Barloworld
Leading brands

Reviewed interim results for the six months ended 31 March 2017

Creating shared value **for** sustainable outcomes

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 and Power (earthmoving equipment and power systems), 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, innovative business solutions to our customers backed by leading global brands. The brands we represent on behalf of our principals include Caterpillar, Avis, Budget, Audi, BMW, Ford, General Motors, Jaguar Land Rover, Mazda, Mercedes-Benz, Toyota, Volkswagen, Hyster, 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 over 20 countries around the world with 78% of just over 20 000 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) (JSE share code: BAW) (JSE ISIN: ZAE000026639)
(Share code: BAWP) (JSE ISIN: ZAE000026647)
(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
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Directors
Non-executive: DB Ntsebeza (Chairman), NP Dongwana, FNO Edozien^, H Hickey, M Lynch-Bell*, SS Mkhabela, SS Ntsaluba, P Schmid, OI Shongwe
Executive: DM Sewela *(Chief executive),* DG Wilson
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Sponsor
JP Morgan Equities South Africa (Pty) Ltd

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

Salient features

Revenue
up 2% to
R32.5 billion

Operating profit
up 5% to
R1 849 million

Cash generated
from operations of
R929 million
(1H'16: R1 771 million)

Headline earnings per share
up 9% to
365 cents

Interim dividend
per share up 9% to
125 cents

Dominic Sewela, CE of Barloworld Limited, said:

"The group produced a pleasing overall result in challenging trading conditions. The Automotive division achieved a record result in a tough vehicle market with all segments showing positive growth. Logistics performance was below prior year due to the weakening trading conditions.

Equipment Russia outperformed expectations, while activity levels in Iberia remain disappointing. Equipment southern Africa produced an improved operating result despite the slowdown in mining demand. This was underpinned by good aftermarket activity. Income from our Bartrac joint venture in the Katanga province of the Democratic Republic of Congo, was well up on the prior year.

The outlook for global economic growth remains positive and this is reflected in the increased demand for commodities and improved commodity prices. Some recovery in sub-Saharan Africa growth is expected, notwithstanding the downside risks due to lower oil prices and possible further credit-rating downgrades for South Africa. A strategic review process has been completed outlining our focus on fixing and addressing underperforming businesses, optimising the existing portfolio and pursuing targeted high growth opportunities."

15 May 2017

Chairman and chief executive's report

Overview

The global economy continues to show improvement boosted by strong growth in Asia. Despite weak first quarter growth, the US economy is still expected to expand by close to 2% in the current year. The US Federal Reserve has shown confidence in the recovery of the US economy and is likely to push for further interest increases during the course of the year. The anti-globalisation and protectionist rhetoric of the Trump administration has however fuelled fears of increased barriers to free global trade.

The South African economy has been adversely affected by the fall out following the cabinet reshuffle announced by President Zuma on 30 March. The full impact of the resultant sovereign ratings downgrade by S&P and Fitch is likely to be felt. Business and consumer confidence levels have been shaken which is likely to negatively affect both investment as well as consumer spending going forward. The South African economy grew by 0.3% in 2016 and the outlook for growth in 2017, while clouded by recent events, is now forecast to be of the order of 0.7%.

Group revenue for the six months to March 2017 grew by 2% to R32.5 billion while operating profit increased by R93 million (5.3%) to R1 849 million.

Headline earnings per share increased by 30 cents (9%) to 365 cents per share favourably impacted by a strong operating performance and reduced losses from associates.

An interim dividend of 125 cents per share (1H'16: 115 cents) has been declared.

Operational review

Equipment and Handling

Equipment southern Africa

Revenue to March of R8.2 billion is R1 billion (11%) below last year mainly as a result of reduced mining activity particularly outside of South Africa. The stronger Rand negatively impacted revenue during the period by R185 million.

Operating profit to March of R713 million is up by R12 million (1.7%) with South Africa trading ahead of last year and the other African territories all trading behind the prior year. The operating margin for the period improved from 7.6% to 8.7% mainly as a result of the increased aftersales mix which represented 61% of total revenue compared to 54% last year.

Bartrac, our joint venture in the Katanga province of the DRC, produced a profit of R41 million in the period compared to a loss of R27 million last year. The Glencore Katanga mine which suspended mining during the course of last year has now mobilised a part of their fleet to gear up for the new processing plant which is expected to come on stream in the fourth quarter of 2017. This has necessitated placing additional technicians on site to achieve the required service levels for the mine.

While our profitability in Angola has improved compared to last year, the current oil price has not resolved the hard currency shortage prevailing in that country. We continued to curtail our trading operations during the period but have once again generated cash resulting in increased cash on hand at the end of March.

Equipment Iberia

Activity levels in both Spain and Portugal remain disappointing. Revenue to March of €133 million was €5.6 million (4.1%) down on last year.

The operating profit to date of €591 000 (R8 million) was well down on the €1 389 000 generated last year (R23 million).

Our associate Energyst produced a significant loss during the period arising from the loss of a major contract in Argentina.

Equipment Russia
The Russian economy continues to fight its way out of the two-year recession with the Central Bank of Russia cutting interest rates to stimulate growth. Any further weakening of the oil price is, however, seen as a risk to this recovery.

Equipment Russia produced a strong performance in the first six months with revenue of US$167.5 million (R2 267 million) 6% up on the US$157.9 million (R2 347 million) of last year. The increase was driven by stronger mining machine sales as well as improved parts demand. The stronger Rand shaved R232 million off revenue for the period.

Operating profit to March of US$19.4 million is 24% (US$3.7 million) ahead of last year. In Rand terms operating profit of R262 million showed a 12% improvement on last year.

Handling
The joint venture (JV) with BayWa AG was finalised at the end of February with net proceeds of R301 million received in respect of the transaction. The results of the new JV renamed BHBW (SA) have therefore been disclosed in associate income from 1 March 2017.

Automotive and Logistics
Automotive
The division generated revenue to March of R16 321 million which was R1 564 million (11%) ahead of last year with all the business segments showing good revenue growth. The operating profit of R863 million was R106 million (14%) up on last year with an improved operating margin of 5.3% compared to 5.1% in 2016.

Car rental
Revenue for the first half of R3 262 million was R411 million (14%) above the comparative period last year. This was driven by a 4.2% increase in billed days, a higher average rate per day of 2.3% and strong revenue growth from used vehicle sales due to a combination of increased units and higher average selling prices. Average fleet utilisation for the period was above 75% in line with the prior year.

Year-to-date operating profit of R297 million showed a R31 million (12%) improvement on last year mainly due to the excellent used vehicle result.

Avis Fleet
Revenue for the six months increased by 4.7% to R1 688 million. Operating profit of R292 million was R32 million (12.3%) up on last year aided by improved used vehicle profitability.

Motor Trading
Revenue increased by R1 078 million (11%) to R11 371 million and was positively impacted by the acquisitions of the two Union Motors Mercedes-Benz dealerships by NMI-DSM and the Salvage Management and Disposals business in 2016. Revenue for the first six months was negatively impacted by lower new vehicle sales on the back of a 7.1% decline in the South African dealer market.

Operating profit to March of R274 million was R43 million (19%) ahead of last year mainly as a result of the acquisitions completed last year.

In October 2016, we acquired the balance of the shares (49%) in the N4 Jaguar Land Rover business with the related property.

Logistics
Revenue to March of R3 199 million exceeded the prior year by R561 million (21%) mainly due to the KLL and Aspen acquisitions in January 2016 as well as the full impact of the additional contracts added within Supply Chain and Transport during 2016.

Year-to-date operating profit of R51 million was R11 million below last year due to tougher trading conditions in the period as well as costs related to the finalisation of the Supply Chain software disposal.

Chairman and chief executive's report continued

Strategic review

The group completed a comprehensive strategic review and a new strategy was presented and approved by the board in March 2017.

The group's future ambitions are supported through achieving top quartile shareholder returns; driving profitable growth across all businesses; institutionalising a high-performance culture; and continuing to make a world of difference to our stakeholders. Key initiatives include fixing and addressing underperforming businesses; optimising the existing portfolio; and pursuing targeted high-growth opportunities.

Human resources, diversity and sustainable development

Tragically there were two work-related fatalities in March 2017. Our condolences go out to the bereaved families. Support has been extended to both families in terms of counselling and financial assistance. We have heightened our focus on safety across the group and appropriate measures have been incorporated in ongoing safety programmes.

The focus remains on coaching and mentoring programmes aimed at ensuring we have the leadership capability, talent and skills to realise our strategic targets, and to ensure that the profile of our workforce reflects the societies in which we operate. In addition, our attraction and retention strategies are aimed at an "inclusive workforce" where every employee believes they come to work with a sense of purpose and leave with a sense of achievement.

A wide range of diversity and inclusion initiatives which include partnering with emerging suppliers are under way. We are engaging with our principals to advance their localisation activities, which would support emerging localisation and industrialisation programmes in South Africa. The partnership with the South African Department of Trade and Industry has resulted in the launch of the Barloworld Siyakhula Incubation Hub in March 2017, which supports 63 small and medium enterprises to date that have created some 830 new jobs. Our activities remain centred around enhancing our diversity profile and resulting competitiveness.

We are monitoring progress against our various sustainable development objectives and in support of our renewable energy goal, additional solar photovoltaic capacity is being installed.

Changes in directorate and executive management

At the annual general meeting held on 8 February 2017 the following director changes took place:

- Independent non-executive director, Mr Steven Pfeiffer, retired having reached the retirement age for non-executive directors of 70 years.
- Mr Clive Thomson retired as an executive director of the board, member of sub-committees and chief executive of the Barloworld group as part of a structured succession plan.
- Mr Dominic Sewela succeeded Mr Thomson as chief executive for the Barloworld group.
- Mr Peter Bulterman also retired as an executive director of the board in terms of a planned process to reduce the number of executives represented on the board. Mr Bulterman remains in the employ of the company as the chief executive of the Equipment division.

Ms Hester Hickey and Messrs Peter Schmid and Michael Lynch-Bell were appointed as independent non-executive directors of the Barloworld Limited board with effect from 1 April 2017 in line with a structured board nomination process.

Mr John Blackbeard retired from the company and the board of Barloworld Limited and its sub-committees at the end of April 2017 following the disposal of the Handling and Agriculture South Africa businesses into a 50:50 JV with BayWa AG.

Ms Babalwa Ngonyama resigned from the Barloworld Limited board with effect from 11 May 2017 due to increased external executive commitments.

Mr Kamogelo Mmutlana was appointed chief executive of the Barloworld Logistics division with effect from 1 March, following Mr Steve Ford's resignation at the end of February 2017.

The board wishes to thank the non-executive and executive directors that have departed for their valuable service to the board and Barloworld over the years.

Funding

Group net debt at the end of March of R9 085 million increased by R1 069 million from September 2016. This was R1 983 million down on March 2016. The net cash outflow for the period of R857 million was mainly due to increased working capital of R362 million and an investment of R773 million in the Avis fleet leasing and Equipment rental fleet.

In line with previous years, we believe that we will be able to reverse the working capital utilisation in the second half to ensure that the group is cash positive for the year.

Outlook

Recent Caterpillar Inc. results indicate an improvement in global mining aftermarket and rebuild activity and they currently project the number of mining trucks produced in their factories to double in 2017. The Equipment southern Africa firm order book at March 2017 has increased to R1.9 billion compared to the R1.3 billion at September 2016 on the back of improved demand in mining and construction.

The Equipment Russia firm order book at March stood at US$53 million compared to US$21 million at September 2016. This order book would, however, increase to US$173 million with the inclusion of the US$120 million Polyus Gold mining truck order finalised after period end. The pipeline of major projects in Siberia and the Russian Far East currently being negotiated provide an exciting outlook for mining activity in our territory.

The Equipment Iberia firm order book at March of €44 million was well up on the September level of €26 million. The order book for new machines has improved significantly from last year and now represents approximately 49% of the total firm orders with Power Systems representing 51%. While industry machines sales are projected to rise sharply during the year, the increase is weighted towards smaller construction equipment.

New vehicle sales in South Africa are expected to remain under pressure impacted by declining consumer and business confidence. Consequently we do not expect dealer new vehicle volumes to show growth this year. In response to that we are taking steps to improve the returns and sustainability of our Motor Retail dealerships.

In Car Rental we are forecasting continued growth in the foreign in-bound segment and a continued strong contribution from the sales of used vehicles.

In Avis Fleet the financed fleet has increased slightly through organic growth as well as the addition of a number of smaller fleets. The renewals of certain existing longstanding contracts have been delayed and are now only likely to impact our next financial year.

The Logistics business is a good indicator of the state of the economy and with the current uncertainty for the South African economy we have noted some signs of slowing in both the Supply Chain as well as the Transport businesses. We nonetheless continue to forecast an improvement in the traditionally stronger second half.

The outlook for global economic growth remains positive and this is reflected in the increased demand for commodities and improved commodity prices. Some recovery in sub-Saharan Africa growth is expected, notwithstanding the downside risks due to lower oil prices and possible further credit-rating downgrades for South Africa. While we have seen some pick up in mining machine demand in southern Africa, it is still too early to call a sustained upturn in the mining cycle. We do, however, believe that the major mining groups are approaching a significant decision point where they will need to either invest in replacement capital expenditure or incur operating expenditure for rebuilds of existing machine fleets.

A strategic review process has been completed outlining our focus on fixing and addressing underperforming businesses, optimising the existing portfolio and pursuing targeted high-growth opportunities.

DB Ntsebeza
Chairman

DM Sewela
Group chief executive

Group financial review

Revenue for the first six months increased by R585 million (2%) to R32.5 billion with the bulk of the improvement in Automotive and Logistics which showed increases of R1.6 billion (11%) and R0.5 billion (21%) respectively. Revenue in Equipment Russia was up by 6% in Dollar terms while Equipment Iberia was down in Euro terms. Rand revenues for both regions were negatively impacted by the stronger Rand exchange rate. In Equipment southern Africa revenue decreased by R1 billion (11%) as a result of reduced mining activity and a stronger Rand. The stronger Rand reduced total revenue by R0.7 billion.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) was up by 7.6% to R3 205 million with depreciation and amortisation up by 11% as a result of new acquisitions and increases in the leasing and rental fleets.

Operating profit rose by 5.3% to R1 849 million with the operating margin up slightly to 5.7%. In Equipment southern Africa, operating profit was up by 1.7%, driven largely by a higher mix of aftersales. In Equipment Russia operating profit in Dollar terms was 24% ahead of the prior period, due to higher mining equipment demand as well as increased parts sales. Equipment Iberia operating profit was down on the comparative period.

Automotive produced a strong result with operating profit up 14% to R863 million in a tough trading environment with all business units showing an improvement on the prior period. Logistics generated an operating profit of R51 million which was R11 million down on the prior period.

The net negative fair value adjustments on financial instruments of R123 million (1H'16: R55 million) mainly comprise the cost of forward points on foreign exchange contracts and currency losses on bank balances in Equipment southern Africa, as well as losses on unhedged transactions in Handling South Africa. The prior year benefited from currency gains in Equipment southern Africa.

Finance costs increased by R15 million to R680 million. This is mainly due to higher interest rates in South Africa.

Losses from non-operating and capital items of R38 million mainly relates to the disposal costs of the Handling business and the impairment of an intangible asset in Logistics off-set by profit on sale of property in Automotive.

The taxation charge reduced by R12 million to R306 million while the effective taxation rate for the period (excluding prior year taxation and taxation on non-operating and capital items) increased slightly to 27.9% (1H'16: 27.7%).

The loss from associates of R7 million compared favourably to a loss of R41 million last year. The improvement is largely driven by the Bartrac joint venture in the Katanga province of the DRC which recorded a profit of R41 million in the first half compared to a loss in the prior year of R27 million. This was offset by the increased loss in Energyst our European associate to R50 million (of which R19 million relates to goodwill impairment).

Headline earnings per share (HEPS) was up by 9% to 365 cents per share compared to the 335 cents in the prior period.

Basic earnings per share (EPS) of 337 cents is 9% lower than the 368 cents in the prior period mainly due to the losses from non-operating and capital items in the current year.

Cash flow

Cash generated from operations of R929 million was down on the R1 771 million generated in the prior period, due to the increased net investment in fleet leasing assets and equipment rental fleet. Working capital increased by R362 million which was in line with the prior period. Equipment southern Africa reduced working capital by R561 million, while Automotive and Logistics showed an absorption of R895 million in the period.

Net cash used in the investment activities of R105 million was favourably impacted by the proceeds of R301 million received from the sale of assets of the Handling SA businesses into a joint venture company with BayWa AG. The net cash outflow before financing activities for the year of R857 million was R844 million higher than the R13 million outflow last year.

In line with previous years we expect to reduce our working capital utilisation in the second half to ensure that we are cash positive for the full year.

Financial position

Total assets employed in the group increased by R2.0 billion (4%) to R48 billion compared to September 2016. This was driven by an increase in fleet leasing and Equipment rental fleet, while the stronger Rand reduced total assets by R578 million.

Total interest-bearing debt at 31 March 2017 increased by R1.3 billion to R12.3 billion (September 2016: R11 billion) while cash and cash equivalents increased by R0.2 billion to R3.2 billion. Net interest-bearing debt at 31 March 2017 of R9 billion was R1.1 billion up on the R8 billion at September 2016.

Debt

In April 2017, the BAW13 bond for R450 million matured and was repaid utilising existing facilities.

A bond auction planned for 6 April 2017 was postponed due to the uncertainty in the market, following the cabinet reshuffle and the sovereign ratings downgrade.

At the subsequent auction held on 4 May 2017, a three-year unsecured bond totalling R582 million (BAW25) was issued. While there are sufficient unutilised long-term borrowing facilities to cover upcoming maturities for the balance of the year, the group is in the process of finalising additional committed facilities to maintain its liquidity position.

South African short-term debt at March includes commercial paper totalling R597 million (September 2016: R807 million). While this market has remained active, liquidity and spreads have been negatively impacted by interest rate uncertainty. We expect to maintain our participation in this market to the extent permitted by overall liquidity in the market.

Cash and cash equivalents at March of R3.2 billion included US$51.5 million (R689 million) held in Angola of which US$47.5 million was denominated in Kwanza and the rest in US Dollar. The cash held in Kwanza has increased from the US$37.5 million (R516 million) held at September 2016.

At the end of March, the group had unutilised borrowing facilities of R7.6 billion, of which R6.5 billion was committed. The group's ratio of long-term to short-term debt was 66:34 (September 2016: 76:24). This position has improved subsequent to the issuance of BAW25 in May 2017 and the finalisation of the new facilities.

The long-term and short-term issuer Global Scale Rating of Baa3 and P-3 and long-term and short-term issuer National Scale Rating of Aa3.za and P-1.za assigned by Moody's Investors Services, remains valid until June 2017. The outlook on the ratings is stable.

The group total debt to equity ratio at 31 March 2017 was 63% (September 2016: 56%), while group net debt to equity was 47% (September 2016: 41%).

Gearing in the three segments remain in line with group target ranges:

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 2017	**32**	**604**	**279**	**63**	**47**
Ratio at 31 March 2016	38	662	248	64	53
Ratio at 30 September 2016	29	720	216	56	41

Group financial review continued

Accounting policies

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The basis is consistent with the prior period except for the reclassification of the interest-bearing floorplan facilities reported in 2016.

Consistent with this change reported in the 2016 annual financial statements, Barloworld's comparative results for the six months ended to 31 March 2016 have been restated to reflect changes in disclosure of the interest-bearing floorplan liabilities.

Dividend

An interim dividend totalling 125 cents per share was declared in respect of the half year's earnings (2016: 115 cents). All issued shares are entitled to receive dividends. The interim dividend declared is covered 2.9 times by headline earnings (2016: 2.9 times).

Going forward

The group remains committed to improving returns. This is particularly relevant in our Equipment businesses in southern Africa and Iberia as well as Logistics which are generating below target returns. The group will also focus on generating positive free cash flow in 2017 through strict control of working capital and capital expenditure in the second half. We will also proactively take steps for the early refinancing of debt that is maturing within the next 18 months.

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 2017 Rm Reviewed	31 Mar 2016 Rm Reviewed	30 Sept 2016 Rm Audited	**31 Mar 2017 Rm Reviewed**	31 Mar 2016 Rm Reviewed	30 Sept 2016 Rm Audited	**31 Mar 2017 Rm Reviewed**	30 Sept 2016 Rm Audited
Equipment	**12 409**	13 833	27 857	**984**	960	2 239	**14 905**	15 642
– Southern Africa	**8 214**	9 238	18 547	**713**	701	1 585	**10 126**	10 546
– Europe	**1 928**	2 248	4 473	**8**	25	55	**2 320**	2 694
– Russia	**2 267**	2 347	4 837	**262**	234	599	**2 459**	2 402
Handling	**603**	719	1 505	**2**	3	25	**547**	910
	13 012	14 552	29 362	**986**	963	2 264	**15 452**	16 552
Share of associate loss				**(7)**	(39)	(22)		

While Equipment southern Africa had a decline of 11% in revenue, operating profit for the same period was up in comparison to the same period last year. Operating margin for the first six months to March improved from 7.6% in 2016 to 8.7% in 2017. The continued focus on business improvement and cost reduction initiatives as well as the increase in aftersales mix contributed to the improvement in the operating margin. The associate in the Katanga province of the DRC delivered an operating profit of R41 million, against a loss of R27 million in 2016. Overall, returns improved when compared to the same period last year.

Equipment Iberia operated in an improving macroeconomic environment with new machine industry growth; however, this remains concentrated in the small equipment segment. Revenue was 4% down compared to the prior period in Euro terms driven by lower prime product revenues, while aftermarket revenues grew and overall margins were maintained. The division generated €9.9 million in cash for the period compared to a €12.5 million utilisation in the prior period. Operating profits of €0.6 million were down against the prior period. Energyst negatively impacted the associate line due to the loss of a major contract in Argentina and the business is currently undergoing restructuring to concentrate on their European operations.

Equipment Russia revenues and operating profit grew by 6% and 24% respectively in US Dollar terms. Operating margin benefited from a favourable sales mix with the increase in aftermarket sales which traditionally have higher margins. Net assets remained well controlled resulting in healthy returns and positive cash flow generation. Significant growth in customer firm orders was driven by a number of mining deal closures predominantly driven by gold and base metals mining, coupled with coal recovery.

The disposal of Handling and Agriculture SA into a joint venture with BayWa came into effect on 1 March 2017 and now trades under the name BHBW SA. Trading in agriculture is up on last year as the drought appears to have ended and South Africa seems set to produce a bumper maize crop. Net operating assets include certain retained receivables and some inventory that will be turned to cash during the balance of the year.

Operational reviews continued

Automotive and Logistics

	Revenue			Operating profit /(loss)			Net operating assets	
	Six months ended		Year ended	Six months ended		Year ended		
	31 Mar 2017 Rm Reviewed	31 Mar 2016 Rm Reviewed	30 Sept 2016 Rm Audited	**31 Mar 2017 Rm Reviewed**	31 Mar 2016 Rm Reviewed	30 Sept 2016 Rm Audited	**31 Mar 2017 Rm Reviewed**	30 Sept 2016 Rm Audited
Automotive	**16 321**	14 757	31 427	**863**	757	1 654	**10 142**	8 686
– Car Rental	**3 262**	2 851	5 967	**297**	266	536	**3 687**	2 534
– Avis Fleet	**1 688**	1 613	3 641	**292**	260	560	**3 764**	3 786
– Motor Trading	**11 371**	10 293	21 819	**274**	231	558	**2 691**	2 366
Logistics	**3 199**	2 638	5 756	**51**	62	223	**2 783**	2 472
– Southern Africa	**3 108**	2 509	5 527	**56**	66	226	**2 668**	2 348
– Europe and Middle East	**91**	129	229	**(4)**	(4)	(3)	**115**	124
	19 520	17 395	37 183	**914**	819	1 877	**12 925**	11 158
Share of associate loss					(2)	(4)		

The Automotive division delivered another record result for the first six months of the financial year, continuing to prove resilient in challenging market conditions. Divisional operating profit improved by 14% off revenue growth of 11%, while achieving an overall operating margin of 5.3% (1H'16: 5.1%). The division continues to focus on generating strong operational cash flows, costs and asset management to improve returns.

Car Rental delivered a solid result, further improving operating profit by 12% off a revenue growth of 14% and achieving an operating margin of 9.1% (1H'16: 9.3%). The business grew rental day volumes, increased revenue per rental day, successfully managed fleet utilisation at 75% and maintained market leadership in a competitive environment. Avis Car Sales continued to earn good returns on the sale of ex-rental vehicles.

Avis Fleet delivered a strong result, increasing operating profit by 12% off a revenue growth of 4.7% and achieving an operating margin of 17.3% (1H'16: 16.1%). The business returned to positive financed fleet growth of 1.0%. Fleet under management declined on the back of a weaker new vehicle market. Improved profit contribution from used vehicles supported the overall results.

The Motor Trading operations delivered a pleasing result given the tough trading conditions and declining new vehicle market. Operating profit increased by 19% off a revenue growth of 11%, improving overall operating margin to 2.4% (1H'16: 2.2%). This result was supported by the recent acquisitions and improved aftersales performance.

Despite revenue being up by 21% to R3.2 billion on last year, the Logistics division's results were negatively impacted by tougher trading conditions in the period as well as costs related to the finalisation of the Supply Chain software disposal. Operating profit is down 17% to R51 million in comparison to March 2016. A traditionally stronger second half is expected. However, the impact of the recent downgrade on the trading environment is being closely monitored.

Corporate

	Revenue			Operating (loss)/(profit)			Net operating assets/ (liabilities)	
	Six months ended		Year ended	Six months ended		Year ended		
	31 Mar 2017 Rm Reviewed	31 Mar 2016 Rm Reviewed	30 Sept 2016 Rm Audited	**31 Mar 2017 Rm Reviewed**	31 Mar 2016 Rm Reviewed	30 Sept 2016 Rm Audited	**31 Mar 2017 Rm Reviewed**	30 Sept 2016 Rm Audited
– Southern Africa			2	**(13)**	10	48	**657**	578
– Europe				**(38)**	(36)	(54)	**(2 747)**	(2 908)
			2	**(51)**	(26)	(6)	**(2 090)**	(2 330)
Share of associate income						1		

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

Southern Africa has shown a higher operating loss compared to the previous comparative period largely as a result of once-off charges relating to group strategic projects and higher employment costs resulting from the group leadership transition. In Europe the higher operating loss is due mainly to increased operating costs.

DIVIDEND DECLARATION
Dividend number 177

Notice is hereby given that final dividend number 177 of 125 cents (gross) per ordinary share in respect of the six months ended 31 March 2017 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 20% (twenty per centum);
- Barloworld has 212 692 583 ordinary shares in issue;
- The gross local dividend amount is 125 cents per ordinary share;
- The net dividend amount is 100 cents per share.

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

- Last day to trade cum dividend — Tuesday, 6 June 2017
- Shares trade ex dividend — Wednesday, 7 June 2017
- Record date — Friday, 9 June 2017
- Payment date — Monday, 12 June 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 June 2017 and Friday, 9 June 2017, both days inclusive.

On behalf of the board

LP Manaka

Group company secretary

Directors

Non-executive: DB Ntsebeza *(Chairman)*, NP Dongwana, FNO Edozien^, H Hickey, M Lynch-Bell*, SS Mkhabela, SS Ntsaluba, P Schmid, OI Shongwe

Executive: DM Sewela *(Chief Executive)*, DG Wilson

*^Nigerian *UK*

Condensed consolidated income statement

	Notes	Six months ended 31 Mar 2017 Reviewed Rm	31 Mar 2016 Reviewed Rm	Year ended 30 Sept 2016 Audited Rm
Revenue		**32 532**	31 947	66 547
Operating profit before items listed below (EBITDA)		**3 205**	2 978	6 674
Depreciation		**(1 286)**	(1 167)	(2 426)
Amortisation of intangible assets		**(70)**	(55)	(113)
Operating profit	3	**1 849**	1 756	4 135
Fair value adjustments on financial instruments		**(123)**	(55)	(209)
Finance costs		**(680)**	(665)	(1 346)
Income from investments		**71**	51	113
Profit before non-operating and capital items		**1 117**	1 087	2 693
Non-operating and capital items	4	**(38)**	85	120
Profit before taxation		**1 079**	1 172	2 813
Taxation	5	**(306)**	(318)	(809)
Profit after taxation		**773**	854	2 004
Loss from associates and joint ventures		**(7)**	(41)	(25)
Net profit for the period		**765**	813	1 979
Net profit attributable to:				
Owners of Barloworld Limited		**710**	781	1 883
Non-controlling interests in subsidiaries		**55**	32	96
		765	813	1 979
Earnings per share^ (cents)				
– basic		**336,6**	368,4	890,5
– diluted		**334,7**	368,2	888,2

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

Condensed consolidated statement of comprehensive income

	Six months ended		Year ended
	31 Mar 2017 Reviewed Rm	31 Mar 2016 Reviewed Rm	30 Sept 2016 Audited Rm
Profit for the period	**765**	813	1 979
Items that may be reclassified subsequently to profit or loss:	**(323)**	479	(550)
Exchange (loss)/gain on translation of foreign operations	**(366)**	567	(377)
Translation reserves realised on the liquidation and disposal of foreign joint ventures and subsidiaries			(83)
Gain/(loss) on cash flow hedges	**59**	(122)	(121)
Deferred taxation on cash flow hedges	**(16)**	34	31
Items that will not be reclassified to profit or loss:	**(28)**	(39)	(1 134)
Actuarial losses on post-retirement benefit obligations			(1 343)
Taxation effect	**(28)**	(39)	209
Other comprehensive (loss)/income for the period	**(351)**	440	(1 684)
Total comprehensive income for the period	**414**	1 253	295
Total comprehensive income attributable to:			
Owners of Barloworld Limited	**359**	1 221	199
Non-controlling interests in subsidiaries	**55**	32	96
	414	1 253	295

Condensed consolidated statement of financial position

	Notes	31 Mar 2017 Reviewed Rm	31 Mar 2016 Reviewed Restated Rm	30 Sept 2016 Audited Rm
ASSETS				
Non-current assets		**20 174**	19 987	20 179
Property, plant and equipment		**13 852**	13 946	13 806
Goodwill		**2 003**	1 901	2 015
Intangible assets		**1 678**	1 647	1 713
Investment in associates and joint ventures	6	**1 178**	980	923
Finance lease receivables		**164**	117	147
Long-term financial assets	7	**363**	625	448
Deferred taxation assets		**936**	771	1 127
Current assets		**27 774**	29 776	25 015
Vehicle rental fleet		**3 572**	3 172	2 789
Inventories		**10 287**	13 961	10 317
Trade and other receivables		**10 600**	10 257	8 826
Taxation		**85**	68	55
Cash and cash equivalents	13	**3 230**	2 318	3 028
Assets classified as held for sale	8	**27**		828
Total assets		**47 975**	49 763	46 022
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium		**441**	441	441
Other reserves		**4 804**	6 275	5 134
Retained income		**13 549**	13 619	13 367
Interest of shareholders of Barloworld Limited		**18 794**	20 335	18 942
Non-controlling interest		**716**	617	737
Interest of all shareholders		**19 510**	20 952	19 679
Non-current liabilities		**12 043**	12 592	12 446
Interest-bearing		**8 133**	9 726	8 379
Deferred taxation liabilities		**628**	567	703
Provisions		**135**	139	111
Other non-current liabilities		**3 147**	2 160	3 253
Current liabilities		**16 422**	16 219	13 830
Trade and other payables		**11 223**	11 525	10 054
Provisions		**930**	918	931
Taxation		**87**	116	180
Amounts due to bankers and short-term loans		**4 182**	3 660	2 665
Liabilities directly associated with assets classified as held for sale	8			67
Total equity and liabilities		**47 975**	49 763	46 022

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 2015 (audited)	282	5 793	13 351	19 426	616	20 042
Total comprehensive income for the period		479	742	1 221	32	1 253
Other reserve movements		3	15	18	(21)	(3)
Dividends			(489)	(489)	(10)	(499)
Shares issued	159			159		159
Balance at 31 March 2016 (reviewed)	441	6 275	13 619	20 335	617	20 952
Total comprehensive (loss)/ income for the period		(1 029)	7	(1 022)	64	(958)
Other reserve movements		(112)	(15)	(127)	21	(106)
Acquisition of subsidiary					96	96
Other changes in minority shareholders' interest and minority loans					(55)	(55)
Dividends			(244)	(244)	(6)	(250)
Balance at 30 September 2016 (audited)	441	5 134	13 367	18 942	737	19 679
Total comprehensive (loss)/income for the period		**(323)**	**682**	**359**	**55**	**414**
Other reserve movements		**(7)**	**(11)**	**(18)**	**(51)**	**(69)**
Dividends			**(489)**	**(489)**	**(25)**	**(514)**
Balance at 31 March 2017 (reviewed)	**441**	**4 804**	**13 549**	**18 794**	**716**	**19 510**

Condensed consolidated statement of cash flows

	Notes	Six months ended 31 Mar 2017 Reviewed Rm	31 Mar 2016 Reviewed Restated Rm	Year ended 30 Sept 2016 Audited Rm
Cash flow from operating activities				
Operating cash flows before movements in working capital		**3 262**	2 899	7 161
Movement in working capital		**(362)**	(351)	2 119
Cash generated from operations before investment in rental fleets		**2 900**	2 548	9 280
Fleet leasing and Equipment rental fleet		**(773)**	228	(506)
Additions		**(1 614)**	(1 071)	(2 580)
Proceeds on disposal		**841**	1 299	2 074
Vehicles rental fleet		**(1 198)**	(1 005)	(947)
Additions		**(2 938)**	(2 263)	(3 798)
Proceeds on disposal		**1 740**	1 258	2 851
Cash generated from operations		**929**	1 771	7 827
Realised fair value adjustments on financial instruments		**(172)**	50	(105)
Finance costs and investment income		**(600)**	(591)	(1 202)
Taxation paid		**(395)**	(291)	(805)
Cash (outflow)/inflow from operations		**(238)**	939	5 715
Dividends paid (including non-controlling interest)		**(514)**	(499)	(772)
Net cash (applied to)/retained from operating activities		**(752)**	440	4 943
Net cash used in investing activities		**(105)**	(453)	(1 436)
Acquisition of subsidiaries, investments and intangibles	11	**(51)**	(506)	(1 057)
Proceeds on disposal of subsidiaries, investments, intangibles and loans repaid	12	**301**	316	258
Net investment in leasing receivables		**(48)**	4	9
Acquisition of property, plant and equipment		**(368)**	(453)	(980)
Proceeds on disposal of property, plant and equipment		**60**	186	334
Net cash (outflow)/inflow before financing activities		**(857)**	(13)	3 507
Net cash from/(used in) financing activities		**1 122**	(116)	(2 753)
Shares repurchased for equity-settled share-based payment				(95)
Shares issued net of share buyback			125	(162)
Shares issued				286
Purchase of non-controlling interest		**(22)**	(136)	(142)
Non-controlling interest loan and equity movements		**(69)**	64	24
Net increase/(decrease) in interest-bearing liabilities		**1 213**	(169)	(2 664)
Net increase/(decrease) in cash and cash equivalents		**265**	(129)	754
Cash and cash equivalents at beginning of period		**3 028**	2 372	2 372
Effect of foreign exchange rate movements		**(63)**	61	(112)
Effect of cash balances held for sale			14	14
Cash and cash equivalents at end of period		**3 230**	2 318	3 028

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 financial statements. The JSE Listings Requirements require interim reports to be prepared in accordance with, 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 restatement as detailed in note 17.

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

	Six months		Year ended
	31 Mar 2017 Reviewed Rm	31 March 2016 Reviewed Rm	30 Sept 2016 Audited Rm
2. RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS			
Net profit attributable to Barloworld Limited shareholders	**710**	781	1 883
Adjusted for the following:			
Loss/(profit) on disposal of subsidiaries and investments (IFRS 10)	**42**	(15)	(168)
Profit on disposal of properties and other assets (IAS 16)	**(15)**	(70)	(10)
Loss on sale of plant and equipment excluding rental assets (IAS 16)		8	
Impairment of goodwill (IFRS 3)			15
Reversal of impairment of investments in associates and joint ventures (IAS 28)			37
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	**11**		6
Taxation effects of remeasurements	**10**	7	10
Associate and non-controlling interest in remeasurements	**12**	(1)	
Headline earnings	**770**	710	1 772
Weighted average number of ordinary shares in issue during the period (000)			
– basic	**210 995**	211 934	211 425
– diluted	**212 138**	212 093	211 973
Headline earnings per share (cents)			
– basic	**364.9**	335.0	838.1
– diluted	**363.0**	334.8	836.0

Notes to the condensed consolidated financial statements continued

		Six months ended 31 Mar 2017 Reviewed Rm	Six months ended 31 Mar 2016 Reviewed Rm	Year ended 30 Sept 2016 Audited Rm
3.	**OPERATING PROFIT**			
	Included in operating profit			
	Cost of sales (including allocation of depreciation)	**24 608**	25 077	51 345
	Loss/(profit) on disposal of other plant, equipment and rental assets	**43**	(34)	69
	Amortisation of intangible assets in terms of IFRS 3 Business Combinations	**13**	3	22
4.	**NON-OPERATING AND CAPITAL ITEMS**			
	(Loss)/profit on disposal of investments and subsidiaries	**(42)**	15	168
	Impairment of goodwill			(15)
	Reversal of impairment of investments in associates and joint ventures			(37)
	Profit on disposal of properties and other assets	**15**	70	10
	Impairment of plant and equipment, intangibles and other assets	**(11)**		(6)
	Gross non-operating and capital items (loss)/profit	**(38)**	85	120
	Taxation charge on non-operating and capital items	**(10)**	(7)	(10)
	Non-controlling interest on non-operating and capital items		1	
	Non-operating and capital items included in associate income	**(12)**		
	Net non-operating and capital items (loss)/profit	**(60)**	79	110
5.	**TAXATION**			
	Taxation per income statement	**(306)**	(318)	(809)
	Prior year taxation	**14**	(10)	(62)
	Taxation on non-operating and capital items	**(10)**	(7)	(10)
	Attributable to a change in the rate of income tax	**1**	7	5
	Taxation on profit before prior year taxation, non-operating and capital items and rate change	**(312)**	(308)	(742)
	Effective taxation rate excluding non-operating and capital items, prior year taxation (%)	**27.9**	27.7	28.9

The interim taxation charges for the IAS 12 par 41 adjustments have been calculated by applying an estimated average annual effective tax rate for March 2017. A significant factor in estimating the annual effective tax rates for various countries are the exchange rates which have been based on management's best estimate.

		Six months ended		Year ended
		31 Mar 2017 Book value Rm	31 Mar 2016 Book value Rm	30 Sept 2016 Book value Rm
6.	**INVESTMENT IN ASSOCIATES AND JOINT VENTURES**			
	Joint ventures	**979**	655	646
	Unlisted associates	**199**	325	277
		1 178	980	923
7.	**LONG-TERM FINANCIAL ASSETS**			
	Unlisted investments	**49**	49	44
	Other long-term financial assets	**96**	57	102
	Unlisted debt instruments*	**218**	519	302
		363	625	448
	* *The long-term element of the investment in Angolan USD linked government bonds.*			
8.	**ASSETS CLASSIFIED AS HELD FOR SALE**			
	The major classes of assets and liabilities comprising the disposal group and other assets classified as held for sale were as follows:			
	Property, plant and equipment	**27**		152
	Intangibles			2
	Inventories			650
	Trade and other receivables			24
	Assets of disposal group held for sale	**27**		828
	Trade and other payables			(67)
	Total liabilities associated with assets classified as held for sale			(67)
	Net assets classified as held for sale	**27**		761
	Per business segment:			
	Handling			746
	Logistics	**27**		15
	Total group	**27**		761
	The assets classified as held for sale relate to assets within Barloworld Logistics' Transport division.			

Notes to the condensed consolidated financial statements continued

	Six months ended		Year ended
	31 Mar 2017 Reviewed Rm	31 Mar 2016 Reviewed Restated Rm	30 Sept 2016 Audited Rm
9. FINANCIAL INSTRUMENTS			
Carrying value of financial instruments by class:			
Financial assets:			
Trade receivables			
– Industry	**6 300**	6 455	5 654
– Government	**465**	365	423
– Consumers	**908**	881	540
Other loans and receivables and cash balances	**5 102**	4 622	4 899
Finance lease receivables	**317**	404	379
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	**2**		2
Other financial assets at fair value	**114**	49	33
Total carrying value of financial assets	**13 208**	12 776	11 930
Financial liabilities:			
Trade payables			
– Principals	**3 689**	4 025	2 603
– Other suppliers	**3 169**	2 958	5 684
Other non-interest-bearing payables	**313**	154	369
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	**1**	106	46
Interest-bearing debt measured at amortised cost	**14 995**	15 898	10 085
Total carrying value of financial liabilities	**22 167**	23 141	18 787

9. FINANCIAL INSTRUMENTS continued

Fair value measurements recognised in the statement of financial position

Level 1 measurements are derived from quoted prices in active markets. Level 2 and level 3 measurements are determined using discounted cash flows.

	31 March 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Financial assets designated at fair value through profit or loss	**2**		**42**	**44**
Available-for-sale financial assets				
Shares			**5**	**5**
Total	**2**		**47**	**49**

	31 March 2016			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Financial assets designated at fair value through profit or loss			44	44
Available-for-sale financial assets				
Shares			5	5
Total			49	49
Financial liabilities at fair value through profit or loss				
Derivatives	35			35
Derivative assets designated as effective hedging instruments	71			71
Total	106			106

	30 September 2016			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Financial assets designated at fair value through profit or loss			28	28
Available-for-sale financial assets				
Shares			5	5
Derivative assets designated as effective hedging instruments		2		2
Total		2	33	35
Financial liabilities at fair value through profit or loss				
Financial liabilities designated at fair value through profit or loss		2		2
Derivatives		91		91
Total		93		93

Notes to the condensed consolidated financial statements continued

		Six months ended 31 Mar 2017 Reviewed Rm	Six months ended 31 Mar 2016 Reviewed Rm	Year ended 30 Sept 2016 Audited Rm
10.	**DIVIDENDS DECLARED**			
	Ordinary shares			
	Final dividend No 176 paid on 16 January 2017: 230 cents per share (2016: No 174 – 230 cents per share)	**489**	489	488
	Interim dividend No 175 paid on 13 June 2016: 115 cents per share			245
	Paid to Barloworld Limited shareholders	**489**	489	733
	Paid to non-controlling interest	**25**	10	16
		514	499	749
11.	**ACQUISITION OF SUBSIDIARIES, INVESTMENTS AND INTANGIBLES**			
	Inventories acquired		(131)	(154)
	Receivables acquired		(139)	(183)
	Payables, taxation and deferred taxation acquired		277	457
	Borrowings net of cash		101	(34)
	Property, plant and equipment and non-controlling interest		(150)	(239)
	Total net assets acquired		(42)	(153)
	Goodwill arising on acquisition		(144)	(290)
	Intangibles arising on acquisition in terms of IFRS 3 Business Combinations		(93)	(196)
	Total purchase consideration		(279)	(639)
	Non-cash consideration		25	
	Deemed disposal of associate at fair value on obtaining control			21
	Net cash cost of subsidiaries acquired		(254)	(618)
	Cash acquired		28	142
	Investments and intangibles acquired	**(51)**	(280)	(581)
	Cash amounts paid to acquire subsidiaries, investments and intangibles	**(51)**	(506)	(1 057)

	Six months ended		Year ended
	31 Mar 2017 Reviewed Rm	31 Mar 2016 Reviewed Rm	30 Sept 2016 Audited Rm
12. PROCEEDS ON DISPOSAL OF SUBSIDIARIES, INVESTMENTS, INTANGIBLES AND LOANS REPAID			
Inventories disposed	**492**	39	39
Receivables disposed	**20**	22	22
Payables, taxation and deferred taxation balances disposed	**(55)**	(47)	(46)
Borrowings net of cash		9	9
Property, plant and equipment, non-current assets, goodwill and intangibles	**145**	146	146
Net assets disposed	**602**	169	170
Receivable from subsidiary disposed		(25)	(22)
Less: Non-cash translation reserves realised on disposal of foreign subsidiaries			1
Investment in joint venture	**(301)**		
Profit on disposal		122	117
Net cash proceeds on disposal of subsidiaries	**301**	265	266
Bank balances and cash in subsidiaries disposed of		(9)	(9)
Proceeds on disposal of investments and intangibles		59	1
Cash proceeds on disposal of subsidiaries, investments, intangibles and loans repaid	**301**	316	258
The net cash proceeds on disposal arises from the sale of the assets of the Agriculture SA and Handling SA business into a joint venture company with BayWa AG.			
13. CASH AND CASH EQUIVALENTS			
Cash balances not available for use due to reserving and foreign exchange restrictions	**874**	662	580
This includes US$47.5 million (R635 million) of Angolan Kwanza cash on hand (Sept 2016: US$37.5 million, R520 million).			
14. COMMITMENTS			
Capital commitments to be incurred	**1 537**	1 988	2 231
Contracted – Property, plant and equipment	**425**	680	392
Contracted – Vehicle rental fleet	**777**	902	1 196
Approved but not yet contracted	**335**	406	643
Operating lease commitments	**2 936**	3 499	3 316
Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.			

Notes to the condensed consolidated financial statements continued

	Six months ended		Year ended
	31 Mar 2017 Reviewed Rm	31 Mar 2016 Reviewed Rm	30 Sept 2016 Audited Rm
15. CONTINGENT LIABILITIES			
Performance guarantees given to customers, other guarantees and claims	**1 123**	1 344	1 017
Buyback and repurchase commitments not reflected on the statement of financial position	**111**	61	98

The Group has received a statement of objection from the Dutch Competition Authorities in respect of a subsidiary disposed of in 2013, setting out their provisional findings on an industry-wide investigation for the period ended 2010. At this stage the outcome of these proceedings cannot be predicted with any certainty. Management is, however, giving the matter its full attention and has, in conjunction with legal advisers, submitted written and verbal responses to the objection.

16. 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 and those disclosed in note 11 and note 12, there have been no other significant transactions during the year with associate companies, joint ventures and other related parties.

17. CHANGES IN ACCOUNTING POLICIES

New accounting standards

The group will be adopting the Disclosure Initiative – Amendments to IAS 1 (December 2014) in the current year and this will impact disclosure in the consolidated financial statements for September 2017.

Floorplan

In line with the change in accounting policy on floorplan effected in September 2016, the group reclassified the interest-bearing floorplan liability from amounts due to bankers and short-term loans to trade and other payables in March 2016. Motor Trading has a number of floorplan facilities which are arranged by the vehicle manufacturers to finance dealer inventory purchases. These short-term credit lines are initially interest free and only become interest-bearing after a certain specified period. This treatment is in line with the disclosure of other automotive companies.

17. CHANGES IN ACCOUNTING POLICIES continued

The impact of the change in accounting policy on the comparative amounts is as follows:

	March 2016		
	Previously stated Rm	Restatement Rm	Restated Rm
Consolidated statement of financial position			
Amounts due to bankers and short term loans	4 505	(845)	3 660
Trade and other payables	10 680	845	11 525
Current liabilities	15 185		15 185
Consolidated statement of cash flows			
Cash flows from operating activities			
Movement in working capital	(895)	544	(351)
Cash (applied to)/retained from operating activities	(104)	544	440
Cash flows from financing activities			
Net increase/(decrease) in short-term interest-bearing liabilities	375	(544)	(169)
Net cash from/(used in) financing activities	428	(544)	(116)

18. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events to report after the reporting period.

19. AUDITOR'S REVIEW

These condensed consolidated interim financial statements for the period ended 31 March 2017 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 forward-looking statements included in this announcement have not been reviewed or reported on by the 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 2017 Reviewed Rm	31 Mar 2016 Reviewed Rm	30 Sept 2016 Audited Rm	**31 Mar 2017 Reviewed Rm**	31 Mar 2016 Reviewed Rm	30 Sept 2016 Audited Rm
Equipment and Handling	**13 012**	14 552	29 362	**986**	963	2 264
Automotive and Logistics	**19 520**	17 395	37 183	**914**	819	1 877
Corporate			2	**(51)**	(26)	(6)
Total	**32 532**	31 947	66 547	**1 849**	1 756	4 135
Southern Africa	**28 247**	27 218	57 002	**1 630**	1 548	3 551
Europe	**4 285**	4 729	9 545	**219**	208	584
Total	**32 532**	31 947	66 547	**1 849**	1 756	4 135

* *The net operating assets/(liabilities) include assets/liabilities classified as held for sale.*

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 2017 Reviewed Rm	31 Mar 2016 Reviewed Rm	30 Sept 2016 Audited Rm	**31 Mar 2017 Reviewed Rm**	31 Mar 2016 Reviewed Rm	30 Sept 2016 Audited Rm	**31 Mar 2017 Reviewed %**	31 Mar 2016 Reviewed %	30 Sept 2016 Audited %	**31 Mar 2017 Reviewed Rm**	30 Sept 2016 Audited Rm
(113)	(54)	(201)	**873**	909	2 064	**7.6**	6.6	7.7	**15 452**	16 552
(2)	(2)	(7)	**912**	817	1 870	**4.7**	4.7	5.0	**12 925**	11 158
(8)	1	(1)	**(59)**	(25)	(8)				**(2 090)**	(2 330)
(123)	(55)	(209)	**1 726**	1 701	3 926	**5.7**	5.5	6.2	**26 287**	25 380
(110)	(57)	(209)	**1 520**	1 491	3 342	**5.8**	5.7	6.2	**24 152**	23 059
(13)	2		**206**	210	584	**5.1**	4.4	6.1	**2 135**	2 321
(123)	(55)	(209)	**1 726**	1 701	3 926	**5.7**	5.5	6.2	**26 287**	25 380

Salient features

	Six months ended 31 Mar 2017 Reviewed	Six months ended 31 Mar 2016 Restated Reviewed	Year ended 30 Sept 2016 Audited
Financial			
Headline earnings per share (cents)	**364.9**	335.0	838.1
Dividends per share (cents)	**125**	115	345
Operating margin (%)	**5.7**	5.5	6.2
Net asset turn (times)	**2.1**	1.9	2.1
EBITDA/interest paid (cover)	**4.7**	4.5	5.0
Net debt/equity (%)	**46.6**	52.8	40.7
Group return on net operating assets (RONOA) (%)	**15.0**	12.0	15.9
Group return on ordinary shareholders' funds (%)	**8.0**	7.1	9.2
Net asset value per share including investments at fair value (cents)	**8 837**	9 561	8 997
Number of ordinary shares in issue (000)	**212 693**	212 693	212 693
Non-financial#			
Non-renewable energy consumption (GJ)*	**1 608 948**	1 461 150	3 117 091
Greenhouse gas emissions (tCO_2e)*∆	**140 702**	129 216	272 961
Water withdrawals (municipal sources) (ML)	**350**	423	788
Number of employees	**20 100**	20 335	20 786
Lost-time injury frequency rate (LTIFR)†	**0.90**	0.91	0.83
Work-related fatalities	**2**	0	1
dti^ B-BBEE rating (level)+	**3**	2	3

 # Deloitte & Touche have issued an unmodified limited assurance report on the non-financial salient features for the year ended 30 September 2016, in accordance with International Standard 3000 (Revised) on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The 31 March 2017 and 31 March 2016 non-financial salient features have not been reviewed and reported on by the auditors.

** Based on updated energy (GJ) and emission (tCO_2e) conversion factors.*

∆ 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. The September 2016 and March 2017 ratings are based on the revised Codes of Good Practice.

Exchange rates (Rand)	Closing rate: Six months ended 31 Mar 2017 Reviewed	Closing rate: Six months ended 31 Mar 2016 Reviewed	Closing rate: Year ended 30 Sept 2016 Audited	Average rate: Six months ended 31 Mar 2017 Reviewed	Average rate: Six months ended 31 Mar 2016 Reviewed	Average rate: Year ended 30 Sept 2016 Audited
United States Dollar	**13.41**	14.71	13.75	**13.56**	14.94	14.75
Euro	**14.34**	16.76	15.45	**14.57**	16.29	16.32
British Sterling	**16.77**	21.14	17.86	**16.91**	21.91	20.99

Barloworld

Leading brands

Reviewed interim results for the six months ended 31 March 2017

Creating shared value **for** sustainable outcomes


Barloworld
Leading brands
Barloworld Limited
Interim Results for the six months ended 31 March 2017


Barloworld
Leading brands
Creating shared value
for sustainable outcomes
Overview
Dominic Sewela
CE, Barloworld Limited

Salient features

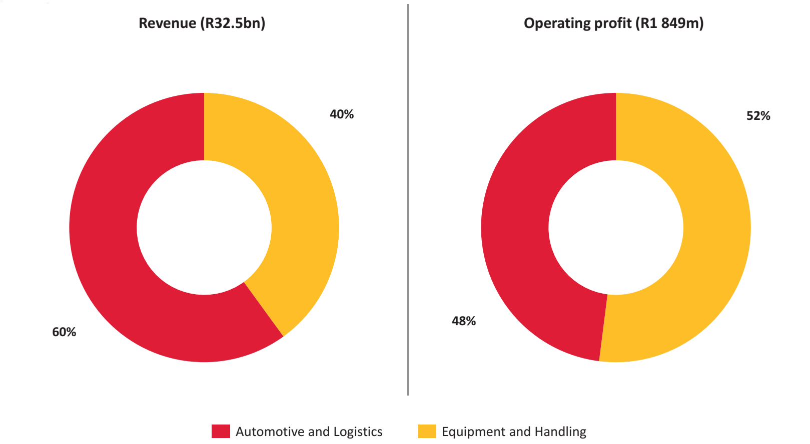
- Revenue up 2% to R32.5 billion
- Operating profit up 5% to R1 849 million
- Cash generated from operations of R929 million (1H'16: R1 771million)
- Headline earnings per share up 9% to 365 cents
- Interim dividend per share up 9% to 125 cents

Overview and key developments

Equipment and Handling	Equipment southern Africa	• Operating profit slightly up despite difficult market conditions • Strong aftermarket and cash generation • Improved contribution from the DRC associate
	Equipment Iberia	• Construction equipment recovery remains confined to small machine market • Aftermarket revenues showed growth and overall margins maintained • Marine market penetration remains steady with improved progress in Portuguese market
	Equipment Russia	• Revenues and operating profit up 6% and 24% respectively in US Dollar terms • Significant growth in customer firm orders
	Handling	• Disposal of Handling and Agriculture SA into a JV with BayWa came into effect on 1 Mar 2017
Automotive and Logistics	Car Rental	• Continue to extract value from the Avis and Budget dual brand strategy
	Avis Fleet	• Solid result achieved and high level of financial returns maintained
	Motor Trading	• Result supported by recent acquisitions
	Logistics	• Lower volumes in mining, construction and cross-border activities
Group	Group	• New leadership team in place • Corporate strategy review completed • Safety focus continues – Tragically there were two work-related fatalities

Group revenue and operating profit split – March 2017

5



Barloworld Limited Interim Results for the six months ended 31 March 2017

Barloworld
Leading brands

Financial overview

Donald Wilson
FD, Barloworld Limited

Income statement highlights

(Rm)	**1H'17**	1H'16	*% chg*
Revenue	**32 532**	31 947	*2*
EBITDA	**3 205**	2 978	
Operating profit	**1 849**	1 756	*5*
Fair value adjustments on financial instruments	**(123)**	(55)	
Net finance costs	**(609)**	(614)	
Profit before non-operating and capital items	**1 117**	1 087	*3*
Non-operating and capital items	**(38)**	85	
Taxation	**(306)**	(318)	
Profit after tax	**773**	854	
Loss from associates	**(7)**	(41)	
Net profit	**765**	813	*(6)*
HEPS (cents)	**365**	335	*9*
Basic EPS (cents)	**337**	368	

Income statement highlights – Revenue

(Rm)	**1H'17**	1H'16	*% chg*
Revenue	**32 532**	31 947	*2*
Equipment and Handling	***13 012***	*14 552*	*(11)*
Southern Africa	***8 214***	*9 238*	*(11)*
Europe	*1 928*	*2 248*	*(14)*
Russia	*2 267*	*2 347*	*(3)*
Handling	*603*	*719*	*(16)*
Automotive and Logistics	***19 520***	*17 395*	*12*
Automotive	*16 321*	*14 757*	*11*
Logistics	*3 199*	*2 638*	*21*

Average exchange rates (Rands)	**1H'17**	1H'16	*% chg*
United States Dollar	**13.56**	14.94	*(9)*
Euro	**14.57**	16.29	*(11)*
British Sterling	**16.91**	21.91	*(23)*

Income statement highlights – Operating profit

(Rm)	1H'17	1H'16	% chg
Revenue	32 532	31 947	2
EBITDA	3 205	2 978	
Operating profit	1 849	1 756	5
Equipment and Handling	*986*	*963*	*2*
Southern Africa	*713*	*701*	*2*
Europe	*8*	*25*	*(68)*
Russia	*262*	*234*	*12*
Handling	*2*	*3*	
Automotive and Logistics	*914*	*819*	*12*
Automotive	*863*	*757*	*14*
Logistics	*51*	*62*	*(17)*
Corporate	*(51)*	*(26)*	

Barloworld Leading brands

Statement of financial position

(Rm)	1H'17	Sept'16
Non-current assets	20 174	20 179
Current assets (excluding cash)	24 544	21 987
Cash and cash equivalents	3 230	3 028
Assets held for sale	27	828
Total assets	47 975	46 022
Interest of all shareholders	19 510	19 679
Total debt	12 315	11 044
Other liabilities	16 150	15 232
Liabilities held for sale		67
Total equity and liabilities	47 975	46 022
Net debt	9 085	8 016

- March 2016 net debt: R11 068m

Barloworld Leading brands

Summarised statement of cash flows

(Rm)	1H'17	1H'16
Operating cash flows before working capital	3 262	2 899
Movement in working capital	(362)	(351)
Net investment in leasing assets and vehicle rental fleet	(1 971)	(777)
Cash generated by operations	929	1 771
Other net cash flows	(1 167)	(832)
Dividends paid	(514)	(499)
Net cash (applied to) / retained from operating activities	(752)	440
Net cash used in investing activities	(105)	(453)
Net cash inflow / (outflow)	(857)	(13)

Investment in working capital

(Rm)	1H'17	1H'16
Inventories – decrease	56	300
Receivables – (increase)	(1 178)	(646)
Payables – increase / (decrease)	760	(5)
Total working capital – (increase)	(362)	(351)

(Rm)	1H'17	1H'16
Equipment southern Africa	561	625
Equipment Europe	76	(2)
Equipment Russia	(121)	(54)
Handling	79	(188)
Automotive	(602)	(200)
Logistics	(293)	(306)
Corporate	(62)	(226)
Total working capital – (increase)	(362)	(351)

Summarised statement of cash flows

(Rm)	1H'17	1H'16
Operating cash flows before working capital	**3 262**	2 899
Movement in working capital	**(362)**	(351)
Net investment in leasing assets and vehicle rental fleet	**(1 971)**	(777)
Cash generated by operations	**929**	1 771
Other net cash flows	**(1 167)**	(832)
Dividends paid	**(514)**	(499)
Net cash (applied to) / retained from operating activities	**(752)**	440
Net cash used in investing activities	**(105)**	(453)
Net cash (outflow)	**(857)**	(13)

Debt maturity profile

Total interest bearing debt

(Rm)	Total	Short-term	Long-term
South Africa	11 584	3 754	7 830
Offshore	731	428	303
Total debt Mar 2017	**12 315**	**4 182**	**8 133**
Total debt Mar 2016	13 386	3 660	9 726
Total debt Sept 2016	11 044	2 665	8 379

- Ratio of long-term to short-term debt 66:34 (Sept 2016 – 76:24)
- BAW13, R450m bond repaid in Apr 2017
- BAW25, 3 year floating rate bond raised in May 2017 – R582m
- R7.6bn unutilised bank facilities at Mar 2017 – R6.5bn committed
- Cash and cash equivalents R3 230m (Sept 2016 – R3 028m)

Capital structure remains strong

Group segmental gearing ratios within target ranges:

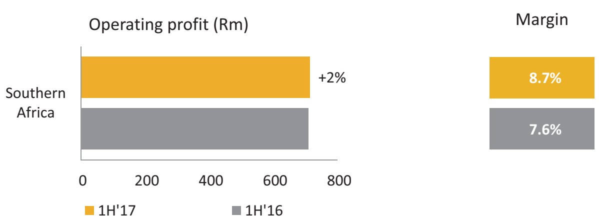
Debt to equity (%)	Trading	Leasing	Car Rental	Total group	
Target range	30 - 50	600 - 800	200 - 300	Gross	Net
Ratio at 31 Mar 2017	***32***	***604***	***279***	***63***	***47***
Ratio at 31 Mar 2016	*38*	*662*	*248*	*64*	*53*
Ratio at 30 Sept 2016	*29*	*720*	*216*	*56*	*41*

- All segments within target gearing ranges
- Net debt of R9 085m (Mar 2016 – R11 068m)
- Net debt to equity ratio 47% (Mar 2016 – 53%)
- Net debt to EBITDA 1.4x (Mar 2016: 1.9x)
- EBITDA interest cover 4.7x (Mar 2016 – 4.5x)

Operational review – Equipment southern Africa

18

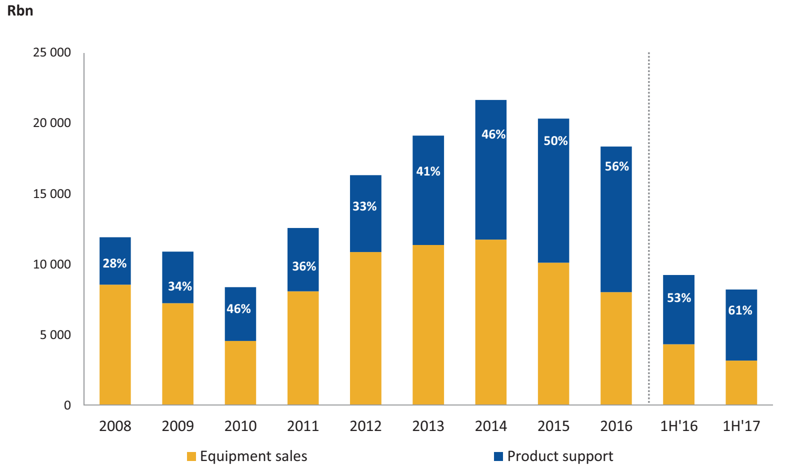
- Operating profit of R713m was up despite continued weakness in mining sector
- Whilst overall revenue was down 11%, aftermarket revenues increased by 3%
- Cost reduction contributed to a margin improvement
- Improved operating profit in Angola despite continued lower oil price and currency shortages
- Associate income from the DRC of R41m (1H’16: R27m loss) boosted by increased activity
- Strong cash generation of R653m (1H’16: R1 128m inflow)



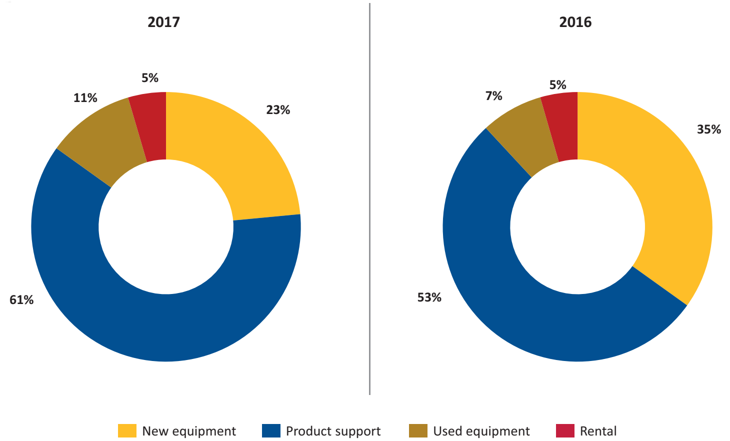
Barloworld Limited Interim Results for the six months ended 31 March 2017

Barloworld Leading brands

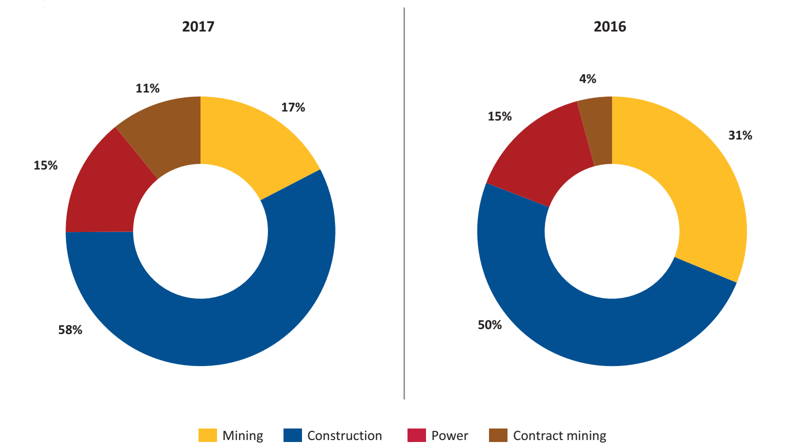
Southern Africa sales history



Southern Africa revenue profile by line of business – March

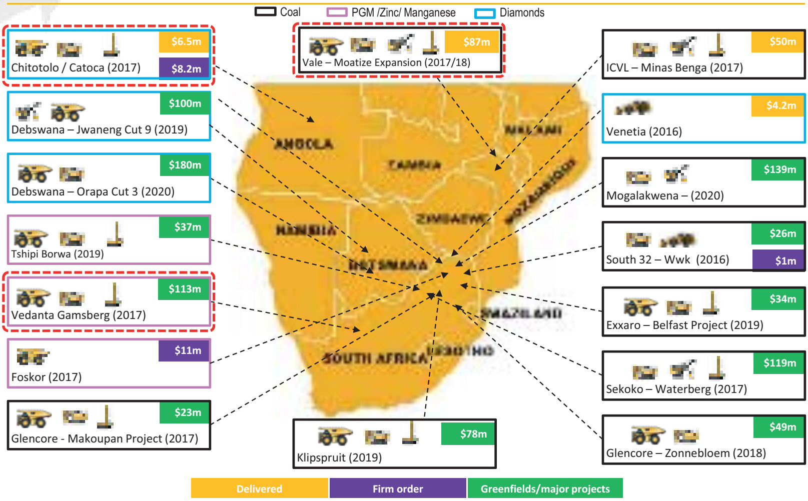


Southern Africa equipment sales by industry – March



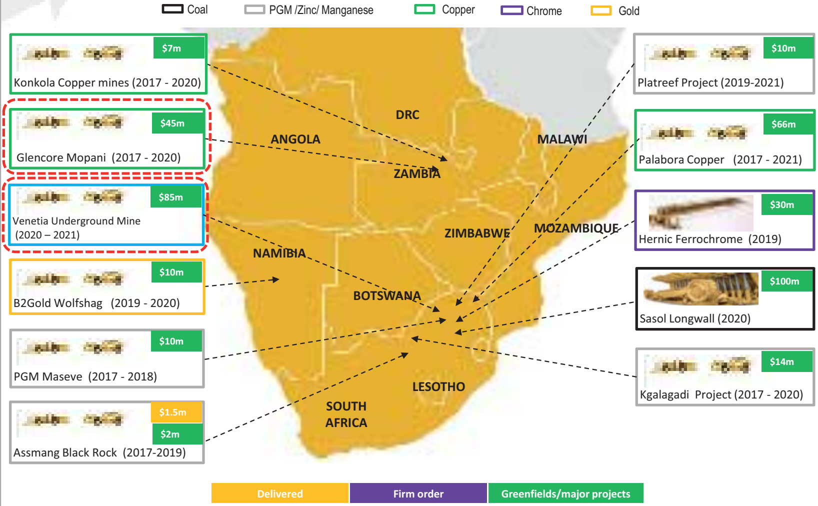
Barloworld Leading brands

Surface mining project outlook



Barloworld Leading brands

Underground mining project outlook



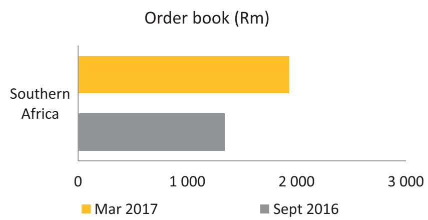
BARTRAC JV (Katanga) update

- More positive outlook for 2017 than prior year driven by copper and cobalt
- Higher levels of activity continued
- High level of component replacements taking place resulting in higher levels of after sales business
- Successful with a 27 machine deal to a contract miner to the value of $13m
- Joint venture will benefit from
  - Cost restructuring that took place in 2016
  - New customers developed

Equipment southern Africa – outlook

25

- March firm back orders increased to R1.9bn (Sept 2016: R1.3bn)
- Early signs of mining cycle having recovered
- The ongoing need for infrastructure development will underpin construction demand
- Higher average age of mining fleet expected to underpin aftermarket activity
- Continued focus on operational transformation to reduce costs and improve efficiencies
- Continued focus on working capital reduction to drive positive cash generation
- 2017 revenue outlook range at bottom end of R18.0bn to R19.0bn (2016: R18.5bn)

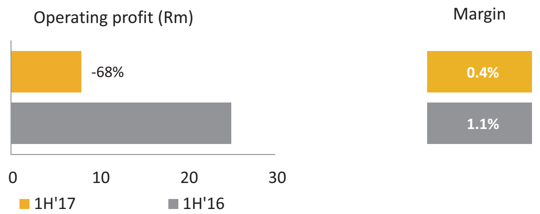


Barloworld Limited Interim Results for the six months ended 31 March 2017

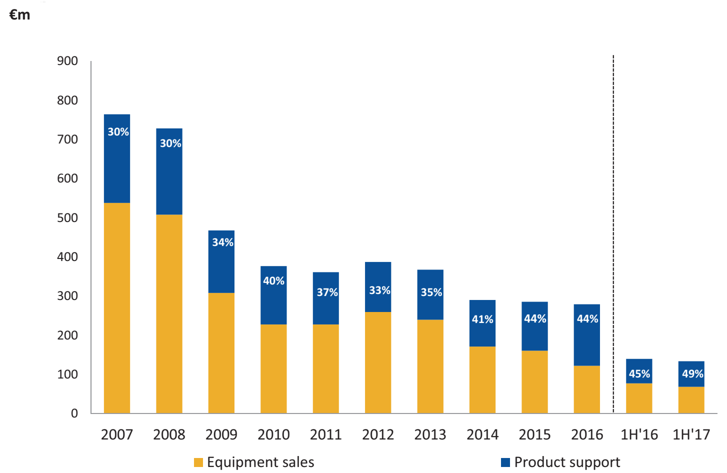
Barloworld Leading brands

Operational review – Equipment Europe

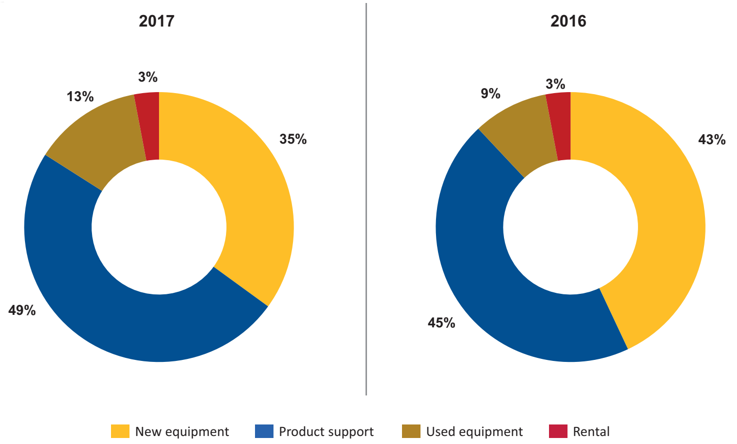
- Revenue down 4% in Euro terms driven by weaker prime product volumes
- Region remains profitable for the period
- Aftermarket growth driven by Spanish marine segment
- Increased focus on working capital management yields positive cash generation
- Negative impact on associate line due to loss in Energyst



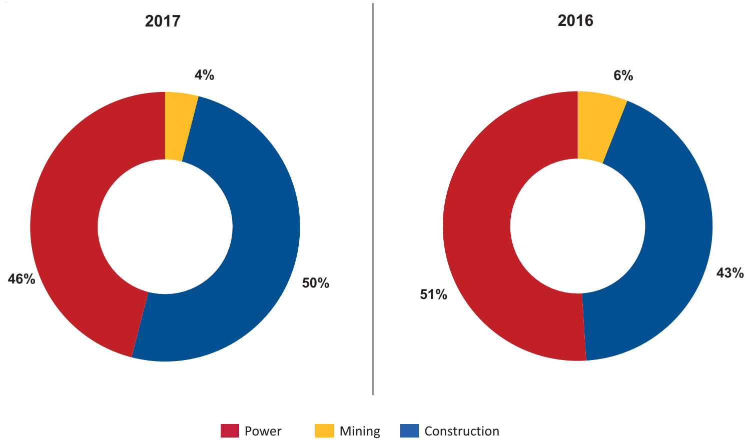
Iberia sales history



Iberia revenue by line of business – March

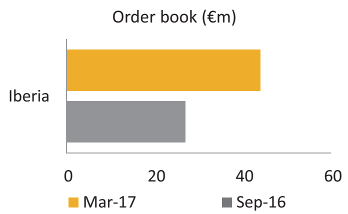


Iberia new equipment sales by industry – March



Equipment Europe – outlook

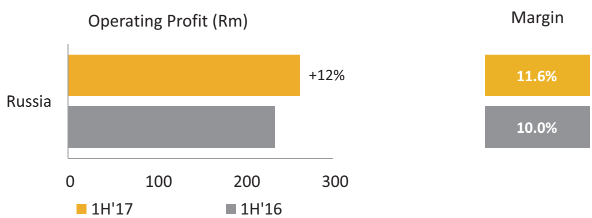
- Machine industry shows growth but highly concentrated in small equipment
- Order book growth will allow for improved prime product sales in second half
- Aftermarket will underpin operating result
- Continued focus on cost management, improved efficiencies and cash generation
- 2017 revenue outlook range of €270m to €300m maintained (2016: €274m)



Operational review – Equipment Russia

33

- Revenues and operating profit up 6% and 24% respectively in US Dollar terms
- Mining segment improvement driven by coal recovery and continued growth in gold and base metals
- Profitability strongly supported by growing aftermarket sales and rebuild capability
- Cost disciplines maintained whilst increasing headcount to meet project requirements
- Positive cash generation and healthy financial returns

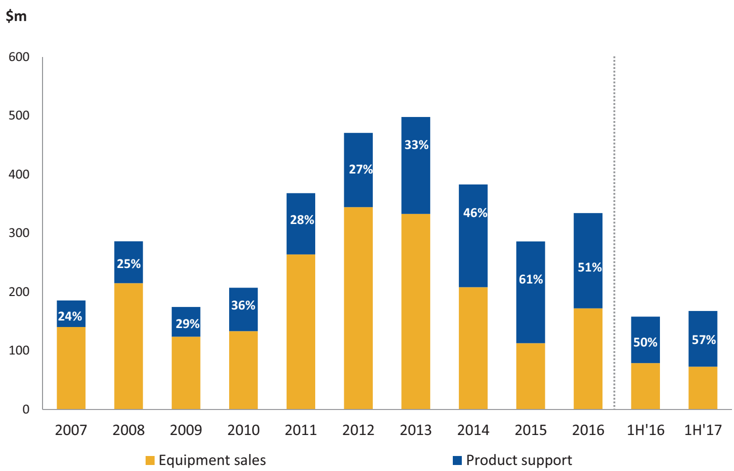


Barloworld Limited Interim Results for the six months ended 31 March 2017

Barloworld Leading brands

Russia sales history

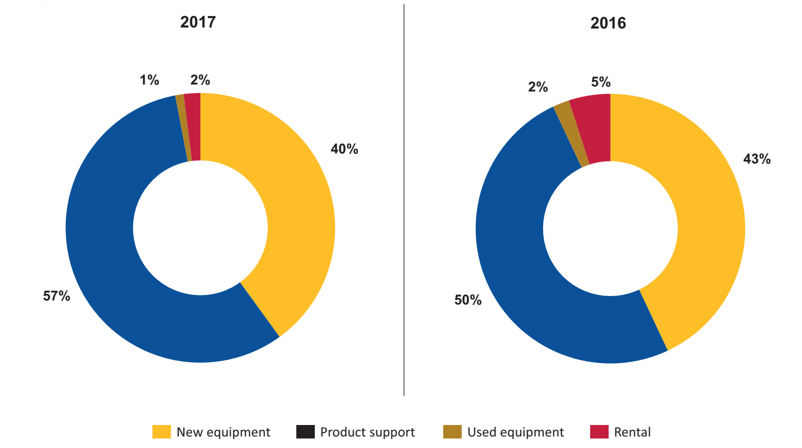
34



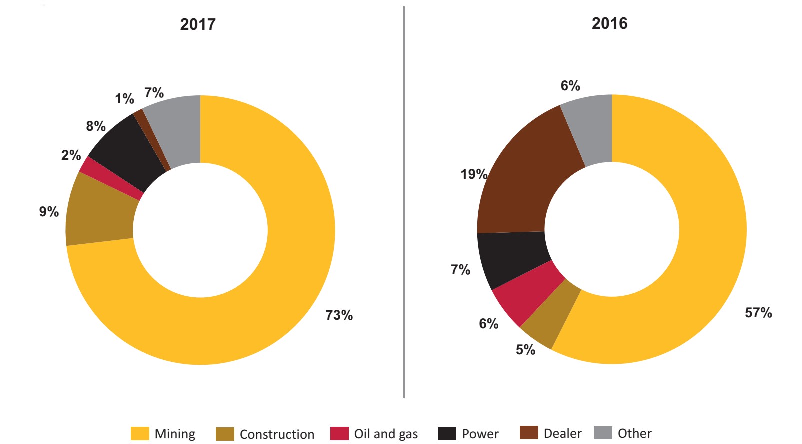
Barloworld Limited Interim Results for the six months ended 31 March 2017

Barloworld Leading brands

Russia revenue by line of business – March



Russia new equipment sales by industry – March



Current mining opportunities

Polyus
34x793/ 2x785/ 6x777/ 4x773/ 1x24/ 2x160
$120m prime (mostly 2018)

Norilsk Nickel

6xR1600/	6xR1700
1xR1300/ 1xPM102	
$5m	$5.1m

Sovrudnik

1x16M	3xD9R/ 1x834K
	6xD7R/ 2x966L
	1x349D
$0.9m	$5.6m

RUSAL

4x777G	2x777G
$3.4m	$1.7m

KRU
1x24M/ 2x992/ 2x390/ 6xD10T2
$12m

Gross

1x434F	4x785D/ 4xD10T2	
1x950GC	1x993K/ 1xD6R	
$0.3m	$0.2m	$15.5m

Underground
8xAD30/ 6xR1700/ 2xR1600
$11.7m

Muna
3x6030FC/ 1x824K/ 2x988K/ 4xD9R/ 16x777E
$34m (2018)

Kekura
37 units
$21m (2018)

AS Siyaniye (Kupol)

2x745	2x745
$0.9m	$0.9m

ZDK Pavlik
1x16M
$0.7m

GV Gold Ugakhan
5x777G/ 1xD9R/ 1xD6R
$6.5m

Vasilievsky Rudnik

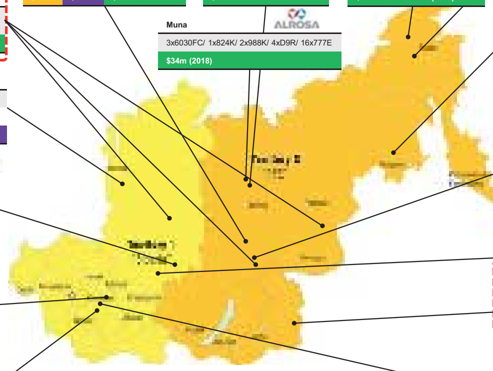
2xD6R	1x773E	9x773E
2xD9R		
2x773E		
$2.9m	$0.6m	$5.5m

Bystrinsky

4x789D	8x789D
$9.3m	$18.6m

Zadubrovsky Noviy

3x777G	5x777G	2x777G/ 3x777E 2xD9R/ 1x6015
$2.6m	$4.7m	$7m



Delivered | Firm order | Greenfields/major projects

Barloworld Leading brands

Polyus package deal success

Mining Truck order

- Total deal value – $120m
  - FY 2017 – $12m
  - FY 2018 –$108m

Training and support deliverables

- Parts – on site parts warehouse
- Major components and lube modules valued at $3.7m
- Immersive simulator
- Preventative maintenance bay for 2 trucks

POLYUS

Barloworld Leading brands

Bystrinsky Greenfield success

Prime Product

- Contract signed in Dec 2016 for 12 CAT 789D mining trucks
  - Delivery in fiscal 2017
  - Deal Value – $28m
  - Future prospects for up to 20 more CAT 789D's
- Site service agreement – under negotiation
  - Parts – on site parts warehouse
  - Service – 24 hours a day, 7 days a week
  - Project manager appointed
  - Health monitoring and oil sampling – all equipment

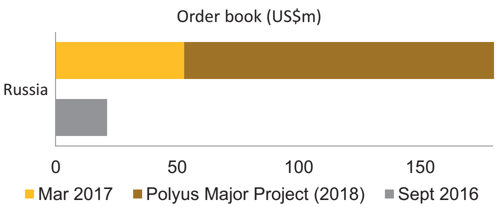
NORILSK NICKEL

Concentrator complex

Mine workshop

Equipment Russia – outlook

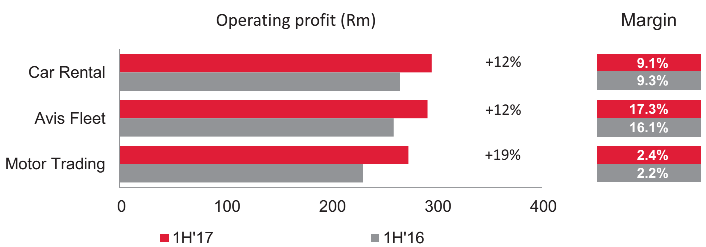
- March firm back orders increased to $53m (Sept 2016: $21m) – firm back orders at $173m in April
- Secured large mining deals with Polyus ($120m) and Norilsk Nickel (Bystrinsky – $28m)
- Alrosa and Nord Gold deals close to finalisation
- Strong aftermarket performance expected to continue
- 2017 revenue outlook range revised up to $320m to $380m (previously $300m to $370m)



Operational review – Automotive

42

- Solid result in a challenging trading environment
- Revenue R16.3bn (1H'16: R14.8bn) – up 11%
- Operating profit R863m (1H'16: R757m) – up 14%
- Higher operating margin achieved for the period at 5.3% (1H'16: 5.1%)
- Strong used vehicle profit contribution

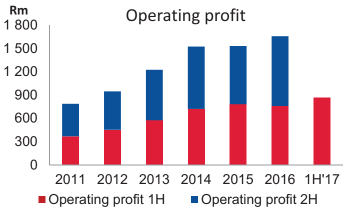


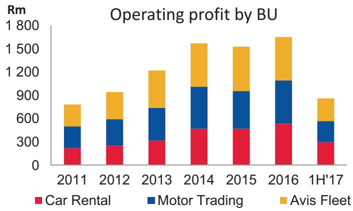
Barloworld Limited Interim Results for the six months ended 31 March 2017

Barloworld Leading brands

Integrated business model delivers value

- Well balanced Automotive portfolio provides resilience
- Revenue CAGR of 9.6% delivers operating profit CAGR of 15% (1H'2011 – 1H'2017)
- Inter-business unit synergies continue to deliver value
- Recently acquired businesses performing in line with expectation





Car Rental

- Solid operating profit growth of 12%
- Sustained growth in rental days
- Revenue per day increases impacted by highly competitive market
- Fleet utilisation above 75%
- Strong used vehicle profit contribution
- Customer satisfaction remains above 90%

Car Rental	*1H'17 (growth)*
Rental days	*+4.2%*
Rental revenue per day	*+2.3%*

Avis Fleet

- Strong operating profit growth of 12%
- Return to finance fleet growth
- Net reduction in OEM maintenance plans
- Improved used vehicle contribution
- Customer retention rates remain high

Avis Fleet	1H'17 (growth)
Finance fleet	+1.0%
Under maintenance	-3.9%

Barloworld Leading brands

Motor Trading

- Increased operating profit by 19% supported by recent acquisitions
- Result negatively impacted by weaker new vehicle market
- Market share increased in represented brands
- Positive contribution from aftermarket revenues

Motor Trading	1H'17 (growth)
New unit sales	-7.7%
Parts revenue	+11%
Service hours	+6.5%

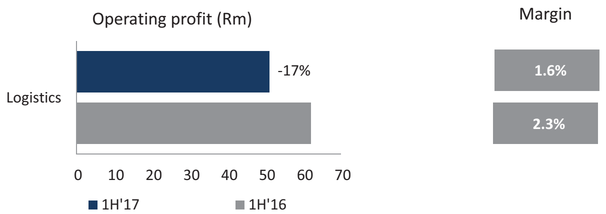
Barloworld Leading brands

Automotive – outlook

Car Rental	▪ Volume and revenue per day increases expected to deliver top line revenue growth, supported by the dual brand strategy ▪ Productivity, fleet utilisation and cost focus will maintain strong return on equity ▪ Continued positive contribution from used vehicle disposals
Avis Fleet	▪ Well positioned for continued organic growth ▪ Maintain market leadership position and continue to achieve strong return on equity ▪ Awaiting outcome of large contract renewals
Motor Trading	▪ Challenging trading conditions to continue, impacting overall margins ▪ Cost and portfolio focus to improve returns ▪ Recent acquisitions to contribute positively to revenue and profitability
Automotive Division	▪ 2017 revenue outlook range of R32bn to R34bn (2016: R31.4bn)

Operational review – Logistics

- Revenue up 21% but operating profit down 17%
- Business negatively impacted by tougher trading conditions and once-off costs incurred
- Additional contracts won in second half of FY2016 and acquisitions contributing positively
- Investment in new service offerings such as rail and freight starting to deliver value
- Good performance from SA Freight Forwarding business



Logistics – outlook

- Expecting a traditionally stronger performance in second half
- Cost management, business integration and strategic alignment to enhance financial returns
- 2017 revenue outlook range of R6.0bn to R6.5bn maintained (2016: R5.7bn)



Barloworld
Leading brands

Creating shared value

for sustainable outcomes

Group strategy

Group strategy

52

- Completed comprehensive strategic review
- Board approved new Group strategy in Mar 2017
- Key initiatives include
  - Fix and address underperforming businesses
  - Optimise returns from the existing portfolio
  - Look at high growth opportunities based on existing capabilities

Barloworld Limited Interim Results for the six months ended 31 March 2017

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Group outlook

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Dominic Sewela, CE of Barloworld, said:

"The outlook for global economic growth remains positive and this is reflected in the increased demand for commodities and improved commodity prices. Some recovery in sub-Saharan Africa growth is expected, notwithstanding the downside risks due to lower oil prices and possible further credit-rating downgrades for South Africa.

A strategic review process has been completed outlining our focus on fixing and addressing underperforming businesses, optimising the existing portfolio and pursuing targeted high growth opportunities."

15 May 2017


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Interim Results for the six months ended 31 March 2017

Notes

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