Barloworld Limited – Interim results

for the six months ended 31 March 2011

Barloworld
Leading brands

About Barloworld

Barloworld is a distributor of leading international brands providing integrated rental, fleet management, product support and logistics solutions. The core divisions of the group comprise Equipment (earthmoving and power systems), Automotive and Logistics (car rental, motor retail, fleet services, used vehicles and disposal solutions, logistics management and supply chain optimisation) and Handling (materials handling and agriculture). We offer flexible, value adding, integrated business solutions to our customers backed by leading global brands. The brands we represent on behalf of our principals include Caterpillar, Hyster, Avis, Audi, BMW, Ford, General Motors, Mercedes-Benz, Toyota, Volkswagen and others.

Barloworld has a proven track record of long-term relationships with global principals and customers. We have an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. One of our core competencies is an ability to leverage systems and best practices across our chosen business segments. As an organisation we are committed to sustainable development and playing a leading role in empowerment and transformation.

The company was founded in 1902 and currently has operations in 38 countries around the world with approximately 60% of our eighteen thousand employees in South Africa.

Corporate information

Registered office and business address
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(Registration number 1918/000095/06) JSE codes: BAW and BAWP
ISIN codes: ZAE000026639 and ZAE000026647

Transfer secretaries – South Africa
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Transfer secretaries – Namibia
Transfer Secretaries (Proprietary) Limited, (Registration number 93/713), Shop 8, Kaiser Krone Centre,
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Directors
Non-executive: DB Ntsebeza (Chairman), SAM Baqwa, AGK Hamilton*, S Mkhabela, MJN Njeke, SS Ntsaluba, TH Nyasulu,
G Rodriguez de Castro de los Rios†, SB Pfeiffer•
Executive: CB Thomson (Chief Executive), PJ Blackbeard, PJ Bulterman, M Laubscher, OI Shongwe, DG Wilson

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Salient features

- **Revenue up 17%** to R23.6 billion
- **Operating profit up 44%** to R854 million
- **HEPS from continuing operations up 255%** to 144.3 cents
- **Russian Caterpillar dealership acquisition** performs ahead of expectation
- **Final cash received** from Scandinavian car rental disposal
- **Order books continue to increase** across most businesses
- **Interim dividend of 50 cents per share up 150%** (H1'10: 20 cents)

Clive Thomson, CEO of Barloworld, said:

"The group produced strong growth in operating profit and earnings during the period. With order books continuing to increase across most businesses, we anticipate a strong second half of the financial year with earnings expected to be significantly up on both the first half of 2011 and the second half of last year. As the recovery gains momentum in most of our key market segments, particularly mining, our focus has shifted to driving profitable growth and enhancing the overall level of financial returns across our businesses. Our financial position remains strong and we are well placed to take advantage of a number of exciting growth opportunities in the year ahead."

17 May 2011

Chairman and Chief Executive's Report

Operational review

Trading results for the first six months continued to show improvement driven mainly by strong mining demand on the back of strengthening commodity prices. Revenue for the half year increased by 17% to R23.6 billion with operating profit increasing by 44% to R854 million.

Headline earnings per share from continuing operations of 144.3 cents was 255% above the 40.7 cents earned in the first half of 2010. The interim dividend of 50 cents per share was 150% up.

Equipment southern Africa

The division generated revenue of R5.3 billion which was R1.7 billion (45%) up on the prior year. This improvement came mainly from increased mining and contract mining demand in South Africa, Mozambique, Zambia, Botswana and Namibia. Activity levels in Angola remained subdued.

Operating profit to March of R478 million was R200 million (72%) ahead of the prior year. The operating margin of 9% benefited from the strong increase in after sales business in the total sales mix.

As expected the division utilised cash of R533 million in the first six months mainly driven by increased working capital. Factory lead times are now back to levels last seen at the peak of the commodity cycle in 2008 with dealers endeavouring to secure build slots for mining units going forward into 2012 and 2013.

Equipment Europe

The Iberian equipment businesses continued to trade under extremely difficult market conditions. The Spanish government's austerity measures aimed at reducing the budget deficit continue to adversely impact gross fixed investment with the construction sector remaining depressed.

Revenue achieved of €176.9 million (R1.7 billion) was 5% below the prior year in euro terms and 13% down in Rand terms. The division generated an operating loss of R70 million (€7.9 million) which was similar to the R74 million loss at this stage last year. However, this result included a restructuring charge of R56 million (€6.1 million) to realign the cost base with the reduced activity levels compared to R29 million (€2.7 million) in 2010. We believe the business is now appropriately structured to trade profitably in the second half.

Iberia produced a cash inflow in the period due to rental fleet reductions, despite some increase in working capital.

Equipment Russia

Revenue of $173.7 million (R1.2 billion) was achieved which was $102 million (142%) up on the prior year. Mining benefited from the delivery of a package to Polus Gold, the bulk of which took place in the first half. The growing machine population generated increased after sales business with parts revenues growing by 35% in the period under review. The operating profit of $11.3 million (R78 million) is well up on the prior year profit of $3.1 million (R23.3 million) while the operating margin of 6.5% shows the benefits of a maturing Caterpillar business model. Last year, our 50% share in the Russian business was included in income from associates.

Russia generated cash of $12.2 million (R88 million) mainly due to reduced working capital, excluding the cash outflow of $52 million (R361 million) to increase the investment in Russia to a 100% holding.

Automotive and logistics

The logistics business was integrated into the automotive division effective 1 May 2011.The newly combined division generated revenue of R13.1 billion which was 6.2% ahead of the prior year. Operating profit of R393 million (excludes finance costs in fleet services which was previously reflected in cost of sales and is now disclosed in finance costs) was R58 million (13%) below the prior year mainly owing to lower car rental profits.

Car rental southern Africa's revenue was flat despite the reduced fleet size and no increase in rental days. Rate per day reduced by 4% compared to the prior year while utilisation of 75% was slightly ahead. Operating profit of R106 million was below the prior year which had benefited from significant gains on the disposal of used vehicles.

Motor retail southern Africa produced a steady result on the back of improved industry new vehicle sales. Motor retail Australia generated a stronger operating performance on reduced revenue.

Avis Fleet Services continued to perform well with growth in fleets under management, despite the low interest rate environment impacting interest margins.

Logistics generated a loss of R9 million compared to a loss of R3 million in 2010. In southern Africa, the supply chain management business continued to experience lower volumes in the building and construction industry and operating profit was down. The international freight management and services business has encountered margin pressure in the sea air business notwithstanding improved volumes.

Handling

The division generated a pleasing turnaround with increased revenue of £198.6 million (R2.2 billion) compared to £178.5 million (R2.1 billion) in 2010.

The operating profit was R27 million compared to a loss of R12 million last year. The UK, South Africa, Belgium and Holland handling businesses all traded profitably, while the US business incurred a small loss at the operating level albeit there was an almost 50% improvement over the previous year. Our agriculture business in South Africa generated a higher operating profit on flat revenue following an improvement in the tractor market and increased parts sales, while a small loss was incurred on the start up of the agriculture business in Siberia.

Corporate activity

The purchase of the remaining 50% share in the Russian Caterpillar dealership for $52 million (R361 million) was finalised following the achievement of all conditions precedent and trading has been ahead of expectation to date.

The disposal of car rental Scandinavia was successfully concluded with the receipt of the final balance owing of R174 million by mid-December 2010.

The sale of the logistics African and Asian non-corporate trader businesses was completed on 28 February 2011. Following this we took a decision effective 1 May 2011 to integrate our automotive and logistics divisions. We aim to realise synergies, extract cost savings, develop a broader integrated customer offering, and create the scale necessary to execute our growth strategies for the logistics business.

Martin Laubscher, currently CEO of the automotive division will take on expanded responsibility for the combined operations. Isaac Shongwe will take over group responsibility for Strategy, Innovation and Solutions development along with Sustainability and Stakeholder engagement, reporting directly to the CEO, Clive Thomson.

The transaction between Caterpillar Inc and Bucyrus International appears to be on track to close by midyear. Once this happens we will be in a position to progress discussions on the future distribution of the Bucyrus product range in our territories. It is still too early to estimate with any accuracy how this could affect our future cash flows and profitability.

Empowerment, transformation and sustainability

We are pleased to report that the group was recognised as the most empowered company in the general industrial sector in the recent FM BEE Top Empowered Companies Survey for the second year running and improved its overall ranking to position number 18. All Barloworld SA businesses achieved independently audited Level 2 or Level 3 BBBEE ratings for 2010.

Sustainable development remains central to the group's long-term value creation objectives. Initiatives in this regard continue to be pursued including an aspirational target of a 12% non-renewable energy and greenhouse gas (GHG) emissions efficiency improvement by end 2014 off a 2009 baseline year, a focus on water consumption, stakeholder engagement, pursuing emerging sustainable business opportunities and cost savings, and providing customers with competitive solutions. These aspects are incorporated into the group's strategic planning process and entrenched through an integrated management approach addressing economic, environmental and social aspects. Good progress is being made in respect of these initiatives and the group is on-track to realise its targets and related cost savings.

Outlook

While the world economy continues on its path of recovery, it is clear that this recovery is taking place at a much faster pace in the emerging economies compared to the developed economies.

Equipment southern Africa has experienced a rapid recovery in the mining and contract mining markets and, notwithstanding muted construction and infrastructure demand, our customer order book is now back to record levels. The principal challenge is ensuring sufficient machine availability to meet increasing demand. Nonetheless we are expecting strong second half revenues and profitability.

The austerity measures in Spain mean that we are unlikely to see any significant change in activity levels in the short term. However, we should see a return to profitability in the second half due to the actions taken to reduce the cost base. We have recently been awarded two large package deals with important Spanish customers for $156 million and $235 million respectively. The majority of the units will deliver into our 2012 and 2013 financial years and should further underpin our recent market share gains.

The Russian order book remains strong and we expect another good result in the second half. We continue to expand our dealership footprint to ensure that we achieve our market share objectives and this bodes well for long-term growth in revenues and profitability.

The automotive and logistics division should continue to benefit from the recovery in industry vehicle sales. The impact of the earthquake and resultant tsunami on Japanese vehicle and component manufacturers would appear to be significant and it is likely to negatively impact the results of our automotive business units.

Our car rental business will focus on cost reductions to ensure that we recover margins in an extremely competitive market. Our fleet services business will continue to produce good results and we await the outcome of some significant contract adjudications which could materially impact both cash flow and profitability. The logistics business will focus on recovering profitability.

The handling division will further capitalise on the recovery now evident in most of their geographies. Order books and short-term hire utilisation rates have improved strongly.

We anticipate a strong second half of the financial year with earnings expected to be significantly up on both the first half of 2011 and the second half of last year. As the recovery gains momentum in most of our key market segments, particularly mining, our focus has shifted to driving profitable growth and enhancing the overall level of financial returns across our businesses. Our financial position remains strong and we are well placed to take advantage of a number of exciting growth opportunities in the year ahead.

DB Ntsebeza
Chairman

CB Thomson
Chief Executive Officer

Group Financial Review

The consolidated income statement has been restated to disclose interest paid in the leasing businesses in net finance costs. These charges were previously included in cost of sales. The effect of the change has been to increase operating profit and net finance costs by R71 million (1H'10: R67 million) with no impact on profit after tax.

Revenue from continuing operations increased by 17% to R23.6 billion. The bulk of the increase was in our equipment southern Africa business owing to improved trading conditions in the mining sector and the consolidation of the Russian business following the acquisition of the remaining 50% in October 2010.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 14% to R1 729 million while operating profit rose by 44% to R854 million. Operating profit in equipment southern Africa improved by R200 million (72%) to R478 million. Equipment Russia contributed R78 million after recognising an amortisation charge of R9 million on intangibles arising from the acquisition. Car rental experienced declining margins due to lower used vehicle disposal profits, reduced rental rates and flat rental days. As a result the combined automotive and logistics division recorded lower profits of R393 million (1H'10: R451 million). The increase in the company's share price since September 2010 has resulted in an increased charge for the six months of R64 million in respect of the provision required for cash-settled Share Appreciation Rights previously awarded to employees.

The volatile rand generated losses arising from marking to market foreign currency contracts on unhedged transactions in equipment southern Africa and the South African agriculture business within the handling division.

Net finance costs decreased by R38 million (10%) to R338 million but now include leasing interest of R71 million (1H'10: R67 million) previously disclosed as cost of sales.

Exceptional gains of R62 million mainly comprise the impact of writing up the existing 50% interest in the equipment Russia business in terms of IFRS 3 Business Combinations.

Taxation, before Secondary Tax on Companies (STC), increased by 147% to R143 million. The effective taxation rate (excluding STC, prior year taxation and taxation on exceptional items) was 33% (1H'10: 35%).

Income from associates improved to a profit of R34 million from a loss of R10 million in the prior period mainly due to a substantially increased contribution from the equipment joint venture in the DRC.

Headline earnings per share (HEPS) from continuing operations increased by 255% to 144.3 cents (1H'10: 40.7 cents).

Cash flow and borrowings

Improved activity in the mining sector has led to increased investment in working capital in equipment southern Africa. This, coupled with the acquisition of 50% of equipment Russia (R361 million) and increased working capital in automotive, has led to an outflow of funds in the period of R1 285 million. The final balance of R174 million owing from the disposal of the Scandinavian car rental business last year was received by December 2010.

Total interest bearing borrowings at 31 March 2011 of R7 633 million represent a group debt-to-equity ratio of 69% (September 2010: 64%). Short-term borrowings represent 39% of total debt. Included in short-term borrowings is R1 270 million outstanding in respect of the company's corporate bond (BAW1) which is due for repayment in July 2011. Plans are advanced to refinance the bulk of this amount in the South African debt capital market ahead of the July maturity date.

Net interest bearing borrowings at 31 March 2011 totalled R6 449 million (September 2010: R5 049 million). This represents a net debt-to-equity ratio of 58% (September 2010: 47%).

Gearing in the three segments are as follows:

Debt to equity (%)	Trading	Leasing	Car rental	Group total debt	Group net debt
Target range	30 – 50	600 – 800	200 – 300		
Ratio at 31 March 2011	**40**	**627**	**161**	**69**	**58**
Ratio at 30 September 2010	34	482	202	64	47

The company's credit rating of A+ was re-affirmed by Fitch Ratings in February 2011 and the outlook was upgraded from Negative to Stable.

Total assets employed by the group increased by R1 696 million to R27 386 million. The consolidation of equipment Russia contributed R1 104 million of this increase.

Going forward

We believe that our financial position is strong and that we are well placed to fund the growth strategies of the divisions. The acquisition of the remaining 50% of the equipment business in Russia subsequent to year end was funded utilising cash on hand in our offshore business. We have substantial committed, unutilised borrowing facilities at our disposal.

We continue to focus on improving our returns by maintaining strict discipline over the allocation of capital and releasing capital from underperforming businesses. This, in addition to the improved profitability, will greatly improve our return on shareholders' funds in the current year.

DG Wilson
Finance director

Equipment

R million	Revenue Six months ended **31 Mar 2011**	31 Mar 2010	Year ended 30 Sep 2010	Operating profit/(loss) Six months ended **31 Mar 2011**	31 Mar 2010	Year ended 30 Sep 2010	Net operating assets **31 Mar 2011**	30 Sep 2010
– Southern Africa	**5 339**	3 687	8 379	**478**	278	725	**3 716**	2 990
– Europe	**1 744**	1 999	3 854	**(70)**	(74)	(69)	**2 286**	2 626
– Russia	**1 203**			**78**			**730**	
	8 286	5 686	12 233	**486**	204	656	**6 732**	5 616
Share of associate Income/(loss)				**30**	(12)	8		

A pleasing performance from equipment southern Africa reflected the recovery in commodities prices, with significantly improved revenue and profits. Strong unit sales volumes together with good parts and service revenue in the earthmoving business resulted in a 45% improvement in revenue and a 72% improvement in operating profit over 2010. South Africa delivered 49% of trading profit, with significant contributions also from Zambia, Botswana, Namibia and Mozambique. The positive signs of a turnaround in Angola are manifested in an improved result and work has started on our new flagship facility in Luanda.

Mining volumes continue to increase and we expect to deliver more mining machines in 2011 than at peak in 2008, with unprecedented demand for smaller off highway trucks due to an upsurge in contract mining activity.

We have received a letter of intent from the contract mining consortium for the Cut 8 Phase 2 support equipment at Debswana's Jwaneng diamond mine in Botswana. Similar confirmation has been received from Vale for 10 Cat 797 trucks, the largest mechanical drive trucks in the world and the first in Africa, for the Moatize coal mine in Mozambique. Work has started on our new R220 million component repair centre (CRC) in Boksburg to support the rapidly expanding mining fleets throughout southern Africa.

The construction sector remained slow, but the South African Federation of Civil Engineering Contractors (SAFCEC) believes a turning point has been reached. Increased confidence in the future is underpinned by the extensive need for infrastructure development.

Barloworld Power is well prepared to provide standby power to the mining, industrial and commercial sectors and renewed focus has been placed on providing the skills in our coastal facilities to meet the growing demands of the marine, oil and gas sectors. The power station under construction for Nampower is scheduled for completion in May 2011.

Attraction, retention and development of skills remains critical to successful growth throughout our business and we are gearing up to significantly increase our learner intakes by introducing double shifts at our Technical Academy in Isando and are investigating increasing the size of the Academy.

The Iberian operations continue to feel the effects of a difficult trading environment and the operating profits have also been impacted by restructuring costs of R56 million (2010: R29 million). The construction industry remains one of the poorest performing sectors as government gross fixed investment is firmly entrenched in negative territory. Our attention remains on cost control, asset efficiency and increasing regional market share by maintaining clear customer focus. To this end we have recently concluded two very significant equipment sale deals to large Spanish customers, one operating in the mining sector and the other being a contractor working on projects largely outside of Iberia. While these do not have material impacts in the current financial year, they will create revenue and profit streams into 2012 and 2013.

Power Systems in Iberia is also experiencing difficult trading conditions, however the marine market has shown some signs of improved activity. We have also recently concluded a significant deal in Spain´s emerging greenhouse market, which will provide us with an important reference site for future expansion into co-generation.

The Russian business produced excellent results in the first half of the financial year driven by increased mining and aftermarket activity and the delivery of the bulk of the Polus Gold order. The Siberian, Russian Far East and Power divisions all contributed to the growth in revenues and the second half is expected to remain strong. People development remains a key focus area for the future growth. The Novosibirsk component rebuild centre is on track for opening in July 2011.

Automotive and Logistics

R million	Revenue Six months ended 31 Mar 2011	Revenue Six months ended 31 Mar 2010	Revenue Year ended 30 Sep 2010	Operating profit/(loss) Six months ended 31 Mar 2011	Operating profit/(loss) Six months ended 31 Mar 2010 Re-classified	Operating profit/(loss) Year ended 30 Sep 2010 Re-classified	Net operating assets 31 Mar 2011	Net operating assets 30 Sep 2010 Re-classified
Car rental Southern Africa	**1 645**	1 645	3 204	**106**	171	283	**2 622**	2 580
Motor retail	**8 680**	8 101	16 078	**162**	157	340	**2 961**	2 608
– Southern Africa	**6 939**	6 211	12 341	**126**	126	258	**1 932**	1 599
– Australia	**1 741**	1 890	3 737	**36**	31	82	**1 029**	1 009
Fleet services Southern Africa	**824**	789	1 545	**134**	126	277	**2 383**	2 269
Logistics	**1 995**	1 841	3 678	**(9)**	(3)	10	**957**	855
– Southern Africa	**1 232**	1 122	2 256	**15**	24	50	**542**	398
– Europe, Middle East and Asia	**763**	719	1 422	**(24)**	(27)	(40)	**415**	457
	13 144	12 376	24 505	**393**	451	910	**8 923**	8 312
Share of associate income				**3**		4		

The automotive business units produced a credible result in a difficult trading environment. An operating margin of 3.6% was achieved. These businesses generated positive operating cash flow while the increased investment into rental and leasing fleets was in line with activity levels.

Avis Rent a Car southern Africa faced difficult trading conditions. While the business improved its high fleet utilisation, it was negatively impacted by lower rate per day and stagnant rental day volumes in an aggressive trading environment. In the prior period the business benefited from extraordinary used vehicle profits which have now normalised.

The southern African motor retail operations delivered a satisfactory result in a mixed market. This was supported by increased new vehicle sales and a strong finance and insurance contribution, but trading in the aftersales environment was marginally lower than the prior period. The Australian operations reported an improved result by focusing on margins and an improved aftersales contribution.

Our fleet services business produced a good result in the current low interest rate environment. Selective financed fleet growth was complemented by strong growth in the fleet under maintenance.

The logistics business was integrated into the automotive division on 1 May 2011. Results in the southern African logistics operations were slightly below last year. Volumes in our supply chain management business were negatively impacted by declines in the construction segment. Higher freight management and services volumes in the South African freight forwarding business partially offset the reduction in profitability.

The financial performance of the international logistics businesses has stabilised due to further rationalisation and cost control. The African and Asian non-corporate trader businesses were exited effective 28 February 2011.

Associates include our Phakisaworld and Sizwe BEE joint ventures which performed in line with expectation.

Handling

R million	Revenue Six months ended 31 Mar 2011	Revenue Six months ended 31 Mar 2010	Revenue Year ended 30 Sep 2010	Operating profit/(loss) Six months ended 31 Mar 2011	Operating profit/(loss) Six months ended 31 Mar 2010 Re-classified	Operating profit/(loss) Year ended 30 Sep 2010 Re-classified	Net operating assets 31 Mar 2011	Net operating assets 30 Sep 2010 Re-classified
– Southern Africa	**503**	509	912	**34**	19	42	**439**	369
– Europe	**929**	885	1 734	**(1)**	(17)	(26)	**739**	723
– North America	**762**	753	1 440	**(6)**	(14)	(19)	**403**	397
	2 194	2 147	4 086	**27**	(12)	(3)	**1 581**	1 489
Share of associate income				**2**	2	3		

The division returned to profitability, with all businesses showing improvement over last year. The market for new forklift trucks grew strongly across all our territories and end-March orders on hand were up by 25% compared to last year end. Used sales were hampered by a shortage of stock, but overall margins continued to show growth. Short-term rental utilisation continued to improve and, after three years of contraction, additional investment was made into the rental fleets.

The UK and Belgium operations both moved back into profit, and the US operations reported a significantly reduced loss. Profits in the Netherlands grew strongly albeit from a low base. Market shares improved in the Netherlands and in the US.

Profits in the South African operations rose as markets and margins recovered. Agricultural sentiment improved but dealer credit shortages and restricted supplies of small tractors constrained performance. The new agricultural operations in Mozambique and Siberia both incurred start up costs in line with expectations and future prospects remain bright. The SEM activity in South Africa showed strong growth and further geographic expansion is being planned.

The division continued to exercise tight control over the asset base, and improved working capital days from 69 last March to 51 days this year.

The global project to upgrade and instal best practice business systems and processes has gone live in the US, UK and Belgium, with South Africa to follow. This will underwrite improved service to our customers and higher profits due to improved efficiency and effectiveness.

With strong orders in hand, the outlook for the second half is for a continuing improvement in profitability.

Corporate

R million	Revenue Six months ended 31 Mar 2011	Revenue Six months ended 31 Mar 2010	Revenue Year ended 30 Sep 2010	Operating loss Six months ended 31 Mar 2011	Operating loss Six months ended 31 Mar 2010	Operating loss Year ended 30 Sep 2010	Net operating assets/(liabilities) 31 Mar 2011	Net operating assets/(liabilities) 30 Sep 2010
– Southern Africa	**1**	13	6	**(46)**	(36)	(41)	**476**	498
– Europe				**(6)**	(12)	(4)	**(553)**	(390)
	1	13	6	**(52)**	(48)	(45)	**(77)**	108
Share of associate income						1		

Corporate comprises mainly the activities of the corporate offices, including the treasuries, in South Africa and the United Kingdom. In southern Africa the operating loss has increased, due to higher provisions required for share appreciation rights awarded to staff, following the recent rise in the company's share price.

Dividend declaration

Dividend declaration for the six months ended 31 March 2011

Dividend Number 165

Notice is hereby given that the following dividend has been declared in respect of the six months ended 31 March 2011.

Number 165 (interim dividend) of 50 cents per ordinary share.

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

Dividend declared	Tuesday, 17 May 2011
Last day to trade cum dividend	Friday, 3 June 2011
Shares trade ex dividend	Monday, 6 June 2011
Record date	Friday, 10 June 2011
Payment date	Monday, 13 June 2011

Share certificates may not be dematerialised or rematerialised between Monday, 6 June 2011 and Friday, 10 June 2011, both days inclusive.

On behalf of the board

B Ngwenya
Secretary

Condensed consolidated income statement

R million	Notes	Six months ended 31 Mar 2011 Reviewed	Six months ended 31 Mar 2010 Reviewed Reclassified*	Year ended 30 Sep 2010 Audited Reclassified*
CONTINUING OPERATIONS				
Revenue		**23 625**	20 222	40 830
Operating profit before items listed below (EBITDA)		**1 729**	1 517	3 318
Depreciation		**(834)**	(889)	(1 736)
Amortisation of intangible assets		**(41)**	(33)	(64)
Operating profit	3	**854**	595	1 518
Fair value adjustments on financial instruments	4	**(66)**	(21)	(89)
Net finance costs and dividends received	5	**(338)**	(376)	(725)
Profit before exceptional items		**450**	198	704
Exceptional items	6	**62**	(150)	(176)
Profit before taxation		**512**	48	528
Taxation	7	**(143)**	(58)	(203)
Secondary taxation on companies	7	**(11)**	(18)	(25)
Profit/(loss) after taxation		**358**	(28)	300
Income/(loss) from associates and joint ventures		**34**	(10)	16
Net profit/(loss) from continuing operations		**392**	(38)	316
DISCONTINUED OPERATIONS				
Loss from discontinued operations	10		(71)	(272)
Net profit/(loss) for the period		**392**	(109)	44
Net profit/(loss) attributable to:				
Non-controlling interests in subsidiaries		**33**	26	51
Owners of Barloworld Limited		**359**	(135)	(7)
		392	(109)	44
Earnings/(loss) per share^ (cents)				
– basic		**170.4**	(64.6)	(3.3)
– diluted		**169.5**	(64.6)	(3.3)
Earnings/(loss) per share from continuing operations^ (cents)				
– basic		**170.4**	(30.6)	126.5
– diluted		**169.5**	(30.6)	126.1
Loss per share from discontinued operations^ (cents)				
– basic			(34.0)	(129.9)
– diluted			(34.0)	(129.9)

** Reclassification of interest paid in the leasing business from cost of sales to net finance costs and dividends received.*

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

Condensed consolidated statement of comprehensive income

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
Profit/(loss) for the period	**392**	(109)	44
Other comprehensive income			
Exchange loss on translation of foreign operations	**(71)**	(579)	(820)
Translation reserves realised on the disposal of foreign subsidiaries	**11**		(102)
Gain/(loss) on cash flow hedges	**29**	11	(24)
Net actuarial losses on post-retirement benefit obligations			(238)
Taxation on other comprehensive income	**(8)**		70
Other comprehensive income for the period, net of taxation	**(39)**	(568)	(1 114)
Total comprehensive income for the period	**353**	(677)	(1 070)
Total comprehensive income attributable to:			
Non-controlling interests in subsidiaries	**33**	26	51
Owners of Barloworld Limited	**320**	(703)	(1 121)
	353	(677)	(1 070)

Condensed consolidated statement of financial position

R million	Notes	**31 Mar 2011 Reviewed**	31 Mar 2010 Reviewed	30 Sep 2010 Audited
ASSETS				
Non-current assets		**11 922**	11 637	11 626
Property, plant and equipment		**7 889**	7 581	7 575
Goodwill		**2 152**	2 114	2 078
Intangible assets		**401**	283	297
Investment in associates and joint ventures	8	**298**	568	552
Finance lease receivables		**257**	233	236
Long-term financial assets	9	**130**	221	133
Deferred taxation assets		**795**	637	755
Current assets		**15 452**	14 935	14 012
Vehicle rental fleet		**1 644**	2 169	1 679
Inventories		**6 813**	5 832	5 318
Trade and other receivables		**5 793**	5 173	5 030
Taxation		**18**	50	57
Cash and cash equivalents	15	**1 184**	1 711	1 928
Assets classified as held for sale	10	**12**	1 896	52
Total assets		**27 386**	28 468	25 690
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium		**299**	260	295
Other reserves		**1 718**	2 113	1 750
Retained income		**8 789**	8 628	8 548
Interest of shareholders of Barloworld Limited		**10 806**	11 001	10 593
Non-controlling interest		**247**	219	233
Interest of all shareholders		**11 053**	11 220	10 826
Non-current liabilities		**6 044**	6 280	5 670
Interest-bearing		**4 643**	5 161	4 285
Deferred taxation liabilities		**311**	275	302
Provisions		**225**	184	217
Other non-interest bearing		**865**	660	866
Current liabilities		**10 289**	9 771	9 136
Trade and other payables		**6 577**	5 798	5 807
Provisions		**560**	574	476
Taxation		**162**	77	161
Amounts due to bankers and short-term loans		**2 990**	3 322	2 692
Liabilities directly associated with assets classified as held for sale	10		1 197	58
Total equity and liabilities		**27 386**	28 468	25 690

Condensed consolidated statement of changes in equity

R million	Share capital and premium	Other reserves	Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Balance at 1 October 2009	252	2 688	8 913	**11 853**	217	**12 070**
Total comprehensive income for the period		(568)	(135)	**(703)**	26	**(677)**
Transactions with owners, recorded directly in equity						
Other reserve movements		(7)	(3)	**(10)**	(1)	**(11)**
Dividends			(147)	**(147)**	(23)	**(170)**
Shares issued in current period	8			**8**		**8**
Balance at 31 March 2010	260	2 113	8 628	**11 001**	219	**11 220**
Total comprehensive income for the period		(370)	(48)	**(418)**	25	**(393)**
Transactions with owners, recorded directly in equity						
Other reserve movements		7	10	**17**		**17**
Dividends			(42)	**(42)**	(11)	**(53)**
Shares issued in current period	35			**35**		**35**
Balance at 30 September 2010	295	1 750	8 548	**10 593**	233	**10 826**
Total comprehensive income for the period		**(39)**	**359**	**320**	**33**	**353**
Transactions with owners, recorded directly in equity						
Other reserve movements		**7**	**(2)**	**5**		**5**
Dividends			**(116)**	**(116)**	**(19)**	**(135)**
Shares issued in current period	**4**			**4**		**4**
Balance at 31 March 2011	**299**	**1 718**	**8 789**	**10 806**	**247**	**11 053**

Condensed consolidated statement of cash flows

R million	Notes	Six months ended 31 Mar 2011 Reviewed	Six months ended 31 Mar 2010 Reviewed Reclassified*	Year ended 30 Sep 2010 Audited Reclassified*
Cash flow from operating activities				
Operating cash flows before movements in working capital		**1 913**	1 578	3 599
(Increase)/decrease in working capital		**(1 345)**	679	1 069
Cash generated from operations before investment in rental assets		**568**	2 257	4 668
Net investment in fleet leasing and equipment rental assets	11	**(539)**	(348)	(847)
Net investment in vehicle rental fleet	11	**(144)**	(664)	(209)
Cash (utilised in)/generated from operations		**(115)**	1 245	3 612
Realised fair value adjustments on financial instruments		**(91)**	(21)	(102)
Finance costs and investment income		**(338)**	(388)	(745)
Taxation paid		**(171)**	(93)	(200)
Cash (outflow)/inflow from operations		**(715)**	743	2 565
Dividends paid (including non-controlling interest)	12	**(135)**	(165)	(223)
Net cash (applied to)/from operating activities		**(850)**	578	2 342
Net cash applied to investing activities		**(435)**	(105)	(56)
Acquisition of subsidiaries, investments and intangibles	13	**(401)**		(3)
Acquisition of property, plant and equipment		**(302)**	(322)	(565)
Net investment in leasing receivables		**55**	72	135
Proceeds on disposal of subsidiaries, investments, intangibles and loans repaid	14	**181**	120	309
Proceeds on disposal of property, plant and equipment		**32**	25	68
Net cash (outflow)/inflow before financing activities		**(1 285)**	473	2 286
Net cash from/(used in) financing activities		**368**	(400)	(1 791)
Ordinary shares issued		**4**	8	43
Shares repurchased for forfeitable share plan		**(18)**		
Increase/(decrease) in interest-bearing liabilities		**382**	(408)	(1 834)
Net (decrease)/increase in cash and cash equivalents		**(917)**	73	495
Cash and cash equivalents at beginning of period		**1 928**	1 627	1 627
Cash and cash equivalents held for sale at beginning of period		**6**	145	145
Effect of foreign exchange rate movements		**(43)**	(74)	(106)
Effect of cash balances classified as held for sale			(60)	(6)
Effect of disposal of car rental Scandinavia on cash balances				(227)
Cash acquired on acquisition of subsidiary		**210**		
Cash and cash equivalents at end of period		**1 184**	1 711	1 928

** Reclassification of interest paid in the leasing business from cost of sales to net finance costs and dividends received.*

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34: Interim Financial Reporting. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 30 September 2010, except for the adoption of the following amended standards:

– IFRS 3 Business combinations (Improvement project May 2010)

– IAS 27 Consolidated and Separate Financial Statements (Improvement project May 2010)

Comparative numbers have been reclassified as per note 20.

	Six months ended		Year ended
R million	**31 Mar 2011 Reviewed**	31 Mar 2010 Reviewed	30 Sep 2010 Audited
2. Reconciliation of net profit/(loss) to headline earnings			
Group			
Net profit/(loss) attributable to Barloworld shareholders	**359**	(135)	(7)
Adjusted for the following:			
Loss on disposal of discontinued operations (IFRS 5)			289
Realisation of translation reserve on disposal of foreign investments (IAS 21) and subsidiaries (IAS 27)	**11**		(102)
Profit on disposal of properties (IAS 16), investments and subsidiaries (IAS 27)	**(72)**	(35)	(60)
Loss on sale of intangible assets (IAS 38)	**1**		4
Loss/(profit) on sale of plant and equipment excluding rental assets (IAS 16) and intangible assets (IAS 38)	**6**	(1)	(2)
Impairment of goodwill (IFRS 3)		152	152
(Reversal of impairment)/impairment of investments in associates (IAS 28) and joint ventures (IAS 31)	**(1)**	33	33
Impairment of plant and equipment (IAS 16)			51
Gross remeasurements excluded from headline earnings	**(55)**	149	365
Net remeasurements excluded from headline earnings	**(55)**	149	365
Headline earnings	**304**	14	358

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
2. Reconciliation of net profit/(loss) to headline earnings *(continued)*			
Continuing operations			
Profit/(loss) from continuing operations	**392**	(38)	316
Minority shareholders' interest in net profit from continuing operations	**(33)**	(26)	(51)
Profit/(loss) from continuing operations attributable to Barloworld Limited	**359**	(64)	265
Adjusted for the following items in continuing operations:			
Realisation of translation reserve on disposal of foreign investments (IAS 21)	**11**		
Profit on disposal of properties (IAS 16), investments and subsidiaries (IAS 27)	**(72)**	(35)	(60)
Loss on sale of intangible assets (IAS 38)	**1**		4
Loss/(profit) on sale of plant and equipment excluding rental assets (IAS 16) and intangible assets (IAS 38)	**6**	(1)	(2)
Impairment of goodwill (IFRS 3)		152	152
(Reversal of impairment)/impairment of investments in associates (IAS 28) and joint ventures (IAS 31)	**(1)**	33	33
Impairment of plant and equipment (IAS 16)			51
Gross remeasurements excluded from headline earnings from continuing operations	**(55)**	149	178
Net remeasurements excluded from headline earnings from continuing operations	**(55)**	149	178
Headline earnings from continuing operations	**304**	85	443
Discontinued operations			
Loss from discontinued operations attributable to Barloworld Limited		(71)	(272)
Adjusted for the following items in discontinued operations:			
Profit on disposal of discontinued operations (IFRS 5)			289
Realisation of translation reserve on disposal of offshore subsidiaries (IAS 21)			(102)
Gross remeasurements excluded from headline earnings from discontinued operations			187
Net remeasurements excluded from headline earnings from discontinued operations			187
Headline earnings from discontinued operations		(71)	(85)

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed Reclassified*	Year ended 30 Sep 2010 Audited Reclassified*
2. Reconciliation of net profit/(loss) to headline earnings *(continued)*			
Weighted average number of ordinary shares in issue during the period (000)			
– basic	**210 625**	208 862	209 469
– diluted	**211 846**	210 252	210 187
Headline earnings per share (cents)			
– basic	**144.3**	6.7	170.9
– diluted	**143.5**	6.6	170.3
Headline earnings per share from continuing operations (cents)			
– basic	**144.3**	40.7	211.5
– diluted	**143.5**	40.4	210.7
Headline loss per share from discontinued operations (cents)			
– basic		(34.0)	(40.6)
– diluted		(34.0)	(40.6)
3. Operating profit			
Included in operating profit from continuing operations are:			
Cost of sales (including allocation of depreciation)	**18 911**	15 961	31 758
Loss/(profit) on sale of other plant and equipment	**6**	(2)	(2)
Amortisation of intangible assets on terms of IFRS 3 Business Combinations	**11**	2	3
4. Fair value adjustments on financial instruments			
(Losses)/gains arising from:			
Forward exchange contracts and other financial instruments	**(49)**	(19)	(94)
Translation of foreign currency monetary items	**(17)**	(2)	5
	(66)	(21)	(89)
5. Net finance costs and dividends received			
Total finance costs	**(370)**	(425)	(809)
Interest received	**31**	44	78
Net finance costs	**(339)**	(381)	(731)
Dividends – listed and unlisted investments	**1**	5	6
	(338)	(376)	(725)
6. Exceptional items			
Profit on disposal of properties, investments and subsidiaries	**72**	35	60
Realisation of translation reserve on disposal of foreign subsidiaries	**(11)**		
Impairment of goodwill		(152)	(152)
Reversal/(impairment) of investments	**1**	(33)	(33)
Impairment of property, plant and equipment			(51)
Gross exceptional profit/(loss)	**62**	(150)	(176)
Net exceptional profit/(loss)	**62**	(150)	(176)

** Reclassification of interest paid in the leasing business from cost of sales to net finance costs and dividends received.*

R million	Six months ended 31 Mar 2011 Reviewed	Six months ended 31 Mar 2010 Reviewed Reclassified*	Year ended 30 Sep 2010 Audited Reclassified*
7. Taxation			
Taxation per income statement	**(143)**	(58)	(203)
Prior year taxation	**4**	11	35
Taxation on profit before STC, prior year taxation and exceptional items for continuing operations	**(147)**	(69)	(238)
Secondary taxation on companies for continuing operations	**(11)**	(18)	(25)
Profit before exceptional items for continuing operations	**450**	198	704
Effective taxation rate excluding exceptional items and prior year taxation for continuing operations (%)			
– excluding STC	**32.7%**	34.8%	33.8%
– including STC	**35.1%**	43.9%	37.4%

** Reclassification of interest paid in the leasing business from cost of sales to net finance costs and dividends received.*

R million	Six months ended 31 Mar 2011 Market value/ Directors' valuation Reviewed	Six months ended 31 Mar 2011 Book value Reviewed	Six months ended 31 Mar 2010 Market value/ Directors' valuation Reviewed	Six months ended 31 Mar 2010 Book value Reviewed	Year ended 30 Sep 2010 Market value/ Directors' valuation Audited	Year ended 30 Sep 2010 Book value Audited
8. Investment in associates and joint ventures						
Joint ventures	**192**	**181**	500	437	522	424
Unlisted associates	**112**	**112**	129	129	124	124
	304	**293**	629	566	646	548
Loans and advances		**5**		2		4
		298		568		552
9. Long-term financial assets						
Listed investments*	**14**	**14**	57	57	21	21
Unlisted investments	**25**	**25**	25	25	25	25
	39	**39**	82	82	46	46
Other long-term financial assets		**91**		139		87
		130		221		133

**Includes PPC shares held amounting to R14 million (March 2010: R57 million and September 2010: R21 million) for the commitment to deliver PPC shares to option holders following the unbundling of PPC.*

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
10. Discontinued operations and assets classified as held for sale			
The 31 March 2010 and 30 September 2010 figures relate to the car rental Scandinavia business which was sold in July 2010.			
Results from discontinued operations are as follows:			
Revenue		663	1 219
Operating profit before items listed below (EBITDA)		37	104
Depreciation		(118)	(190)
Amortisation of intangible assets		(2)	(3)
Operating loss		(83)	(89)
Net finance costs		(12)	(20)
Loss before taxation		(95)	(109)
Taxation		24	24
Loss after taxation		(71)	(85)
Net loss of discontinued operation before loss on disposal		(71)	(85)
Loss on disposal of discontinued operations (including realisation of translation reserve)			(187)
Loss from discontinued operations per income statement		(71)	(272)
The cash flows from the discontinued operations are as follows:			
Cash flows from operating activities		76	(6)
Cash flows from investing activities		(6)	183
Cash flows from financing activities		(152)	(92)

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
10. Discontinued operations and assets classified as held for sale *(continued)*			
The major classes of assets and liabilities comprising the disposal group and other assets classified as held for sale are as follows:			
Property, plant and equipment, intangibles and vehicle rental fleet	12	1 480	3
Inventories		37	
Trade and other current receivables		319	43
Cash and cash equivalents		60	6
Assets of disposal group held for sale	12	1 896	52
Interest-bearing liabilities		(772)	
Other non-interest-bearing liabilities		(83)	(30)
Trade and other payables		(342)	(28)
Total liabilities associated with assets classified as held for sale		(1 197)	(58)
Net assets/(liability) classified as held for sale	12	699	(6)
Per business segment:			
Continuing operations			
Equipment		1	
Automotive and Logistics	12		(6)
Handling			
Total continuing operations	12	1	(6)
Discontinued operations			
Car rental Scandinavia		698	
Total group	12	699	(6)
11. Net investment in fleet leasing and rental assets			
Net investment in fleet leasing and equipment rental assets	(539)	(348)	(847)
Additions	(1 114)	(822)	(1 791)
Proceeds and transfers on disposals	575	474	944
Net investment in vehicle rental fleet	(144)	(664)	(209)
Additions	(1 084)	(2 187)	(3 285)
Proceeds and transfers on disposals	940	1 523	3 076

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
12. Dividends paid			
Ordinary shares			
Final dividend No 164 paid on 17 January 2011: 55 cents per share (2010: No 162 – 70 cents per share)	**(116)**	(147)	(147)
Interim dividend No 163 paid on 7 June 2010: 20 cents per share			(42)
Paid to Barloworld Limited shareholders	**(116)**	(147)	(189)
Paid to non-controlling interest	**(19)**	(18)	(34)
	(135)	(165)	(223)
6% cumulative non-redeemable preference shares			
Preference dividends totalling R22 500 were declared and paid on each of the following dates: – 12 November 2010 (paid on 15 November 2010) – 14 April 2010 (paid on 17 June 2010)			
Preference dividends totalling R22 500 have been declared and will be paid on the following dates: – 3 May 2011 (payable on 6 June 2011)			
13. Acquisition of subsidiaries, investments and intangibles			
Inventories acquired	**(513)**		
Receivables acquired	**(254)**		
Payables, taxation and deferred taxation acquired	**339**		
Borrowings net of cash	**69**		
Property, plant and equipment and other non-current assets	**(181)**		
Total net assets acquired	**(540)**		
Goodwill arising on acquisition	**(81)**		
Intangibles arising on acquisition in terms of IFRS 3 Business combinations	**(101)**		
Total purchase consideration	**(722)**		
Less: deconsolidation of joint venture	**361**		
Net cash cost of subsidiary acquired	**(361)**		
Investments and intangibles acquired	**(40)**		(3)
Cash amounts paid to acquire subsidiaries, investments and intangibles	**(401)**		(3)

The company had a 50% shareholding in Vostochnaya Technica (VT) and on 1 October 2010 the company acquired the remaining 50% shareholding for US$52 million (R361 million). VT distributes and supports Caterpillar and allied equipment across Siberia and the Russian Far East. Goodwill arose from the knowledge and experience of the VT employees and potential customer contracts in the territory.

The initial accounting for deferred taxation, amortisation, intangible assets and goodwill, at the end of the interim reporting period is incomplete. The final goodwill and intangible assets valuation is being finalised.

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
14. Proceeds on disposal of subsidiaries, investments, intangibles and loans repaid:			
Inventories disposed			18
Receivables disposed	**78**		461
Payables, taxation and deferred taxation balances disposed	**(80)**		(424)
Borrowings net of cash	**2**		(577)
Property, plant and equipment, non-current assets, goodwill and intangibles	**4**		1 187
Net assets disposed	**4**		665
Less: Non-cash translation reserves realised on disposal of foreign subsidiaries			(102)
Less: Non-cash consideration of deconsolidation of subsidiary			(180)
Total net assets disposed	**4**		383
Loss on disposal	**(4)**		(186)
Net cash proceeds on disposal of subsidiaries			197
Proceeds on disposal of investments and intangibles	**7**	73	112
Investment in associates and joint ventures loans, intangibles and loans repaid	**174**	47	
Cash proceeds on disposal of subsidiaries, investments, intangibles and loans repaid	**181**	120	309

Net cash proceeds on disposal of subsidiaries relate to the disposal of the Logistics non-corporate trader businesses that were sold during February 2011.

The R174 million for the current year relates to a loan repaid by the car rental Scandinavian business which was sold on 31 July 2010.

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
15. Cash and cash equivalents			
Cash balances not available for use due to reserving and other restrictions	**356**	341	413
16. Commitments			
Capital commitments to be incurred	**1 345**	836	1 347
Contracted	**1 023**	658	1 016
Approved but not yet contracted	**322**	178	331
Operating lease commitments	**1 918**	1 935	1 950
Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.			

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
17. Contingent liabilities			
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims	**920**	1 271	1 367
Litigation, current or pending, is not considered likely to have a material adverse effect on the group.			
Buy-back and repurchase commitments*	**208**	284	224

**The related assets are estimated to have a value of at least equal to the commitment.*

The group has given guarantees to the purchaser of the coatings Australian business relating to environmental claims. The guarantees will expire in 2016 and are limited to the sales price received for the business. Freeworld Coatings Limited is responsible for the first A$5 million of any claims arising in terms of the unbundling agreement.

There are no material contingent liabilities in joint venture companies.

18. Related party transaction

There have been no significant changes 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.

19. Events after the reporting period

A decision was taken effective 1 May 2011 to integrate our automotive and logistics divisions.

No other material events have occurred between the end of the reporting period and the date of the release of these financial statements.

20. Comparative information

The March 2010 and September 2010 comparative information has been amended to reflect the reclassification of interest paid in the leasing business from cost of sales to net finance costs and dividends received. The amendment results in more comparable information relative to the industry.

R million	Previously stated	Reclassi-fication	Reclassified
The aggregate effect of the above changes on the annual financial statements for the period ended 31 March 2010:			
Income statement			
Continuing operations			
Revenue	**20 222**		**20 222**
Operating profit before items listed below (EBITDA)	**1 517**		**1 517**
Depreciation	**(889)**		**(889)**
Amortisation of intangible assets	**(33)**		**(33)**
Leasing interest classified as cost of sales	**(67)**	67	
Operating profit	**528**	67	**595**
Fair value adjustments on financial instruments	**(21)**		**(21)**
Net finance costs and dividends received	**(309)**	(67)	**(376)**
Profit before exceptional items	**198**		**198**
Per business segment:			
Equipment	**204**		**204**
Automotive and Logistics	**391**	60	**451**
Handling	**(19)**	7	**(12)**
Corporate	**(48)**		**(48)**
Operating profit	**528**	67	**595**
Statement of cash flows reclassification			
Cash flow from operating activities			
Operating cash flows before movements in working capital	**1 511**	67	**1 578**
Decrease in working capital	**679**		**679**
Cash generated from operations before investment in rental assets	**2 190**	67	**2 257**
Net investment in fleet leasing and equipment rental assets	**(348)**		**(348)**
Net investment in vehicle rental fleet	**(664)**		**(664)**
Cash generated from operations	**1 178**	67	**1 245**
Realised fair value adjustments on financial instruments	**(21)**		**(21)**
Finance costs and investment income	**(321)**	(67)	**(388)**
Taxation paid	**(93)**		**(93)**
Cash flow from operations	**743**		**743**
Dividends paid (including minority shareholders)	**(165)**		**(165)**
Net cash from operating activities	**578**		**578**

R million	Previously stated	Reclassification	Reclassified
20. Comparative information *(continued)*			
The aggregate effect of the above changes on the annual financial statements for the period ended 30 September 2010:			
Revenue	**40 830**		**40 830**
Operating profit before items listed below (EBITDA)	**3 318**		**3 318**
Depreciation	**(1 736)**		**(1 736)**
Amortisation of intangible assets	**(64)**		**(64)**
Leasing interest classified as cost of sales	**(142)**	142	
Operating profit	**1 376**	142	**1 518**
Fair value adjustments on financial instruments	**(89)**		**(89)**
Net finance costs and dividends received	**(583)**	(142)	**(725)**
Profit before exceptional items	**704**		**704**
Per business segment:			
Equipment	**656**		**656**
Automotive and Logistics	**782**	128	**910**
Handling	**(17)**	14	**(3)**
Corporate	**(45)**		**(45)**
Operating profit	**1 376**	142	**1 518**
Statement of cash flows reclassification			
Cash flow from operating activities			
Operating cash flows before movements in working capital	**3 457**	142	**3 599**
Decrease in working capital	**1 069**		**1 069**
Cash generated from operations before investment in rental assets	**4 526**	142	**4 668**
Net investment in fleet leasing and equipment rental assets	**(847)**		**(847)**
Net investment in vehicle rental fleet	**(209)**		**(209)**
Cash generated from operations	**3 470**	142	**3 612**
Realised fair value adjustments on financial instruments	**(102)**		**(102)**
Finance costs and investment income	**(603)**	(142)	**(745)**
Taxation paid	**(200)**		**(200)**
Cash flow from operations	**2 565**		**2 565**
Dividends paid (including minority shareholders)	**(223)**		**(223)**
Net cash from operating activities	**2 342**		**2 342**

21. Auditor's review

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

Operating segments

Operating segments are identified on the basis of management reports of the group that are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The executive committee of Barloworld Limited is the chief operating decision maker. A decision was taken effective 1 May 2011 to integrate our automotive and logistics divisions. Current and prior period information has been classified accordingly. Management has determined the operating segments based on the management reports and report on the operating segments as follows:

- The equipment segment provides customers with integrated solutions that include Caterpillar earthmoving equipment, engines and other complementary brands.
- The automotive and logistics segment provides customers with integrated motor vehicle usage solutions through the operation of car rental, motor retail, fleet service business units and traditional logistics services and supply chain management solutions.

	Revenue			**Operating profit/(loss)**		
	Six months ended		Year ended	Six months ended		Year ended
	31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	30 Sep 2010 Audited	**31 Mar 2011 Reviewed**	31 Mar 2010 Reviewed Reclassified*	30 Sep 2010 Audited Reclassified*
R million						
Equipment	**8 286**	5 686	12 233	**486**	204	656
Automotive and Logistics	**13 144**	12 376	24 505	**393**	451	910
Handling	**2 194**	2 147	4 086	**27**	(12)	(3)
Corporate	**1**	13	6	**(52)**	(48)	(45)
Total continuing operations	**23 625**	20 222	40 830	**854**	595	1 518

**Reclassification of interest paid in the leasing business from cost of sales to net finance costs and dividends received. Net operating assets no longer exclude interest-bearing liabilities of leasing businesses.*

- The handling segment provides customers with innovative solutions for material handling needs including lift trucks, warehouse handling equipment and distribution of agricultural equipment.
- The corporate segment comprises all the other group activities including the operations of the corporate office in Johannesburg and treasury in the United Kingdom.

The executive committee evaluates the segment performance based on the operating results plus any other items that are directly attributable to segments including fair value adjustments on financial instruments. Interest costs are excluded due to the centralised nature of the group's treasury operations. Geographical segmentation is disclosed in the operational reviews.

Fair value adjustments on financial instruments			**Segment result: Operating profit/(loss) including fair value adjustments**			**Operating margin (%)**			**Net operating assets/ (liabilities)**	
Six months ended		Year ended	Six months ended		Year ended					
31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	30 Sep 2010 Audited	**31 Mar 2011 Reviewed**	31 Mar 2010 Reviewed Reclassified*	30 Sep 2010 Audited Reclassified*	**31 Mar 2011 Reviewed**	31 Mar 2010 Reviewed Reclassified*	30 Sep 2010 Audited Reclassified*	**31 Mar 2011 Reviewed**	30 Sep 2010 Audited Reclassified*
(59)	(20)	(58)	**427**	184	598	**5.9**	3.6	5.4	**6 732**	5 616
	(1)	(5)	**393**	450	905	**3.0**	3.6	3.7	**8 923**	8 312
(9)	(5)	(28)	**18**	(17)	(31)	**1.2**	(0.6)	(0.1)	**1 581**	1 489
2	5	2	**(50)**	(43)	(43)				**(77)**	108
(66)	(21)	(89)	**788**	574	1 429	**3.6**	2.9	3.7	**17 159**	15 525

Salient features

R million	Six months ended 31 Mar 2011 Reviewed	31 Mar 2010 Reviewed	Year ended 30 Sep 2010 Audited
Number of ordinary shares in issue, net of BEE and treasury shares (000)	**210 473**	209 063	210 528
Net asset value per share including investments at fair value (cents)	**5 139**	5 292	5 032

Exchange rates (Rand)	Closing rate			Average rate		
	Six months ended		Year ended	Six months ended		Year ended
	31 Mar 2011	31 Mar 2010	30 Sep 2010	**31 Mar 2011**	31 Mar 2010	30 Sep 2010
United States Dollar	**6.76**	7.34	6.97	**6.94**	7.55	7.49
Euro	**9.59**	9.94	9.52	**9.46**	10.79	10.16
British Sterling	**10.84**	11.14	10.99	**11.04**	12.06	11.68

Barloworld Limited – Interim results
for the six months ended 31 March 2011

Barloworld
Leading brands

Barloworld Limited – Reviewed results

For the six months ended 31 March 2011

Clive Thomson

CEO, Barloworld Limited

Overview

H1:2011 Financial highlights

- Revenue up 17% to R23.6bn *(H1'10: R20.2bn)*
- Operating profit up 44% to R854m *(H1'10: R595m)*
- Operating margin of 3.6% *(H1'10: 2.9%)*
- HEPS from continuing operations up 255% to 144.3 cents *(H1'10: 40.7 cents)*
- Net profit from continuing operations R392m *(H1'10: R38m loss)*
- Interim dividend of 50 cents per share up 150 % *(H1'10: 20 cents)*
- Net debt to equity of 58% *(March '10: 67%)*

Strategic progress

Progress on strategic focus areas

- Russian Caterpillar acquisition completed
- Caterpillar Inc. acquisition of Bucyrus International awaiting regulatory approvals
- Power systems strategy gaining traction
- Car rental Scandinavia disposal concluded
- Significant investments in facility expansion across southern Africa and Russia
- Logistics business integrated into Automotive division effective 1 May
- Barloworld ranked as top empowered company in general industrial sector for 2nd year running
- Significant investment into skills development and training
- Leading position in JSE carbon disclosure and performance ratings

Emphasis on driving **profitable growth** and enhancing **financial returns**

Don Wilson
Finance Director

Financial results

Income statement highlights

Continuing operations (Rm)	1H'11	1H'10*	*% chg*
Revenue	**23 625**	20 222	*17*
EBITDA	**1 729**	1 517	*14*
Operating profit	**854**	595	*44*
Fair value adjustments on financial instruments	**(66)**	(21)	
Net finance costs	**(338)**	(376)	*10*
Exceptional items (charge)	**62**	(150)	
Taxation	**(143)**	(58)	
Secondary Tax on Companies	**(11)**	(18)	
Income from associates	**34**	(10)	
Net profit from continuing operations	**392**	(38)	
Net profit/(loss) attributable to owners of Barloworld	**359**	(135)	*366*
HEPS continuing operations (cents)	**144**	41	*255*

** Reclassification of interest paid in the leasing business from cost of sales to net finance costs*

Statement of financial position

Rm	Mar 11	Sep 10
Non-current assets	**11 922**	11 626
Current assets (excluding cash)	**14 280**	12 136
Cash and cash equivalents	**1 184**	1 928
Total assets	**27 386**	25 690
Interest of all shareholders	**11 053**	10 826
Total debt	**7 633**	6 977
Other liabilities	**8 700**	7 887
Total equity and liabilities	**27 386**	25 690
Net debt	**6 449**	5 049

Summarised statement of cash flows

Rm	1H'11	1H'10*
Operating cash flows before working capital	**1 913**	1 578
(Increase)/decrease in working capital	**(1 345)**	679
Net investment in leasing assets and vehicle rental fleet	**(683)**	(1 012)
Cash (utilised in)/generated from operations	**(115)**	1 245
Other net operating cash flows	**(600)**	(502)
Dividends paid	**(135)**	(165)
Net cash (applied to)/retained from operating activities	**(850)**	578
Net cash applied to investing activities	**(435)**	(105)
Net cash (outflow)/inflow	**(1 285)**	473

Building working capital in line with increased activity levels

** Reclassification of interest paid in the leasing business from cost of sales to net finance costs*

Net cash investment in working capital

Rm	1H'11	1H'10
Inventories – (increase)/decrease	**(990)**	1 061
Receivables – (increase)	**(863)**	(359)
Payables – increase/(decrease)	**508**	(23)
Total working capital – (increase)/decrease	**(1 345)**	679

Rm	1H'11	1H'10
Equipment southern Africa	**(614)**	839
Equipment Europe	**(76)**	234
Equipment Russia	**65**	-
Automotive and Logistics	**(502)**	(198)
Handling	**(124)**	(80)
Other	**(94)**	(116)
Total working capital – (increase)/decrease	**(1 345)**	679

Segmental gearing

Group segmental gearing ratios are as follows:

Debt to equity (%)	Trading	Leasing	Car Rental	Total group	
Target range	30 - 50	600 - 800	200 - 300	Gross	Net
31 March 2011	**40**	**627**	**161**	**69**	**58**
30 September 2010	34	482	202	64	47
31 March 2010	50	531	185	82	67

- Net debt of R6 449m *(Sep 2010: R5 049m)* increased by R1 400m (Russia: R410m)
- Fitch A+ rating maintained, stabilised outlook
- Capital structure strong

Ratios include car rental Scandinavia for 31 March 2010

Debt maturity profile

Interest bearing debt		Redemption	
Rm	Total	Short-term	Long-term
South Africa	7 110	2 668	4 442
Offshore	523	322	201
Total debt March 2011	**7 633**	**2 990**	**4 643**
Total debt September 2010	6 977	2 692	4 285

- Ratio of long-term to short-term debt 61:39 *(Sep 2010 – 61:39)*
- Plans advanced to refinance BAW1 bond (R1 270m)
- R7.7bn unutilised bank facilities at March 2011

Well placed to fund future growth opportunities

Barloworld

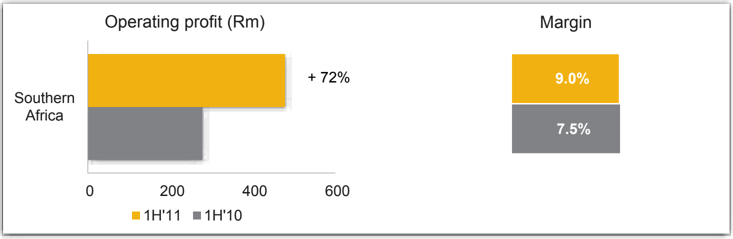
Equipment Southern Africa

Barloworld

Operational Review – Equipment southern Africa

Performance

- Achieved operating profit growth of 72% from R278m to R478m
- Attained operating margin of 9.0%, up from 7.5%
- Strong demand in mining and contract mining
- Completed successful delivery of first tranche of equipment to Vale project
- Jwaneng Contractor B project awarded – letter of intent (LOI) received for support equipment
- Investment in facilities and skills development continues



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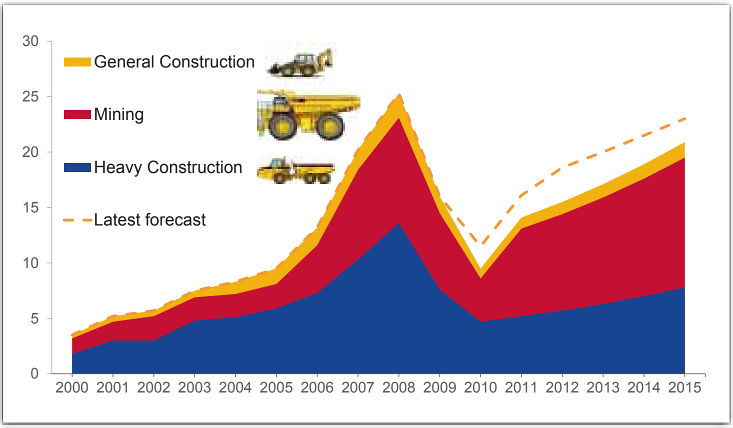
Market trend and outlook for southern Africa (constant value)



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Progress on Projects in Mozambique

Vale
- $116m new units
- $72m MARC over 5 year period
- Currently 10 x 793 operating
- Additional 14 x 793 OHT's to be delivered by Sept 2011
- Additional 5 before Dec 2011
- LOI received from Vale for 10 x 797 mega mining trucks

793D 797B

Riversdale started in 2011
- Potential 20m tons/year for 25 years ($1bn project)
- Currently 6 x 793 operating
- Additional 7 x 793s to be delivered by Sept 2011

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797 Mega mining truck – first in Africa

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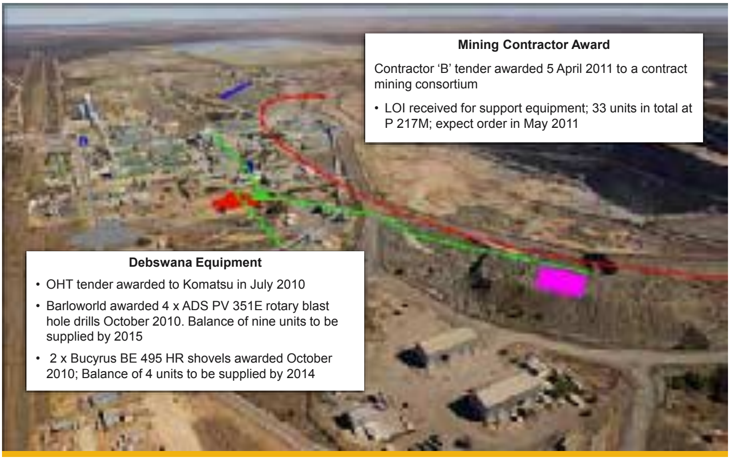
Jwaneng Cut 8 Project Update - Botswana



Mining Contractor Award

Contractor 'B' tender awarded 5 April 2011 to a contract mining consortium

- LOI received for support equipment; 33 units in total at P 217M; expect order in May 2011

Debswana Equipment

- OHT tender awarded to Komatsu in July 2010
- Barloworld awarded 4 x ADS PV 351E rotary blast hole drills October 2010. Balance of nine units to be supplied by 2015
- 2 x Bucyrus BE 495 HR shovels awarded October 2010; Balance of 4 units to be supplied by 2014

NamPower Project

- **N$250m Turnkey power project**
- **3 x 16 CM32 MAK engines/generators producing 22MW**
- **Practical completion scheduled May 2011**

Caterpillar Inc. acquisition of Bucyrus International

- Appears on track to close by mid-year
- $8.6bn acquisition
- Significant growth opportunity for Caterpillar dealers
- Too early to assess cash flow and funding implications

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Bucyrus acquisition, mining

Caterpillar today

Important in mining, but narrow product line

Caterpillar and Bucyrus combined

Broad mining product line

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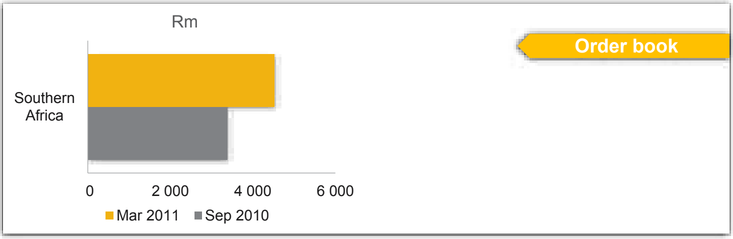
Equipment – southern Africa

Outlook

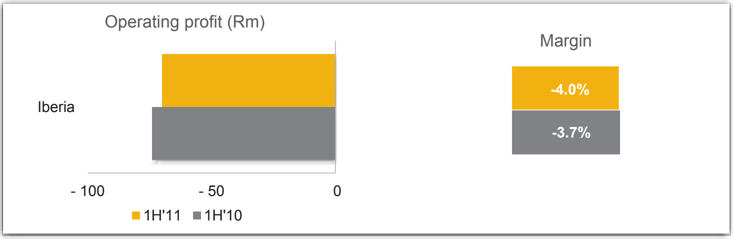
- Strong recovery in owner miner and contract mining sector remains intact
- Increase in Civil Engineering Confidence Index signals construction improvement
- Firm back orders stand at R4.5bn, up from R3.4bn in Sept 2010
- Investment in CRC expansion (R220m) targeted at increasing capacity
- Mozambique, Botswana and Zambia expected to deliver significant growth in mining
- Angola recovery in early stages



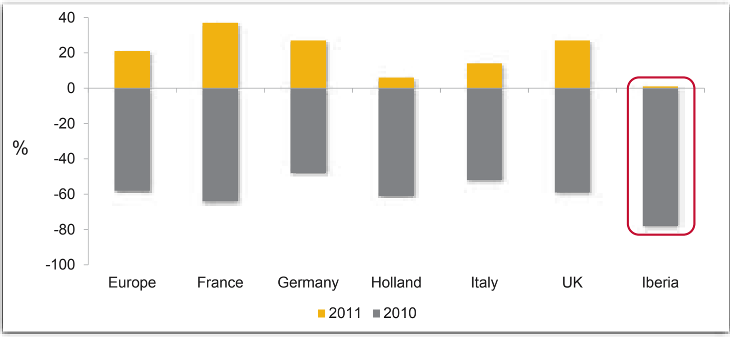
Operational review – Equipment Iberia

Performance

- Revenue down by 5% in Euro terms
- Operating loss of R70m (*H1'10: R74m*), on the back of restructuring costs
- R56m (€6.1m) in redundancy costs incurred in H1 compared to R29m (€2.7m) in H1'10
- Continued positive cash flows of €3 million following rental fleet reductions
- Two significant deals concluded:
  - $235m – major mining customer in Northern Spain
  - $156m – large Spanish contractor (largely export)

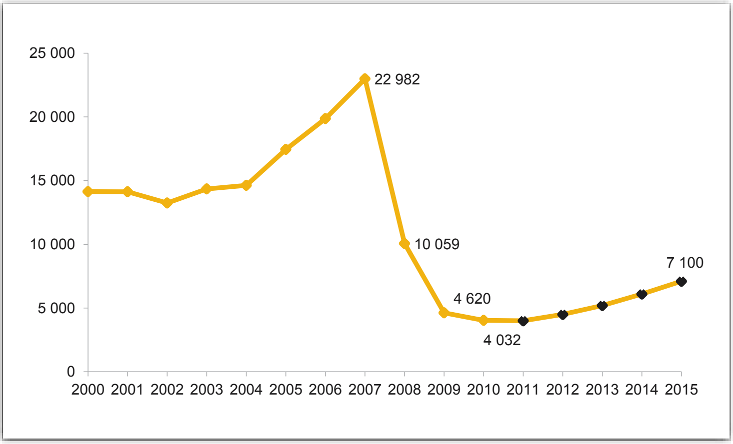


New equipment market conditions in Europe: Industry growth



- Iberian industry remains depressed with no rebound
- Market share gain in large and core machinery
- Successfully negotiated further workforce reductions
- Training investment maintained

Industry unit outlook – Iberia



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Power systems strategy gaining traction

Oil and Gas

Electric Power Generation

Marine

Industrial

Barloworld

Power systems - Success in greenhouse market

- First reference site for co-generation in Spanish Greenhouse market
- Temperature control and CO_2 generation
- Potential for 48 MW of power generation, for a period of 75 000 hours
- Prime product sales of €11m and additional product support of €27m

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Recent large deals won in Spain

EPSA

- 176 large and core public works machines
- Anticipated total deal value of $156m
- Delivery spread – 2011($7m), 2012 and 2013
- Anticipated that $25 - 40m worth of machines will be delivered in Iberia – balance delivered primarily in South America

Victorino Alonso

- 220 machines delivered in Iberia, including mining trucks
- Anticipated deal value of $235m
- Delivery spread – 2012 ($82m), 2013 ($153m)

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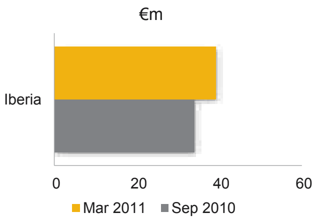
Equipment – Iberia

Outlook

- Challenging macro economic environment with flat revenues in 2011
- Continued focus on growing market share while maintaining margins
- Effect of restructuring programmes has created a significantly lower cost base
- Expect to trade profitability in second half
- Retaining essential technical skills for anticipated future economic recovery
- Continued focus on cash generation and asset efficiency
- Order book excludes the Victorino Alonso and EPSA deals

Order book



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Equipment Russia

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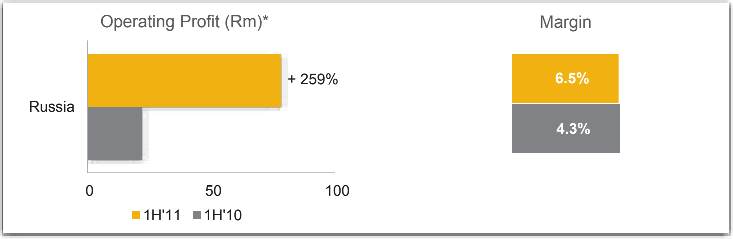
Operational review – Equipment Russia

Performance

- Excellent result in the first half generating $173m (*H1'10: $71m*) in revenue
- Driven by strong mining and aftermarket business
- Power segment continues to grow
- Generated positive cash flow of $12.2m in the first six months of 2011



* 50% of PAT equity accounted in 2010 results

Facilities expansion for future growth

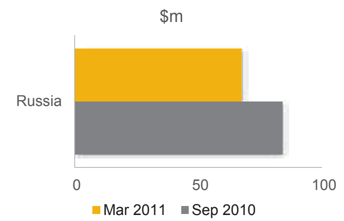
New service and component rebuild facility, Novosibirsk

Total investment $10m – opening July 2011

Equipment – Russia

Outlook

- Second half of 2011 is expected to remain strong
- A good flow of new machine deals as evidenced by order book
- On track with opening of Novosibirsk service centre and facility expansion in the regions
- Progress on development of the power business
- Positive outlook for commodities bodes well for future activity



Order book

Automotive and Logistics

Logistics business integrated into Automotive – 1 May 2011

Barloworld Automotive and Logistics

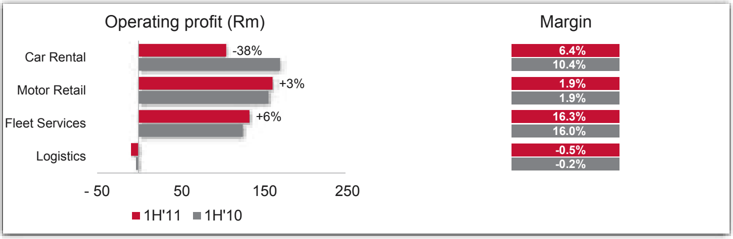
Car Rental	Motor Retail	Fleet Services	Logistics
• Short-term vehicle usage	• Franchised motor retail • Coachworks • Used vehicles and disposal solutions	• Long term rental and fleet management	• Supply chain management • Freight management and services • Software
- *Southern Africa*	- *Southern Africa* - *Australia*	- *Southern Africa*	- *Southern Africa* - *EMEA*

- Logistics and fleet services synergies
- Cost efficiencies
- Leveraging Automotive infrastructure to achieve critical mass for growth
- Retain strategic focus on each business unit

Operational review – Automotive and Logistics

Performance

- Revenue: R13.1bn *(1H'10: R12.4bn)* – up 6%
- Operating profit: R393m *(1H'10: R451m)* – down 13%
  - Operating margin at 3.0%



Car Rental

Performance

- Stagnant rental volumes
- Rate per day declines in aggressive trading environment
- Normalised used vehicle profits – R42m impact
- Operating lease impact R29m (2010: R22m)
- Improved fleet utilisation to 75%
- Final payments for the Scandinavian car rental business received with no residual issues

Car Rental – southern Africa	*HY:2011 (Growth)*
Rental days	*+0.1%*
Rate per day	*-4.3%*

Motor Retail

Performance

- Southern Africa delivered a satisfactory result
  - Increased new vehicle unit sales
  - Continued strong finance and insurance contribution
- Australia delivered a good result – operating profit increased by 16%
  - Improved margins from new vehicle sales
  - Solid performance from parts and service

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Fleet Services

Performance

- Good result in low interest rate environment
- Selective financed fleet growth
- Strong growth in fleets under maintenance
- Used vehicle profitability contributed

Fleet Services	HY:2011 (Growth)
Finance fleet	+3%
Under maintenance	+25%
Total vehicles under management	+21%

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Logistics

Performance

- Supply Chain Management
  - Reduction in volumes in Dedicated Transport Services (DTS)
  - Lower volumes in Supply Chain Management (SCM) operations
- Freight Management and Services
  - Improvement in volumes in South Africa
  - Rationalisation and cost control starting to take effect internationally
  - Exited African and Asian non-corporate trader businesses effective end February 2011

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Automotive and Logistics

Outlook

Car Rental

- Expect challenging industry trading conditions to continue in H2

Motor Retail

- Japanese impact on parts and vehicle supply uncertain
- Southern Africa well positioned to benefit from improving new vehicle market
- Australia expected softer H2 due to stock shortages

Fleet Services

- Stable growth across all regions

Logistics

- Strong internal focus on improving volumes and margins across all business units
- Settle internal structures post integration in order to derive expected benefits

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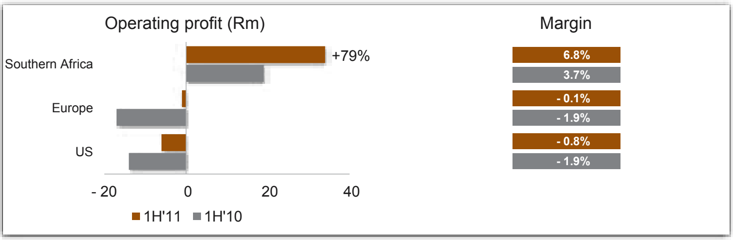
Handling

Operational review – Handling

Performance

- Divisional operating profit of R27m *(H1'10: R12m loss)*
- Agriculture SA improves despite weak sentiment and shortage of low cost tractors
- Start-up agricultural operations in Mozambique and Siberia showing potential
- Europe moves back into profit before start up costs in Siberia
- Significantly reduced loss in US
- New equipment market share growth in US and Netherlands
- Modest growth in asset base; working capital down from 69 days (*H1'10*) to 51 days

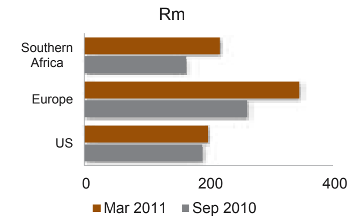


Handling

Outlook

- Recovery gathering momentum in Hyster operations
- New low cost tractor ranges on stream in H2 to improve agriculture performance
- Agriculture footprint now includes Mozambique and Siberia
- Investment in people has enhanced our sales, service capability and customer focus
- ‘Form the Future’ project will allow increased leverage of cost and asset base
- Business development teams addressing major new solutions opportunities
- End March order book up 25% on September and 76% up on a year ago

Order book



Clive Thomson

CEO, Barloworld Limited

Going forward

Strategic growth areas

Mining

Chinese demand and global economic recovery to drive commodity prices and increased levels of mining investment

Geography
Southern Africa
Russia

Infrastructure

Infrastructure backlogs and rapid urbanisation in emerging markets to drive infrastructure investment

Geography
Southern Africa
Iberia
Russia

Power

Capacity constraints and increasing electrification requirements provide opportunities in electric power. Marine and petroleum segments also have significant potential

Geography
Southern Africa
Iberia
Russia

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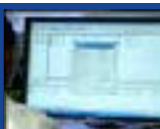
Strategic growth areas

Automotive

Tourism potential, growing corporate demand for outsourced vehicle fleets, and other solutions platforms related to vehicle usage

Geography
Southern Africa
Australia

Logistics



Ongoing trend to outsource supply chain management activities and recovery in world trade

Geography
Southern Africa
Middle East, Europe
China

Handling

Growth opportunity in providing super-integrator solutions. Demand for food and bio-fuels likely to significantly increase agricultural equipment opportunity in emerging markets

Geography
US, UK, Europe, Siberia
Southern Africa

Barloworld

Clive Thomson, CEO of Barloworld, said:

"With order books continuing to increase across most businesses, we anticipate a strong second half of the financial year with earnings expected to be significantly up on both the first half of 2011 and the second half of last year. As the recovery gains momentum in most of our key market segments, particularly mining, our focus has shifted to driving profitable growth and enhancing the overall level of financial returns across our businesses. Our financial position remains strong and we are well placed to take advantage of a number of exciting growth opportunities in the year ahead."

17 May 2011

Clive Thomson
CEO, Barloworld Limited

Questions

Barloworld
Leading brands

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