Barloworld
Leading brands

Barloworld Limited

Interim results for the six months ended 31 March 2015

**Investing in the future
makes a sustainable difference**

About Barloworld

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

Barloworld has a proven track record of long-term relationships with global principals and customers. We have an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. One of our core competencies is an ability to leverage systems and best practices across our chosen business segments. As an organisation we are committed to sustainable development and playing a leading role in empowerment and transformation. The company was founded in 1902 and currently has operations in 24 countries around the world with 75% of 19 315 employees in South Africa.

Corporate information

Barloworld Limited
(Incorporated in the Republic of South Africa)
(Registration number 1918/000095/06)
(Income Tax Registration number 9000/051/71/5)
(Share code: BAW)
(JSE ISIN: ZAE000026639)
(Share code: BAWP)
(JSE ISIN: ZAE000026647)
(Bond issuer code: BIBAW)
(Namibian Stock Exchange share code: BWL)
("Barloworld" or "the company")

Registered office and business address
Barloworld Limited, 180 Katherine Street
PO Box 782248, Sandton, 2146, South Africa
☎ +27 11 445 1000
✉ invest@barloworld.com

Directors
Non-executive: DB Ntsebeza *(Chairman),* NP Dongwana, FNO Edozien^, AGK Hamilton*, A Landia~, SS Mkhabela, B Ngonyama, SS Ntsaluba, SB Pfeiffer•, OI Shongwe
Executive: CB Thomson *(Chief executive),* PJ Blackbeard, PJ Bulterman, DM Sewela, DG Wilson
**British ~German •American ^Nigerian*

Group company secretary
Lerato Manaka

Enquiries
Barloworld Limited
Lethiwe Motloung
☎ +27 11 445 1000
✉ invest@barloworld.com

Instinctif
Morne Reinders
☎ +27 11 447 3030
✉ morne.reinders@instinctif.com

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

Clive Thomson, CE of Barloworld, said:

"The group delivered a solid performance in the first half with operating profits up 6% and headline earnings per share from continuing operations increasing by 16%.

Our Caterpillar equipment businesses in southern Africa held up well in a challenging mining environment, supported by growth in aftermarket revenues. It was pleasing that our Iberian operations returned to profitability as a result of actions taken last year to lower the cost base. Our Russian equipment business continues to operate in a difficult economic and political environment but managed to deliver a satisfactory result as costs were well contained.

The Automotive and Logistics division produced another solid result with Car Rental, Motor Retail and Avis Fleet all performing ahead of the prior period.

While trading conditions are expected to remain challenging in the second half, we will continue our focus on driving operational efficiencies and tight cost control. Overall we expect our businesses to deliver a resilient performance for the full year and are well placed to benefit in the medium term once the mining and construction cycles move into a recovery phase."

18 May 2015

Salient features

Revenue up 3% to
R30.7 billion

Operating profit up 6% to
R1 744 million

Group operating margin increased from
5.5% to 5.7%

Headline earnings per share from continuing operations up 16% to
367 cents

Headline earnings per share up 9% to
367 cents

Interim dividend per share increased 8% to
115 cents

Chairman and chief executive's report

Overview

The global economy continues along a gradual path to recovery. While the US economy appeared to lose some momentum in the first quarter, the outlook for the Eurozone is improving. Recent growth numbers for China were weaker which is likely to moderate Chinese growth prospects for the full year.

The outlook for the South African economy remains negative with growth impacted by reduced commodity demand from China, power shortages and potential risks emanating from an anticipated increase in US interest rates. The mining and construction sectors, in particular, remain under pressure.

Against this backdrop, group revenue from continuing operations for the six months to March 2015 increased by R781 million (3%) to R30.7 billion, while operating profit increased by 6% to R1 744 million. This resulted in a pleasing improvement in the group operating margin to 5.7% (1H'14: 5.5%).

Headline earnings per share (HEPS) from continuing operations increased by 16% to 367 cents (1H'14: 316 cents), while total HEPS, including discontinued operations, was 9% higher than the comparable 336 cents last year.

An interim dividend of 115 cents per share (1H'14: 106 cents) has been declared which shows an increase of 8% over last year.

Operational review

Equipment and Handling

Equipment southern Africa

Revenue to March of R9.9 billion showed a R0.3 billion (3%) increase over the prior year. The mining sector remains under pressure with mining houses and mining contractors delaying their machine replacement programmes. The prior year comparative included the deliveries of EMPR packages to Husab in Namibia and FQM in Zambia. We have recently had success at the Moatize site in Mozambique with significant orders received from both Vale as well as the contract miner Mota Engil.

Operating profit to March of R826 million is R58 million (7.6%) up on last year with the operating margin of 8.3% showing improvement. Income from associates is in line with the prior year.

After sales activity, which represented 51% of revenue in the first six months, continues to show resilience. Activity levels at the repair and rebuild centre in Boksburg have increased substantially with a number of planned component repair programmes for customers, including repairs to large EMPR components, being undertaken.

In Angola the government is trying to secure foreign funding to ensure that key infrastructure projects are not stalled following the drop in oil revenues which represent the bulk of that country's export earnings. The National Bank of Angola has prioritised the allocation of foreign currency (US dollars) to the oil and food sectors and this is impacting our ability to secure dollars, in exchange for Kwanzas, to fund machinery imports.

In southern Africa infrastructure demands have improved overall construction market sentiment, while the South African construction sector remains depressed due to the slow rollout of public sector infrastructure projects.

The firm order book at March 2015 of R2.3 billion is up on the September level of R1.9 billion following the recent orders from Vale and Mota Engil in Mozambique.

Equipment Russia

The Russian economy continues to contract against a backdrop of lower commodity prices and international sanctions, which are making it more difficult for local companies to access external funding.

Revenue to March of $129 million was $55 million (30%) down on last year with mining and construction equipment sales well below the prior year. Strong aftermarket sales continue to confirm the resilience of the business model and represented 60% of revenue for the first six months. Activity levels at the central repair centre in Novosibirsk are well up on the prior year.

Operating profit for the first half of $8.6 million (R101 million) was $6 million (41%) below last year or 35% down in rand terms.

The March firm order book stood at $16 million, slightly up on September 2014. In addition $5.8 million of underground Room and Pillar mining orders retained by Caterpillar will generate margin via a service fee arrangement. A number of opportunities are presented by the Power of Siberia pipeline project.

Equipment Iberia

The Spanish economy is now in its second year of recovery following the economic crisis. While unemployment remains unacceptably high at just under 24%, the recovery is evident in consumer confidence, household spending and manufacturing data.

Revenue to March of €139.5 million was €13.3 million (8.7%) below last year; however the after sales business continues to perform well and represented 43% of total revenue in the first six months.

The cost cutting measures we have taken have delivered according to plan and resulted in the division generating an operating profit of €0.8 million (R10 million) compared to a loss of €2 million (R32 million) last year.

The firm order book of €36 million is €3 million above the September 2014 level and still mainly relates to power projects.

Income from the Energyst associate of €1.8 million (R24.5 million) showed a significant improvement on the €0.5 million loss in the prior year following resolution of a project in Argentina.

Power

Year to date revenue is 12% below last year with activity in South Africa strongly up but Angola, Russia and Iberia well down on the prior year. Projects in Angola and Russia have been negatively impacted by the lower oil price.

The firm order book for power which is included in the regional equipment order books, increased by $17 million to $95 million at March 2015, which bodes well for deliveries in the medium term.

Handling

The division generated revenue of R982 million to March compared to R947 million in 2014. Revenue in Agriculture SA and SEM was R99 million (23%) and R11 million (44%) respectively, ahead of last year, while Handling SA and Agriculture Russia were down on the prior year.

Operating profit to March of R3 million was down on the R31 million generated last year and was negatively impacted by losses incurred in Agriculture Russia and Mozambique together with a start-up loss in Agriculture Zambia.

Automotive and Logistics

Automotive

The division generated revenue of R14.2 billion in the six months to March which represented 9.6% growth compared to last year. Divisional operating profit of R780 million was R61 million (8.5%) up on the prior period with all business units contributing to this improvement.

Car Rental

Revenue to March of R2.7 billion was R534 million (25%) up on the prior year driven by a significant increase in used sales through vehicle rollouts. Rental days increased by 5.3% while rental revenue per day also increased by 5.1%. Vehicle utilisation remained solid at 75%.

The operating profit of R246 million showed a R26 million (12%) improvement on last year with the operating margin dropping from 10.3% to 9.2% due to the impact of increased used vehicle sales in the revenue mix.

The Budget brand was successfully integrated with effect from 1 March 2015 into the existing infrastructure with a minimal financial impact on the March interim results.

Motor Retail

Motor Retail increased revenue to March by R584 million (6.3%) to R9.8 billion driven by a strong growth in used vehicle sales and a strong growth in parts sales.

Operating profit of R254 million was 8.1% ahead of last year with the operating margin slightly improved at 2.6%.

The recent acquisitions, including General Motors (GM) Ferndale in the Cape, have contributed positively to profitability in the period.

Avis Fleet

Revenue to March of R1.7 billion was 7.8% up on the prior year with the financed fleet showing a marginal year-on-year reduction.

Year to date, Avis Fleet generated an improved operating profit of R280 million which was 6.1% ahead of the prior year in an extremely competitive market.

Logistics

Logistics generated revenue to March of R2.2 billion which was 2.9% up on the prior year with Transport and Supply Chain Management showing growth while Freight Management and Services was down on last year. The abnormal load transportation market remains weak with low demand in both mining and construction.

Operating profit to March of R56 million is in line with last year but includes continued losses in Iberia and the Middle East Sea-air Transport business due to lower volumes. Strategic actions are underway to address the international businesses and recent contract awards in South Africa will benefit the second half result.

Human resources, diversity and sustainable development

There have been no work-related fatalities during the period and our ongoing commitment to safety has resulted in a marginal improvement in our lost-time injury frequency rate (LTIFR).

Initiatives to attract, develop and retain a diverse skills base, support our objective to ensure that our workforce reflects the demographics of the countries in which we operate. Our integrated approach to talent management underpins our strategy to secure the required diverse leadership and people to implement our business objectives including increased gender diversity in the technical service areas of our operations.

The group has retained its broad-based black economic empowerment (B-BBEE) Level 2 rating and our major South African business units achieved Level 2 or 3 ratings.

Progress is being made in relation to our various sustainable development objectives; however the expansion of Logistics' road transportation activities adversely impacts the achievement of our aspirational efficiency improvement targets for non-renewable energy consumption and greenhouse gas emissions (scope 1 and 2).

Funding

Net debt for the group at March 2015 of R11.6 billion was slightly up on the R11.2 billion in March 2014, however represents an increase of R4.4 billion from September 2014. The bulk of the cash absorption came from a R3.9 billion seasonal increase in working capital together with a R1.4 billion investment in the leasing fleet and the equipment and vehicle rental fleets.

Net debt to equity of 65% was up on September 2014 but slightly down on the prior year March level of 68% and is expected to decline in the second half as working capital levels reduce.

Proposed amendments to 2008 B-BBEE transaction

The Barloworld 2008 B-BBEE transaction concludes in September 2015. The company is proposing certain amendments to the strategic black partner (SBP) and community service group (CSG) components of the transaction in order to close it out in a fair and equitable manner for the SBPs, the CSGs, the company and our shareholders.

The board appointed a sub-committee under the leadership of independent non-executive director, Ms N Dongwana, to engage with the nine groups and recommend suitable terms for the close out of the transaction. The board has considered the terms and conditions of the proposed amendments and is of the unanimous opinion that they provide the most equitable solution for the SBPs, the CSGs, the company and our shareholders. The proposals take into account the objective of increasing black ownership in Barloworld and factors such as the equity risk assumed by the SBPs and CSGs and the share price of the company.

Following extensive engagement with the parties, amendment agreements have been signed by each of the nine groups comprising the SBPs and CSGs. For the proposed amendments to become effective, a general meeting of shareholders will be convened on or about 19 June 2015 where shareholders may vote on the resolutions proposed to give effect to the amendments.

The board is also committed to repurchase sufficient shares in the market to minimise any dilution that may arise from the closeout of the B-BBEE transaction. Details of the proposed amendments are contained in the company announcement of 12 May 2015 and the circular to shareholders posted on or about 15 May 2015.

Directorate

Mr Martin Laubscher, chief executive officer of the Automotive and Logistics division, retired due to health-related reasons at the company's annual general meeting on 4 February 2015. We would like to thank him for his outstanding service and contribution to Barloworld and the automotive industry over the past 28 years and wish him and his family well for the future.

Mr Keith Rankin, the chief executive of Barloworld Automotive, and Mr Steve Ford, the chief executive of Barloworld Logistics, continue to run these businesses and now report directly to the group chief executive Mr Clive Thomson.

Chairman and chief executive's report continued

Outlook

While the firm order book in Equipment southern Africa is up on the September level, it is the continued growth in after sales activity which will underpin the division's performance. We also expect construction activity at local government and municipality levels to show some improvement in the second half.

Activity levels in Equipment Russia are forecast to remain below last year with some opportunities presented in mining as well as construction, related to the Power of Siberia project. The after sales business will provide the steady growth required to support profitability.

Equipment Iberia will continue to benefit from the reduced cost base and we remain positive that the business will be profitable for the full year.

Handling should deliver improved performances in Handling SA and Agriculture SA in the second half.

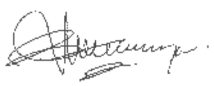
The outlook for new vehicle sales for the balance of this financial year shows a slightly negative trend with consumers under pressure and the requirements of consumer regulations likely to further constrain access to credit. Our Motor Retail business will continue to focus on growing the after sales business, capitalising on finance and insurance opportunities as well as used vehicle sales. In addition we expect to benefit further from our increased dealership footprint in the Northern Cape, Mpumalanga and the Western Cape.

Car Rental will benefit from the opportunities arising from the Budget brand particularly in the inbound and non-contracted segments. In addition, used vehicle sales will again contribute significantly to the second half performance.

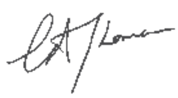
Avis Fleet's performance for the balance of this year should be stable. There are a number of contracts that are in the process of renewal or adjudication which could impact the medium-term performance of the business. Good progress is being made with embedding the new businesses in Zambia and Tanzania.

Logistics is forecasting a stronger performance in the second half. A number of new Supply Chain contracts are in the process of being finalised and the recently acquired Transport businesses are expected to make a positive contribution.

While trading conditions are expected to remain challenging in the second half, we will continue our focus on driving operation efficiencies and tight cost control. Overall we expect our businesses to deliver a resilient performance for the full year and are well placed to benefit in the medium term once the mining and construction cycles move into a recovery phase.



DB Ntsebeza
Chairman



CB Thomson
Chief executive

Group financial review

Revenue for the year increased by 3% to R30.7 billion, mainly due to improved revenues in Equipment southern Africa and Automotive and Logistics, offset by reduced revenue in Equipment Russia and Iberia. The weakening rand increased revenue for the period by R0.3 billion.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 7% to R2 991 million with depreciation and amortisation increasing by 7% as a result of the increased fleets in equipment rental, car rental and logistics transport businesses.

Operating profit rose by 6% to R1 744 million with the operating margin increasing to 5.7%. In Equipment southern Africa, operating profit increased by 8% despite a subdued mining sector, largely due to stronger aftersales profits. The improved operating results generated in Equipment southern Africa made up for the 35% drop in profits in Equipment Russia. Equipment Iberia has shown a strong turnaround, having recorded a profit compared to a loss in the previous year.

The Automotive and Logistics division produced a solid performance with most business units performing ahead of the prior year, increasing operating profit by 8% to R836 million.

The total negative fair value adjustments on financial instruments of R158 million (1H'14: R108 million) mainly relate to the cost of forward points on foreign exchange contracts and translation losses on local currency bank accounts and other monetary balances in Equipment southern Africa, Russia and Handling South Africa.

Finance costs increased by R47 million to R589 million. This is mainly due to higher average debt levels, arising from increased average working capital levels for the period, increased fleet leasing and capex relating to investment in the logistics business, further impacted by higher short-term interest rates.

The exceptional charge of R12 million mainly comprises the impairments of goodwill in the Logistics Sea-air Transport business (R33 million), offset by profits on sale of properties and other assets.

The taxation charge reduced by R24 million to R321 million, despite having been negatively impacted by a deferred tax liability raised in Equipment Russia in terms of IAS 12 following the depreciation of the rouble and a corporate tax rate decrease in Spain from 30% to 25% which resulted in a write down of the deferred tax asset of €1.9 million. The effective taxation rate for the period (excluding prior year taxation and taxation on exceptional items) was 32.4% (1H'14: 34.5%) which was assisted by the return to profitability in Spain.

Income from associates and joint ventures increased by 39% to R132 million (1H'14: R95 million) mainly attributable to the equipment joint venture in Europe.

Headline earnings per share (HEPS) from continuing operations increased by 16% to 367 cents (1H'14: 316 cents), while total HEPS was 9% higher than the comparable 336 cents last year.

Basic EPS from continuing operations of 353 cents is 20% higher than last year's comparable of 293 cents, while total EPS is 28% lower than the 494 cents in the prior period which included the exceptional profit of R370 million earned on the disposal of the Australian motor retail operations.

Cash flow

Current activity levels have resulted in increased investment in working capital of R3 944 million (1H'14: R3 234 million). Equipment southern Africa showed absorption of working capital of R2 039 million and Automotive and Logistics R1 118 million.

Net cash applied to investing activities of R503 million mainly comprises the purchase of heavy vehicles and cranes in the Logistics Transport business and facilities in the Equipment southern African and Automotive Trading businesses. The net cash outflow at interim was R4 190 million which was R312 million up on the R3 878 million outflow at March 2014.

Group financial review continued

Financial position and debt

Total assets employed in the group increased by R4 billion (9%) to R48 billion from September 2014. The increase was driven by the weaker rand (R0.4 billion) and an increase in working capital, rental and leasing fleets, as well as the acquisition of property, plant and equipment during the year.

Total interest-bearing debt at 31 March 2015 increased to R14.8 billion (September 2014: R11.3 billion) while cash and cash equivalents decreased to R3.1 billion (September 2014: R4.2 billion). Net debt increased in the first half mainly as a result of the seasonal increase in working capital. Net interest-bearing debt at 31 March 2015 of R11.6 billion was R4.4 billion higher than September 2014 (R7.2 billion).

Debt

In March, the company issued an unsecured seven-year bond totalling R710 million under its South African Domestic Medium Term Note programme. This was in line with the strategy of improving our debt maturity profile. The funds were utilised to redeem the R310 million BAW12 which matured on 17 April 2015.

In South Africa, short-term debt includes commercial paper totalling R1.4 billion (September 2014: R1.0 billion). While this market has remained liquid, spreads have been negatively impacted by interest rate uncertainty. We expect to maintain our participation in this market.

Cash balances of R3.1 billion are available to meet short-term commitments. Included in the March cash balance is $37 million (R446 million) held in local currency in Angola. Currently the Angolan government has prioritised the allocation of foreign currency to the oil and food sectors which has limited our ability to convert these funds into US dollars. Steps are underway to reduce this exposure.

The group has short-term borrowings at 31 March 2015 of R6.6 billion, unutilised committed borrowing facilities of R3.8 billion and further uncommitted facilities of R1.3 billion.

Fitch ratings reaffirmed the company's long-term credit rating at A+(zaf) (stable outlook) following the annual credit review in February 2015.

The group total debt to equity ratio at 31 March 2015 was 82% (1H'14: 79%), while group net debt to equity was 65% (1H'14: 68%).

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 2015	**56**	**634**	**229**	**82**	**65**
Ratio at 31 March 2014	53	599	219	79	68
Ratio at 30 September 2014	40	662	205	65	41

Going forward

Based on forecast deliveries in the second half in Equipment southern Africa, we are again forecasting a strong reduction in working capital and gearing by year end. We will also be finalising the refinancing of certain of our debt facilities which mature in the second half of this calendar year including the BEE loan financing of R1.2 billion and BAW2 of R750 million. We are also progressing the refinancing of the £100 million off-shore bilateral facility which matures in 2016.

DG Wilson
Finance director

Operational reviews

Equipment and Handling

	Revenue			Operating profit/(loss)			Net operating assets	
	Six months ended		Year ended	Six months ended		Year ended		
	31 Mar 2015 Rm	31 Mar 2014 Rm	30 Sept 2014 Rm	**31 Mar 2015 Rm**	31 Mar 2014 Rm	30 Sept 2014 Rm	**31 Mar 2015 Rm**	30 Sept 2014 Rm
Equipment	**13 272**	13 824	29 031	**937**	892	2 229	**16 140**	14 064
– Southern Africa	**9 927**	9 618	20 903	**826**	768	1 968	**11 048**	8 770
– Europe	**1 861**	2 277	4 134	**10**	(32)	(168)	**2 155**	2 343
– Russia	**1 484**	1 929	3 994	**101**	156	429	**2 937**	2 951
Handling	**982**	947	1 929	**3**	31	55	**1 379**	781
	14 254	14 771	30 960	**940**	923	2 284	**17 519**	14 845
Share of associate income				**134**	103	228		

Equipment southern Africa was impacted by the cyclical mining and construction industries. Currently, the mining industry is going through a difficult period with a decline in commodity prices resulting in a reduction in capex spend, which impacts directly on our machine sales. Nevertheless, revenue for the period increased marginally by 3.2% as customers extended the life of machines, leading to an increase in parts sales. This, together with our continued focus on cost and efficiency optimisation, contributed to an 8% increase in operating profit.

Equipment Iberia revenue dropped by 9% in euro terms with lower prime product revenues, but margins remained robust across all market segments largely offsetting the lower revenues. Operating expenses declined by 10% as savings were realised following the restructuring undertaken in Spain last year. Operating profits earned during the period of R10 million represented a R42 million turnaround against the prior period, while tight control of the balance sheet continued to ensure that the region was cash flow positive.

In Equipment Russia revenue remained under pressure due to depressed mining equipment demand, challenging economic environment and international sanctions resulting from the Ukraine crisis. Despite these challenges, a satisfactory result for the first half was delivered due to strong aftermarket performance, tight cost control and efficiency improvements across the business. The EMPR aftermarket performance also contributed positively to the overall result.

Income from the associates includes a strong turnaround in the Energyst associate following resolution of a project in Argentina.

In Handling, strong sales and market share growth in the Agriculture SA operation was accompanied by lower machine margins as we converted additional large farmer fleets to our products. These new machines are not yet consuming many parts and this adverse mix and less favourable currency gains impacted the result. The Handling business suffered from weaker forklift demand while the SEM operation generated improved sales and operating profits on the back of an expanded product range. The start-up Zambian Agricultural business traded satisfactorily, albeit at a small loss. Difficult market conditions prevailed in Russia, and losses increased as a result of lower volume and balance sheet impairments.

Operational segments continued

Automotive and Logistics

	Revenue			Operating profit/(loss)			Net operating assets	
	Six months ended		Year ended	Six months ended		Year ended		
	31 Mar 2015 Rm	31 Mar 2014 Rm	30 Sept 2014 Rm	**31 Mar 2015 Rm**	31 Mar 2014 Rm	30 Sept 2014 Rm	**31 Mar 2015 Rm**	30 Sept 2014 Rm
Automotive southern Africa	**14 168**	12 930	26 770	**780**	719	1 522	**8 836**	7 384
– Car Rental	**2 665**	2 131	4 510	**246**	220	421	**2 319**	1 808
– Motor Retail	**9 838**	9 254	19 173	**254**	235	542	**2 807**	2 258
– Avis Fleet	**1 665**	1 545	3 087	**280**	264	559	**3 710**	3 318
Logistics	**2 246**	2 182	4 367	**56**	56	122	**2 258**	1 761
– Southern Africa	**1 938**	1 836	3 709	**76**	85	174	**2 094**	1 618
– Europe, Middle East and Asia	**308**	346	658	**(20)**	(29)	(52)	**164**	143
	16 414	15 112	31 137	**836**	775	1 644	**11 095**	9 145
Share of associate loss				**(2)**	(8)	(11)		

The Automotive division delivered another record result in difficult markets. The division generated strong operating cash flows and has continued to reinvest into profitable growth opportunities across all business units. Divisional operating profit improved by 8.5% off revenue growth of 9.6%, while maintaining an overall operating margin of 5.5%.

Car Rental southern Africa delivered a good result, improving operating profit by 12%. The business maintained high fleet utilisation, grew rental day volumes and market share, and increased revenue per rental day. Used vehicle profits further improved on the high levels achieved in the previous year, supported the result. The Budget brand was successfully integrated from 1 March 2015.

The southern African Motor Retail operations delivered a pleasing result, growing operating profit by 8.1% while margins improved on the prior period. Overall vehicle sales volumes were in line with market and the result was supported by improved aftermarket volumes and a solid finance and insurance contribution. The acquisition of GM Ferndale was effective 1 December 2014.

Avis Fleet produced a stable result, improving operating profit by 6.1%. The business maintained the level of the financed fleet and benefited from further select growth in the non-financed fleet, however overall fleet size was negatively impacted by the loss of a low margin fleet accident management contract. Another strong used vehicle profit contribution supported the result.

Associates, which include our Soweto motor retail joint venture, remain in the early stages of development with progress being made.

The Logistics business delivered a flat performance in a tough trading environment with operating profit at R56 million. Revenue increased marginally by 2.9% to R2.2 billion. A stronger second half is forecast as significant new contracts awarded and a solid sales pipeline come on stream. While the international businesses remain under pressure, the investment in Barloworld Transport is starting to deliver value and the Supply Chain Management business in southern Africa remains stable. The acquisition of 100% of the re- environmental solutions business places us in a favourable position to take advantage of opportunities in this growing sector.

Corporate

	Revenue			Operating profit/(loss)			Net operating assets/(liabilities)	
	Six months ended		Year ended	Six months ended		Year ended		
	31 Mar 2015 Rm	31 Mar 2014 Rm	30 Sept 2014 Rm	**31 Mar 2015 Rm**	31 Mar 2014 Rm	30 Sept 2014 Rm	**31 Mar 2015 Rm**	30 Sept 2014 Rm
– Southern Africa		4	4	**15**	(22)	(24)	**591**	652
– Europe				**(47)**	(37)	(74)	**(1 590)**	(1 944)
		4	4	**(32)**	(59)	(98)	**(999)**	(1 292)

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

Southern Africa is showing an operating profit compared to a loss in the previous comparative period, owing mainly to lower charges and accruals for long-term incentives and reduced operating costs. In Europe the higher operating loss is mainly due to higher claims in the captive insurance company and the impact of currency depreciation.

DIVIDEND DECLARATION
Dividend number 173

Notice is hereby given that final dividend number 173 of 115 cents (gross) per ordinary share in respect of the six months ended 31 March 2015 has been declared subject to the applicable dividends tax levied in terms of the Income Tax Act (Act No. 58 of 1962) (as amended) ("the Income Tax Act").

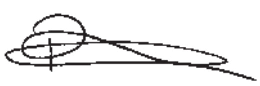
In accordance with paragraphs 11.17(a)(i) to (x) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:
- The dividend has been declared out of income reserves;
- Local dividends tax rate is 15% (fifteen per centum);
- Barloworld has 231 291 819 ordinary shares in issue;
- The gross local dividend amount is 115 cents per ordinary share;
- The net dividend amount is 97.75 cents per share.

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

• Dividend declared	Monday, 18 May 2015
• Last day to trade cum dividend	Friday, 5 June 2015
• Shares trade ex-dividend	Monday, 8 June 2015
• Record date	Friday, 12 June 2015
• Payment date	Monday, 15 June 2015

Share certificates may not be dematerialised or rematerialised between 8 June 2015 and 12 June 2015, both days inclusive.

On behalf of the board



LP Manaka
Group company secretary

Condensed consolidated income statement

	Notes	Six months ended 31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	Year ended 30 Sept 2014 Audited Rm
Continuing operations				
Revenue		**30 668**	29 887	62 101
Operating profit before items listed below (EBITDA)		**2 991**	2 800	6 170
Depreciation		**(1 189)**	(1 088)	(2 198)
Amortisation of intangible assets		**(58)**	(73)	(142)
Operating profit	3	**1 744**	1 639	3 830
Fair value adjustments on financial instruments		**(158)**	(108)	(156)
Net finance costs and dividends received	4	**(559)**	(525)	(1 078)
Profit before exceptional items		**1 027**	1 006	2 596
Exceptional items	5	**(12)**	(49)	(66)
Profit before taxation		**1 015**	957	2 530
Taxation	6	**(321)**	(345)	(837)
Profit after taxation		**694**	612	1 693
Income from associates and joint ventures		**132**	95	217
Net profit from continuing operations for the period		**826**	707	1 910
Discontinued operations				
Profit from discontinued operations	9		424	428
Net profit for the period		**826**	1 131	2 338
Net profit attributable to:				
Owners of Barloworld Limited		**749**	1 045	2 143
Non-controlling interests in subsidiaries		**77**	86	195
		826	1 131	2 338
Earnings per share^ (cents)				
– basic		**353.4**	494.1	1 012.3
– diluted		**352.4**	492.5	1 007.5
Earnings per share from continuing operations^ (cents)				
– basic		**353.4**	293.4	810.3
– diluted		**352.4**	292.7	806.4
Earnings per share from discontinued operations^ (cents)				
– basic			200.7	202.0
– diluted			199.8	201.1

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

Condensed consolidated statement of comprehensive income

	Six months ended 31 Mar 2015 Reviewed Rm	Six months ended 31 Mar 2014 Reviewed Rm	Year ended 30 Sept 2014 Audited Rm
Profit for the period	**826**	1 131	2 338
Items that may be reclassified subsequently to profit or loss:	**103**	(108)	370
Exchange gain on translation of foreign operations	**82**	449	862
Translation reserves realised on the liquidation and disposal of foreign joint ventures and subsidiaries	**3**	(509)	(510)
Gain/(loss) on cash flow hedges	**22**	(68)	25
Deferred taxation on cash flow hedges	**(4)**	20	(7)
Items that will not be reclassified to profit or loss:			(497)
Actuarial losses on post-retirement benefit obligations			(617)
Taxation effect			120
Share of joint venture's defined benefit obligation	**(5)**		
Other comprehensive income/(loss) for the period	**98**	(108)	(127)
Total comprehensive income for the period	**924**	1 023	2 211
Total comprehensive income attributable to:			
Owners of Barloworld Limited	**847**	937	2 016
Non-controlling interests in subsidiaries	**77**	86	195
	924	1 023	2 211

Condensed consolidated statement of financial position

	Notes	Six months ended 31 Mar 2015 Reviewed Rm	Six months ended 31 Mar 2014 Reviewed Rm	Year ended 30 Sept 2014 Audited Rm
ASSETS				
Non-current assets		**17 708**	15 980	17 287
Property, plant and equipment		**13 047**	11 477	12 614
Goodwill		**1 661**	1 636	1 661
Intangible assets		**1 400**	1 396	1 380
Investment in associates and joint ventures	7	**814**	584	720
Finance lease receivables		**76**	73	123
Long-term financial assets	8	**66**	111	94
Deferred taxation assets		**644**	703	695
Current assets		**30 266**	27 077	26 719
Vehicle rental fleet		**2 663**	2 483	2 307
Inventories		**14 480**	12 989	11 814
Trade and other receivables		**9 946**	9 774	8 357
Taxation		**52**	21	79
Cash and cash equivalents	14	**3 125**	1 810	4 162
Total assets		**47 974**	43 057	44 006
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium		**316**	316	316
Other reserves		**4 548**	3 992	4 517
Retained income		**12 437**	11 663	12 049
Interest of shareholders of Barloworld Limited		**17 301**	15 971	16 882
Non-controlling interest		**608**	501	604
Interest of all shareholders		**17 909**	16 472	17 486
Non-current liabilities		**10 651**	10 663	9 700
Interest-bearing		**8 147**	8 231	6 921
Deferred taxation liabilities		**407**	449	377
Provisions		**177**	219	182
Other non-current liabilities		**1 920**	1 764	2 220
Current liabilities		**19 414**	15 922	16 820
Trade and other payables		**11 704**	10 030	11 263
Provisions		**1 076**	1 011	1 046
Taxation		**18**	104	116
Amounts due to bankers and short-term loans		**6 616**	4 777	4 395
Total equity and liabilities		**47 974**	43 057	44 006
Net debt		**11 638**	11 198	7 154

Condensed consolidated statement of changes in equity

	Share capital and premium Rm	Other reserves Rm	Retained income Rm	Attributable to Barloworld Limited shareholders Rm	Non-controlling interest Rm	Interest of all shareholders Rm
Balance at 1 October 2013 (audited)	316	4 094	11 035	15 445	462	15 907
Total comprehensive income for the period		(108)	1 045	937	86	1 023
Other reserve movements		6		6	7	13
Dividends			(417)	(417)	(54)	(471)
Balance at 31 March 2014 (reviewed)	316	3 992	11 663	15 971	501	16 472
Total comprehensive income for the period		480	601	1 081	109	1 190
Other reserve movements		46	7	53	32	85
Dividends			(222)	(222)	(38)	(260)
Balance at 30 September 2014 (audited)	316	4 517	12 049	16 882	604	17 486
Total comprehensive income for the period		**98**	**749**	**847**	**78**	**924**
Other reserve movements		**(67)**	**96**	**29**		**29**
Dividends			**(456)**	**(456)**	**(74)**	**(530)**
Balance at 31 March 2015 (reviewed)	**316**	**4 548**	**12 437**	**17 301**	**608**	**17 909**

Condensed consolidated statement of cash flows

	Notes	Six months ended 31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	Year ended 30 Sept 2014 Audited Rm
Cash flow from operating activities				
Operating cash flows before movements in working capital		**3 214**	2 925	6 302
Increase in working capital		**(3 944)**	(3 234)	(470)
Cash (outflow)/generated from operations before investment in rental fleets		**(730)**	(309)	5 832
Net investment in fleet leasing and equipment rental fleet	10	**(760)**	(1 047)	(2 143)
Net investment in vehicle rental fleet	10	**(661)**	(666)	(736)
Cash (utilised in)/generated from operations		**(2 151)**	(2 022)	2 953
Realised fair value adjustments on financial instruments		**(153)**	(82)	(162)
Finance costs and investment income		**(482)**	(432)	(889)
Taxation paid		**(370)**	(421)	(947)
Cash (outflow)/inflow from operations		**(3 156)**	(2 957)	955
Dividends paid (including non-controlling interest)		**(531)**	(481)	(742)
Net cash (applied to)/retained from operating activities		**(3 687)**	(3 438)	214
Net cash applied to investing activities		**(503)**	(440)	(69)
Acquisition of subsidiaries, investments and intangibles	12	**(79)**	(92)	(323)
Proceeds on disposal of subsidiaries, investments, intangibles and loans repaid	13		126	1 316
Net investment in leasing receivables		**25**	13	(15)
Acquisition of property, plant and equipment		**(506)**	(595)	(1 323)
Proceeds on disposal of property, plant and equipment		**57**	108	276
Net cash (outflow)/inflow before financing activities		**(4 190)**	(3 878)	145
Net cash from financing activities		**3 133**	2 924	1 161
Shares repurchased for forfeitable share plan		**(17)**	(28)	(34)
Purchase of non-controlling interest and repayment of loan		**(4)**	(4)	(4)
Increase in interest-bearing liabilities		**3 154**	2 956	1 199
Net (decrease)/increase in cash and cash equivalents		**(1 057)**	(954)	1 306
Cash and cash equivalents at beginning of period		**4 162**	2 695	2 695
Effect of foreign exchange rate movements		**20**	40	131
Effect of cash balances held for sale			29	29
Cash and cash equivalents at end of period		**3 125**	1 810	4 162

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act applicable to condensed financial statements. The Listings Requirements require interim reports to be prepared in accordance with International Financial Reporting Standards, IAS 34 Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The accounting policies applied in the preparation of the condensed consolidated interim financial statements were derived in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements, except for the adoption of the following amended or new standards and interpretations as detailed below:

– IFRIC 21 Levies (May 2013)
– Novation of derivatives and continuation of hedge accounting (Amendments to IAS 39) (June 2013)
– Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (October 2012)
– Recoverable amount disclosures for non-financial assets (Amendments to IAS 36) (May 2013)
– Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) (December 2011)
– Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (November 2013)
– Annual improvements to IFRS 2011 – 2013 cycle (December 2013)
– Annual improvements to IFRS 2010 – 2012 cycle (December 2013)

The above amendments to the standards had no impact on the comparative numbers.

This report was prepared under the supervision of SY Moodley (Group general manager: finance) BCom CA(SA), ACMA.

	Six months ended		Year ended
	31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm
2. Reconciliation of net profit to headline earnings			
Group			
Net profit attributable to Barloworld Limited shareholders	**749**	1 045	2 143
Adjusted for the following:			
Profit on disposal of subsidiaries and investments (IFRS 10)	**(3)**	(520)	(530)
Profit on disposal of properties and other assets (IAS 16)	**(20)**	(12)	(77)
Profit/(loss) on sale of plant and equipment excluding rental assets (IAS 16)	**3**	(13)	
Impairment of goodwill (IFRS 3)	**33**	209	208
Reversal of impairment of investments in associates and joint ventures (IAS 28)			2
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	**2**	2	94
Taxation effects of remeasurements	**13**		
Non-controlling interest in subsidiaries in remeasurements			27
Headline earnings	**777**	711	1 867

Notes to the condensed consolidated financial statements continued

	Six months ended 31 Mar 2015 Reviewed Rm	Six months ended 31 Mar 2014 Reviewed Rm	Year ended 30 Sept 2014 Audited Rm
2. Reconciliation of net profit to headline earnings continued			
Continuing operations			
Profit from continuing operations	**826**	707	1 910
Non-controlling shareholders' interest in net profit from continuing operations	**(77)**	(86)	(195)
Profit from continuing operations attributable to Barloworld Limited shareholders	**749**	621	1 715
Adjusted for the following items in continuing operations:			
Profit on disposal of subsidiaries and investments (IFRS 10)	**(3)**	(150)	(161)
Profit on disposal of properties and other assets (IAS 16)	**(20)**	(12)	(77)
Loss/(profit) on sale of plant and equipment excluding rental assets (IAS 16)	**3**	(1)	
Impairment of goodwill (IFRS 3)	**33**	209	208
Reversal of impairment of investments in associates and joint ventures (IAS 28)			2
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	**2**	2	94
Total taxation effects of remeasurements	**13**		5
Non-controlling interest in subsidiaries in remeasurements			27
Headline earnings from continuing operations	**777**	669	1 813
Discontinued operations			
Profit from discontinued operations attributable to Barloworld Limited shareholders		424	428
Adjusted for the following items in discontinued operations:			
Profit on disposal of subsidiaries and investments (IAS 27)		(370)	(369)
Profit on sale of plant and equipment excluding rental assets (IAS 16)		(12)	
Taxation effects of remeasurements			(5)
Headline earnings from discontinued operations		42	54
Weighted average number of ordinary shares in issue during the period (000)			
– basic	**211 811**	211 535	211 669
– diluted	**212 551**	212 191	212 680
Headline earnings per share (cents)			
– basic	**366.8**	336.1	882.5
– diluted	**365.6**	335.0	877.7
Headline earnings per share from continuing operations (cents)			
– basic	**366.8**	316.3	856.5
– diluted	**365.6**	315.2	852.1
Headline earnings per share from discontinued operations (cents)			
– basic		19.9	26.0
– diluted		19.8	25.6

	Six months ended		Year ended
	31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm
3. Operating profit			
Included in operating profit			
Cost of sales (including allocation of depreciation)	**24 059**	23 393	48 775
Loss/(profit) on disposal of other plant and equipment	**42**	(1)	26
Amortisation of intangible assets in terms of IFRS 3 Business Combinations	**11**	17	47
4. Net finance costs and dividends received			
Total finance costs	**(589)**	(542)	(1 117)
Interest received	**30**	16	39
Net finance costs	**(559)**	(526)	(1 078)
Dividends – listed and unlisted investments		1	
	(559)	(525)	(1 078)
5. Exceptional items			
Profit on acquisitions and disposal of investments and subsidiaries	**3**	150	161
Impairment of goodwill	**(33)**	(209)	(208)
Impairment of investments			(2)
Profit on disposal of property and other assets	**20**	12	77
Impairment of property, plant and equipment, intangibles and other assets	**(2)**	(2)	(94)
Gross exceptional loss from continuing operations	**(12)**	(49)	(66)
Taxation charge on exceptional items	**(13)**		(5)
Net exceptional loss from continuing operations	**(25)**	(49)	(71)
Non-controlling interest on exceptional items			(27)
Net exceptional loss – total group	**(25)**	(49)	(98)
6. Taxation			
Taxation per income statement	**(321)**	(345)	(837)
Prior year taxation	**25**	2	49
Taxation on exceptional items	**(13)**		(5)
Taxation on profit before prior year taxation and exceptional items	**(333)**	(347)	(881)
Effective taxation rate excluding exceptional items, prior year taxation (%)	**32.4**	34.5	34.1

The interim taxation charge for the Equipment Russia business has been calculated by applying an estimated average annual effective tax rate for September 2015. A significant factor in estimating the annual effective tax rate is the USD: RUR exchange rate which has been estimated using a 30 September 2015 forward exchange rate of USD1: RUR62.3. If the forward rate were to move by 5% it would result in an estimated impact of R3.6 million to R4.3 million (USD300k to USD350k) on the March 2015 interim tax charge.

Notes to the condensed consolidated financial statements continued

	Six months ended Book value 31 Mar 2015 Rm	Six months ended Book value 31 Mar 2014 Rm	Year ended Book value 30 Sept 2014 Rm
7. Investment in associates and joint ventures			
Joint ventures	**511**	332	416
Unlisted associates	**301**	241	256
	812	573	672
Loans and advances	**2**	11	48
	814	584	720
8. Long-term financial assets			
Unlisted investments	**47**	73	56
Other long-term financial assets	**19**	38	38
	66	111	94
9. Assets classified as held for sale and discontinued operations			
Following the disposal of the Automotive Australia business in March 2014 it was classified as a discontinued operation.			
Results from discontinued operations are as follows:			
Revenue		2 783	2 783
Operating profit before items listed below (EBITDA)		96	96
Depreciation		(10)	(10)
Operating profit		86	86
Net finance costs and dividends received		(8)	(8)
Profit before taxation		78	78
Taxation		(24)	(24)
Net profit of discontinued operation before profit on disposal		54	54
Profit on disposal of discontinued operations (including realisation of translation reserve)		365	369
Taxation effect of disposal		5	5
Profit from discontinued operations per income statement		424	428
The cash flows from the discontinued operations are as follows:			
Cash flows from operating activities		114	198
Cash flows from investing activities		103	1 179
Cash flows from financing activities		(225)	(889)

	Six months ended		Year ended
	31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm
10. Net investment in fleet leasing and rental fleets			
Net investment in fleet leasing and equipment rental fleets	**(760)**	(1 047)	(2 143)
Additions	**(1 841)**	(1 971)	(3 957)
Transfers and proceeds on disposals	**1 081**	924	1 814
Net investment in vehicle rental fleet	**(661)**	(666)	(736)
Additions	**(1 983)**	(1 539)	(2 795)
Transfers and proceeds on disposals	**1 322**	873	2 059
11. Dividends declared			
Ordinary shares			
Final dividend No 172 paid on 26 January 2015: 214 cents per share (2014: No 170 – 195 cents per share)	**456**	416	413
Interim dividend No 171 paid on 17 June 2014: 106 cents per share			226
Paid to Barloworld Limited shareholders	**456**	416	639
Paid to non-controlling interest	**74**	54	92
	530	470	731
12. Acquisition of subsidiaries, investments and intangibles			
Inventories acquired	**(14)**	(17)	(63)
Receivables acquired	**(10)**	(3)	(5)
Payables, taxation and deferred taxation acquired	**27**	5	36
Borrowings net of cash	**35**	6	30
Property, plant and equipment, other non-current assets and non-controlling interest	**(72)**	(2)	(100)
Total net assets acquired	**(34)**	(11)	(101)
Goodwill arising on acquisition	**(22)**	(28)	(38)
Intangibles arising on acquisition in terms of IFRS 3 business combinations	**(14)**		(42)
Net cash cost of subsidiaries acquired	**(70)**	(39)	(181)
Cash acquired	**5**		
Investments and intangibles acquired	**(14)**	(53)	(142)
Cash amounts paid to acquire subsidiaries, investments and intangibles	**(79)**	(92)	(323)

Notes to the condensed consolidated financial statements continued

12. Acquisition of subsidiaries, investments and intangibles continued

Barloworld's Avis Fleet divisions acquired 100% of Tanzuk Limited for a total consideration of R36.7 million. The effective date of the transaction is 4 November 2014. The primary reason for the acquisition is the execution of Avis Fleet's expansion into selected Africa countries in line with the division's strategic plan. The transaction gave rise to goodwill of R14.8 million which is not deductible for taxation purposes. The goodwill arising from the acquisition consists largely of the knowledge and experience of the employees and the potential customer contracts in the territory.

On 1 December 2014, Barloworld's Motor Retail division acquired 100% of GM Ferndale for a total consideration of R25.4 million. The primary reason for the acquisition is the strategic expansion of the General Motor franchise footprint in the Western Cape. The transaction gave rise to goodwill of R6.9 million which is not deductible for taxation purposes. The goodwill arising from the acquisition consists largely of a premium paid for an established profitable business. The extended footprint will allow better service of the division's customer base.

	Six months ended		Year ended
	31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm
13. Proceeds on disposal of subsidiaries, investments, intangibles and loans repaid:			
Inventories disposed		826	826
Receivables disposed		160	160
Payables, taxation and deferred taxation balances disposed		(384)	(384)
Borrowings net of cash		(180)	(180)
Property, plant and equipment, non-current assets, goodwill and intangibles		878	878
Net assets disposed		1 300	1 300
Less: Non-cash translation reserves realised on disposal of foreign subsidiaries		(413)	(413)
Receivable from subsidiary disposed		(1 171)	
Profit on disposal		453	456
Net cash proceeds on disposal of subsidiaries		169	1 343
Bank balances and cash in subsidiaries disposed of		(44)	(44)
Proceeds on disposal of investments and intangibles		1	17
Cash proceeds on disposal of subsidiaries, investments, intangibles and loans repaid		126	1 316
14. Cash and cash equivalents			
Cash balances not available for use due to reserving and foreign exchange restrictions	**591**	146	58
15. Commitments			
Contracted – Property, plant and equipment	**1 049**	1 112	674
Contracted – Vehicle rental fleet	**509**	454	1 251
Approved but not yet contracted	**692**	508	993
Operating lease commitments	**2 908**	2 280	3 154

Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.

	Six months ended		Year ended
	31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm
16. Contingent liabilities			
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims	**1 669**	1 869	1 720
Buy-back and repurchase commitments*	**271**	299	262

Litigation, current or pending, is not considered likely to have a material adverse effect on the group.

The group has given guarantees to the purchaser of the coatings Australian business relating to environmental claims. The guarantees are for a maximum period of eight years up to July 2015 and are limited to the sales price received for the business. Freeworld Coatings Limited is responsible for the first AUD5 million of any claim in terms of the unbundling arrangement.

A joint venture has received tax assessments relating to prior years which it is contesting. It is the present opinion of local management, after consulting with advisers, that the possibility of a material outflow of resources in connection with these assessments is considered to be remote.

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

17. Related party transactions

There has been no significant change in related party relationships and the nature of related party transactions since the previous year.

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

18. Events after the reporting period

An announcement was published on SENS on 12 May 2015 informing Barloworld shareholders that the company had entered into agreements with the B-BBEE participants in respect of the proposed amendments to be made to the 2008 B-BBEE transaction.

The Logistics division acquired the remaining 74.9% shareholding in re- Ethical Environmental Engineering (Pty) Limited effective 1 April 2015 for R68.8 million.

19. Auditor's review

These interim condensed consolidated financial statements for the period ended 31 March 2015 have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the company's registered office.

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

Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

Notes to the condensed consolidated financial statements continued

20. Operating segments

	Revenue			Operating profit/(loss)		
	Six months ended		Year ended	Six months ended		Year ended
	31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm	**31 Mar 2015 Reviewed Rm**	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm
Equipment and Handling	**14 254**	14 771	30 960	**940**	923	2 284
Automotive and Logistics	**16 414**	15 112	31 137	**836**	775	1 644
Corporate		4	4	**(32)**	(59)	(98)
Total continuing operations	**30 668**	29 887	62 101	**1 744**	1 639	3 830
Southern Africa	**26 979**	25 212	53 094	**1 731**	1 604	3 749
Europe	**3 689**	4 675	9 007	**12**	35	81
Total continuing operations	**30 668**	29 887	62 101	**1 744**	1 639	3 830

	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	Six months ended		Year ended		
	31 Mar 2015 Reviewed Rm	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm	**31 Mar 2015 Reviewed Rm**	31 Mar 2014 Reviewed Rm	30 Sept 2014 Audited Rm	**31 Mar 2015 Reviewed %**	31 Mar 2014 Reviewed %	30 Sept 2014 Audited %	**31 Mar 2015 Reviewed Rm**	30 Sept 2014 Audited Rm
	(158)	(109)	(161)	**782**	814	2 123	**6.6**	6.2	7.4	**17 519**	14 845
	(4)		1	**832**	775	1 645	**5.1**	5.1	5.3	**11 095**	9 145
	4	1	4	**(28)**	(58)	(94)				**(999)**	(1 292)
	(158)	(108)	(156)	**1 586**	1 531	3 674	**5.7**	5.5	6.2	**27 615**	22 698
	(141)	(95)	(141)	**1 590**	1 509	3 608	**6.4**	6.4	7.1	**23 749**	19 004
	(17)	(13)	(15)	**(5)**	22	66	**0.3**	0.7	0.9	**3 865**	3 694
	(158)	(108)	(156)	**1 586**	1 531	3 674	**5.7**	5.5	6.2	**27 615**	22 698

Salient features

	Six months ended		Year ended
	31 Mar 2015	31 Mar 2014	30 Sept 2014
Financial	**Reviewed**	Reviewed	Audited
Group headline earnings per share (cents)	**366.8**	336.1	882.5
Continuing headline earnings per share (cents)	**366.8**	316.3	856.5
Dividends per share (cents)	**115**	106	320
Continuing operating margin (%)	**5.7**	5.5	6.2
Continuing net asset turn (times)	**2.0**	2.2	2.4
Continuing EBITDA/interest paid (times)	**5.0**	5.2	5.5
Net debt/equity (%)	**65.0**	68.0	40.9
Group return on net operating assets (RONOA) (%)	**15.2**	14.8	18.8
Group return on ordinary shareholders' funds (%)	**9.1**	9.2	11.6
Net asset value per share including investments at fair value (cents)	**8 139**	7 513	7 941
Number of ordinary shares in issue, including BEE shares (000)	**231 292**	231 292	231 292
Non-financial – continuing operations#			
Energy consumption (GJ)	**1 545 862**	1 425 224	2 953 038
Greenhouse gas emissions (tCO_2e)$^{\Delta}$	**142 800**	133 743	273 986
Water consumption (ML)	**369**	347	785
Number of employees	**19 315**	19 141	19 616
LTIFR†	**1.21**	1.25	1.23
Work-related fatalities	**0**	1	3
dti^ B-BBEE rating (level)+	**2**	2	2

	Closing rate			Average rate		
	Six months ended		Year ended	Six months ended		Year ended
	31 Mar 2015 Reviewed Rand	31 Mar 2014 Reviewed Rand	30 Sept 2014 Audited Rand	**31 Mar 2015 Reviewed Rand**	31 Mar 2014 Reviewed Rand	30 Sept 2014 Audited Rand
Exchange rates						
United States Dollar	**12.12**	10.52	11.30	**11.44**	10.47	10.57
Euro	**13.01**	14.50	14.27	**13.57**	14.31	14.35
British Sterling	**17.99**	17.54	18.32	**17.77**	17.22	17.56

Deloitte & Touche have issued an unmodified limited assurance report on the non-financial salient features for the year ended 30 September 2014, in accordance with International Standard 3000 on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

Δ *Scope 1 and 2.*

† *Lost-time injuries multiplied by 200 000 divided by total hours worked.*

^ *Department of Trade and Industry (South Africa).*

+ *Audited and verified by Empowerdex.*

BASTION GRAPHICS

Barloworld
Leading brands

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