**982**	871	1 797
Profit on sale of rental assets	**26**	72	95
(Loss)/profit on sale of other plant and equipment	**(1)**	(3)	2
4. FAIR VALUE ADJUSTMENTS ON FINANCIAL INSTRUMENTS			
(Losses)/gains arising from:			
Forward exchange contracts and other financial instruments	**(72)**	(57)	(74)
Translation of foreign currency monetary items	**3**	10	17
	(69)	(47)	(57)
5. FINANCE COSTS			
Total finance cost	**(337)**	(286)	(623)
Leasing interest classified as cost of sales	**92**	87	185
	(245)	(199)	(438)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

R million	Six months ended 31 Mar 2006 Reviewed	31 Mar 2005 Reviewed Restated	Year ended 30 Sept 2005 Audited Restated
6. EXCEPTIONAL ITEMS			
Profit on disposal of properties, investments and subsidiaries	**20**	25	27
Impairment of assets including share of associates' impairment losses		1	(20)
Exceptional profits	**20**	26	7
Taxation on exceptional items	**(1)**	(2)	5
Interest of minority shareholders		(3)	(4)
Net exceptional profits	**19**	21	8
7. TAXATION			
Taxation per income statement	**558**	505	1 035
STC on dividends paid	**(116)**	(104)	(142)
Prior year taxation	**(2)**	(2)	9
Taxation on exceptional items	**(1)**	(2)	5
Taxation on profit before STC, prior year taxation and exceptional items	**439**	397	907
Profit before exceptional items	**1 515**	1 336	3 090
Dividends received	**(5)**	(12)	(31)
Profit before exceptional items and dividends received	**1 510**	1 324	3 059
Effective taxation rate excluding exceptional items, prior year taxation and dividends received (%)			
– excluding STC	**29,1%**	30,0%	29,7%
– including STC	**36,8%**	37,8%	34,3%
8. ORDINARY DIVIDENDS			
Ordinary dividends per share (cents)	**150**	130	455

R million	Six months ended 31 Mar 2006 Market value/ Directors' valuation Reviewed	31 Mar 2006 Book value Reviewed	31 Mar 2005 Market value/ Directors' valuation Reviewed Restated	31 Mar 2005 Book value Reviewed Restated	Year ended 30 Sept 2005 Market value/ Directors' valuation Audited Restated	30 Sept 2005 Book value Audited Restated
9. INVESTMENT IN ASSOCIATES AND JOINT VENTURES						
Joint ventures	**351**	**172**	297	133	247	148
Unlisted associates	**298**	**169**	155	72	330	191
	649	**341**	452	205	577	339
Loans and advances		**211**		123		179
		552		328		518
10. LONG-TERM FINANCIAL ASSETS						
Listed investments	**8**	**8**	8	8	8	8
Unlisted investments	**36**	**36**	346	346	36	36
Investment in Portland Holdings Limited	**295**	**295**	302	302	295	295
	339	**339**	656	656	339	339
Other long-term financial assets		**442**		491		501
		781		1 147		840

R million	Six months ended 31 Mar 2006 Reviewed	31 Mar 2005 Reviewed Restated	Year ended 30 Sept 2005 Audited Restated
11. DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE			
The Steel Tube segment has been classified as a disposal group held for sale effective 31 March 2006.			
Results from the discontinued operation are as follows:			
Revenue	**796**	777	1 603
Operating profit	**12**	22	43
Fair value adjustments on financial instruments	**3**	2	1
Finance costs	**(4)**	(14)	(25)
Income from investments			1
Profit before exceptional items	**11**	10	20
Exceptional items	**(5)**	(11)	(3)
Profit before taxation	**6**	(1)	17
Taxation	**(1)**		2
Profit after taxation	**5**	(1)	19
Income from associates and joint ventures	**2**	3	4
Net profit of discontinued operation before impairment loss	**7**	2	23
Impairment loss on write-down to fair value less costs to sell	**(163)**		
Taxation on impairment loss	**40**		
Impairment loss after taxation	**(123)**		
Loss from discontinued operation per income statement	**(116)**		

R million	Six months ended 31 Mar 2006 Reviewed	31 Mar 2005 Reviewed Restated	Year ended 30 Sept 2005 Audited Restated
11. DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE (continued)			
The cash flows from the discontinued operation are as follows:			
Cash flows from operating activities	**11**	(29)	(52)
Cash flows from investing activities	**(9)**	(15)	(20)
Cash flows from financing activities	**(14)**	(8)	31
The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:			
Property, plant and equipment and intangibles	**229**		
Investment in associates	**9**		
Inventories	**280**		
Trade and other current receivables	**288**		
Cash and cash equivalents	**5**		
Assets of disposal group held for sale before impairment loss	**811**		
Impairment loss on write-down to fair value less costs to sell	**(123)**		
Assets of disposal group held for sale after impairment loss	**688**		
Trade and other payables, and total for liabilities associated with assets classified as held for sale	**(220)**		
Net assets of disposal group	**468**		
Assets classified as held for sale comprise the following:			
Assets of disposal group classified as held for sale	**688**		
Vehicles and equipment removed from rental fleets to be sold	**169**		
Total assets classified as held for sale per balance sheet	**857**		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

R million	Six months ended 31 Mar 2006 Reviewed	31 Mar 2005 Reviewed Restated	Year ended 30 Sept 2005 Audited Restated
12. NET INVESTMENT IN RENTAL ASSETS AND CAR HIRE VEHICLES			
Rental assets	**459**	441	1 090
Additions	**719**	532	1 832
Proceeds on disposals	**(260)**	(91)	(742)
Car hire vehicles	**340**	157	592
Additions	**1 174**	981	2 296
Proceeds on disposals	**(834)**	(824)	(1 704)
13. COMMITMENTS			
Capital commitments to be incurred	**2 364**	604	2 842
Contracted	**1 521**	423	1 762
Approved but not yet contracted	**843**	181	1 080
Operating lease commitments	**1 579**	1 048	1 682
14. CONTINGENT LIABILITIES			
Guarantees, claims and other contingent liabilities	**503**	266	296
Buy-back and repurchase commitments*	**958**	709	1 071
Share of buy-back and repurchase commitments of joint ventures	**16**	24	

* *The related assets are estimated to have a value at least equal to the repurchase commitments.*

R million	Previously stated	Adjustment	Restated
15. COMPARATIVE INFORMATION			
Comparative information has been restated for the effects of adopting IFRS 2 Share-based Payment.			
The effect of the restatement is as follows:			
EFFECT AS AT 30 SEPTEMBER 2004			
Retained income	**7 936**	(18)	7 918
Minority interest	**719**	(1)	718
Equity compensation reserve		19	19
Interest of all shareholders	**11 821**		11 821
FOR THE SIX MONTHS ENDED 31 MARCH 2005			
Net profit	**892**	(12)	880
Net profit attributable to minority shareholders	**117**		117
Net profit attributable to Barloworld Limited shareholders	**775**	(12)	763
Retained income	**8 196**	(30)	8 166
Minority interest	**497**	(1)	496
Equity compensation reserve		31	31
Interest of all shareholders	**12 060**		12 060
The effect was a reduction in earnings and diluted earnings per share of 6 cents.			
FOR THE YEAR ENDED 30 SEPTEMBER 2005			
Net profit	**2 176**	(38)	2 138
Net profit attributable to minority shareholders	**315**	(1)	314
Net profit attributable to Barloworld Limited shareholders	**1 861**	(37)	1 824
Retained income	**9 198**	(55)	9 143
Minority interest	**646**	(2)	644
Equity compensation reserve		57	57
Interest of all shareholders	**12 725**		12 725
The effect was a reduction in earnings per share of 18 cents, and diluted earnings per share of 17 cents.			
FOR THE SIX MONTHS ENDED 31 MARCH 2006			
The impact on the results for the six months ended 31 March 2006 was a charge to operating profit of R11 million. The adoption of the new standard had no taxation impact.			
The effect on current period earnings and diluted earnings per share was a reduction of 5 cents.			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. PORTLAND HOLDINGS LIMITED (PORTHOLD)

The results of Porthold, a wholly owned Zimbabwean subsidiary have in terms of the exclusions contained in the revised IAS 27 Consolidated and Separate Financial Statements, not been consolidated into the group results as at 31 March 2006.

Significant constraints impacting on the normal operation of Porthold, has resulted in the board concluding that management does not have the ability to exercise effective control over the business and as a result, the results of Porthold have continued to be excluded from the group results in the current period. Severe restrictions are placed on our ability to access foreign currency and remit funds and as a result the investment continues to be accounted for on a fair value investment basis with dividends only being recognised to the extent they are received.

17. RELATED PARTY TRANSACTIONS

There has been no significant change in related party relationships since the previous year. Other than in the normal course of business, there has been no significant transactions during the six months with associate companies, joint ventures and other related parties.

18. SUBSEQUENT EVENTS

The minority shareholding in Avis Fleet Services was purchased from WesBank on 14 April 2006.

The group acquired the Midas paint business on 3 May 2006.

These transactions are not expected to have a material impact on current year earnings or net asset value.

19. AUDITOR'S REVIEW

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

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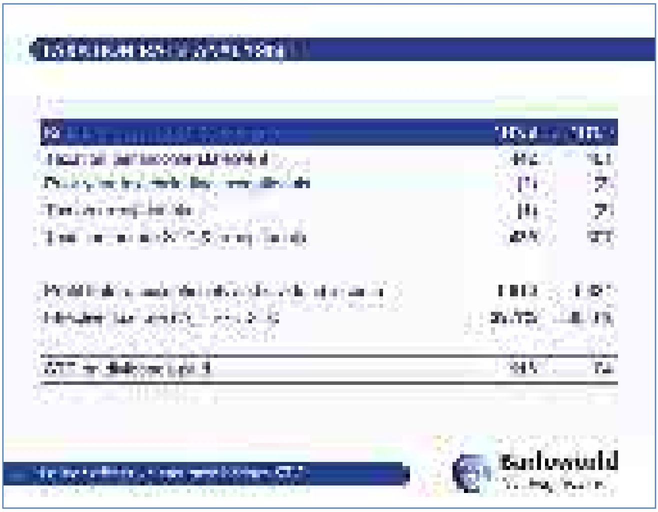

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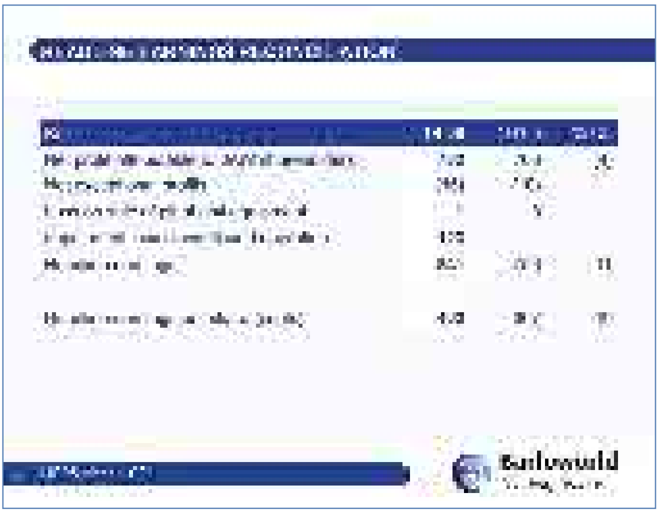

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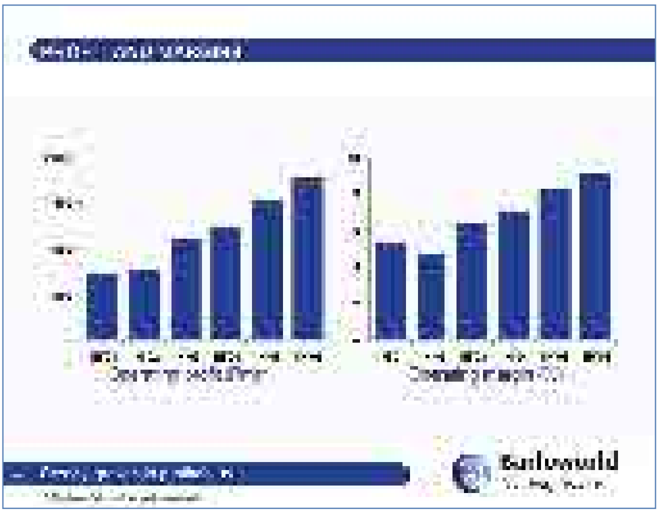

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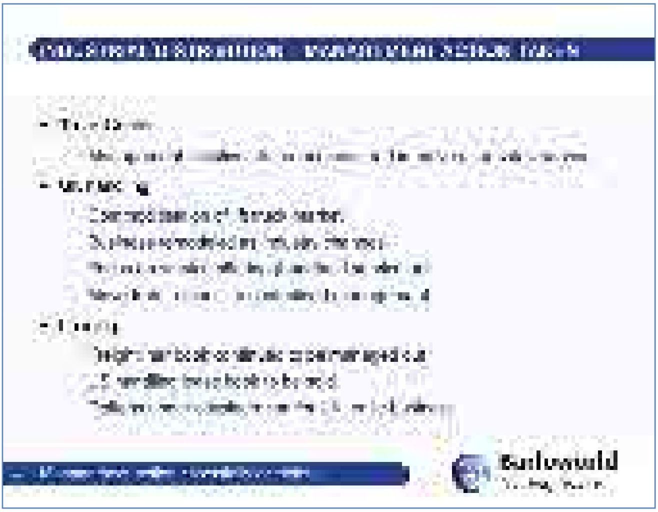

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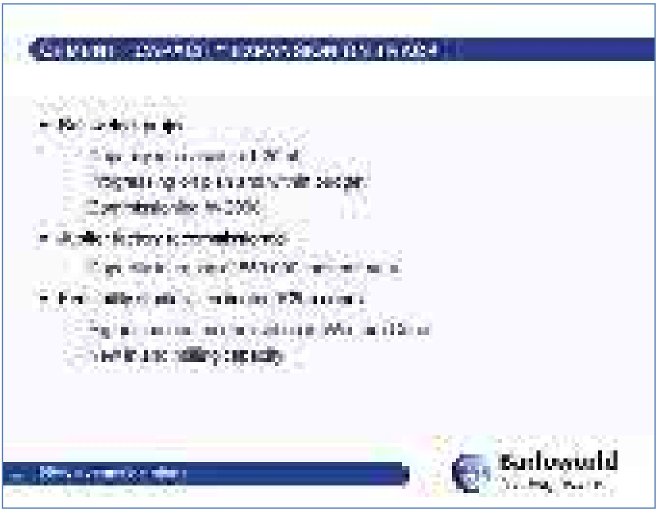

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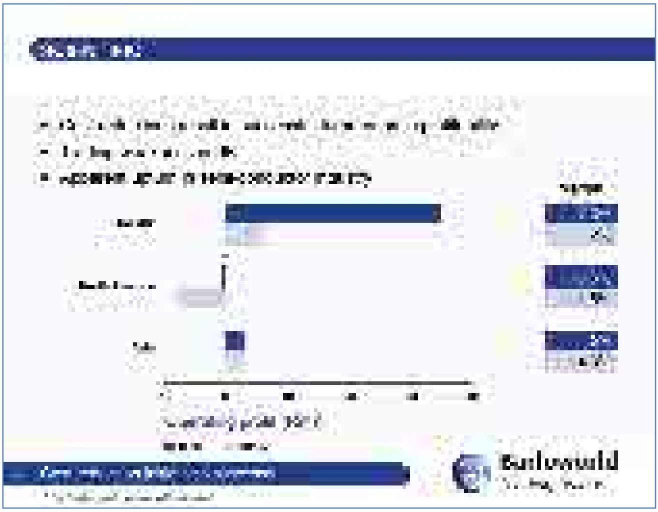

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