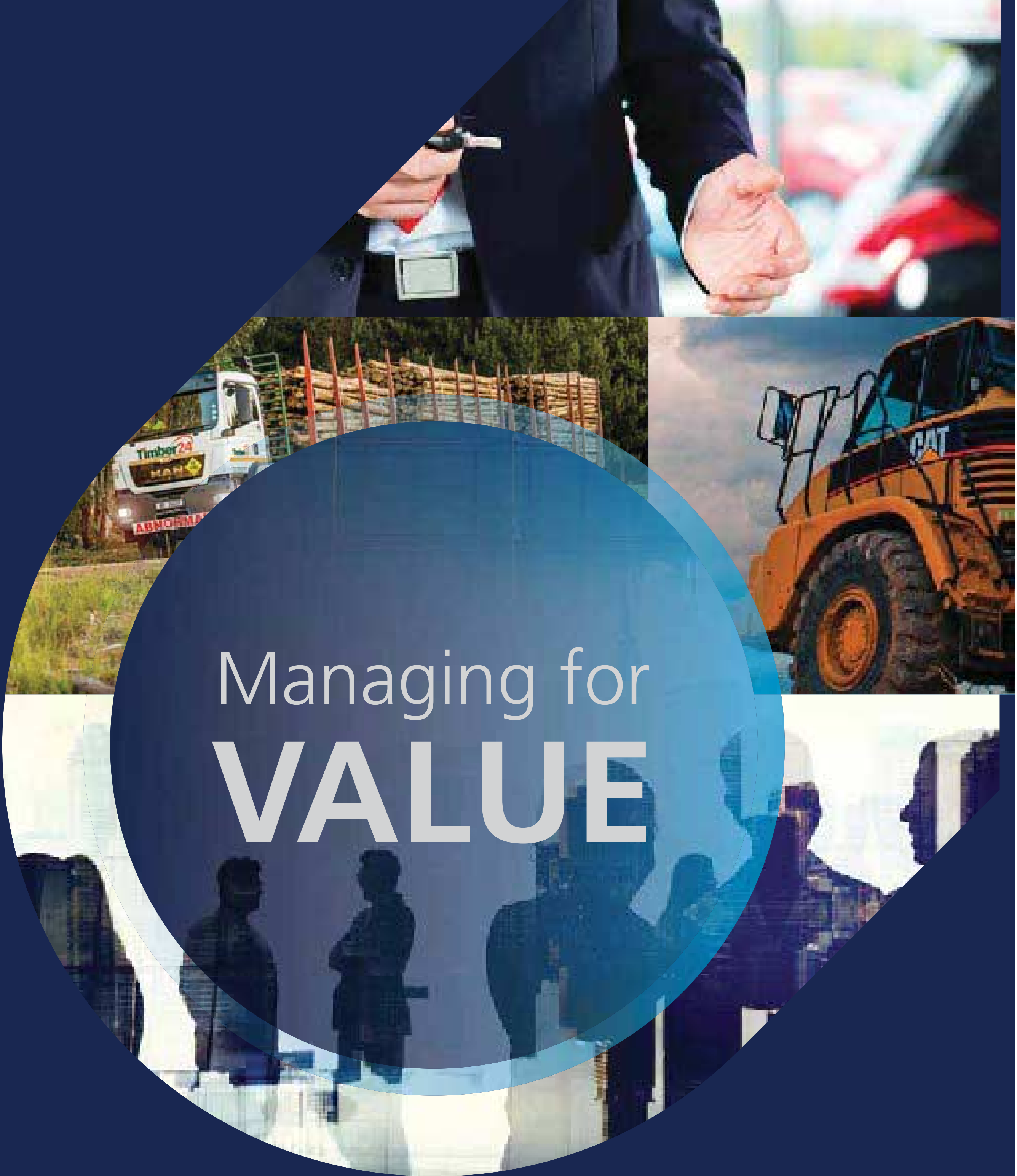

Managing for VALUE

Barloworld
Leading brands

Reviewed interim results
for the six months ended 31 March 2018

About Barloworld

The brands we represent on behalf of our principals include Caterpillar, Avis, Budget, Audi, BMW, Ford, Jaguar Land Rover, Mazda, Mercedes-Benz, Toyota, Volkswagen and others.

Barloworld is a distributor of leading international brands providing integrated rental, fleet management, product support and logistics solutions. The core divisions of the group comprise Equipment (earthmoving equipment and power systems), Automotive (car rental, motor retail, fleet services, used vehicles and disposal solutions) and Logistics (logistics management, supply chain optimisation and waste management). We offer flexible, value adding, innovative business solutions to our customers backed by leading global brands.

Barloworld has a proven track record of long-term relationships with global principals and customers. We have the 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 83% of just over 18 000 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
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Email: invest@barloworld.com

Directors
Non-executive: DB Ntsebeza (Chairman), NP Dongwana, FNO Edozien^, HH Hickey, NP Mnxasana, MD Lynch-Bell*, SS Mkhabela, SS Ntsaluba, P Schmid, OI Shongwe
Executive: DM Sewela (Chief Executive), DG Wilson
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Group company secretary
Lerato Manaka

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Sponsor
J.P. Morgan Equities South Africa (Pty) Ltd

Salient features

Disposal of Equipment Iberia
progressing according to plan

Logistics turnaround:
improved positive returns

Group return on invested capital
at 11.0%
(1H'17: 9.2%)

Operating profit (from continuing operations)
up 6% to R2.0 billion
(1H'17: R1. 8 billion)

Total headline earnings per share
up 32% to 481 cents
(1H'17: 365 cents)

Return on equity (from continuing operations)
at 9.7%
(1H'17: 9.0%)

Interim dividend per share of
145 cents up 16%
(1H'17: 125 cents)

Headline earnings per share (from continuing operations) **up 14% to 457 cents**
(1H'17: 400 cents)

Dominic Sewela, CE of Barloworld, said:

"The group produced a much improved result for the six months ended 31 March 2018 despite challenging trading conditions in some areas. We continue to drive focus on addressing underperformance across the business and in line with that, on 25 April 2018 we announced the disposal of the Equipment Iberia business which is expected to be concluded by 2 July 2018 with the sale price representing a premium to net asset value.

We continue to evaluate high return opportunities aligned to our capability in emerging markets and steady progress is being made on reviewing potential growth areas for the group with active searches in both the local and targeted international markets."

21 May 2018

Chief executive's report

ECONOMIC OVERVIEW

Despite a weaker first quarter, the global economy remains on track to show solid growth for 2018 in both developed as well as emerging markets. Increased geopolitical risks following military actions in Syria together with the current wave of protectionism could however negatively impact this recovery.

The outlook for the South African economy has improved since the appointment of President Ramaphosa as evidenced by rising confidence levels. GDP growth of up to 2.0% is currently forecast for 2018. The decision by Moody's to retain South Africa's investment grade ratings has further reduced the risks of the negative economic consequences that a downgrade would have precipitated.

For the six months ended 31 March 2018, the group produced headline earnings per share (HEPS) from continuing operations of 457 cents per share which was 57 cents per share (14.3%) up on the 400 cents last year.

Total HEPS (including discontinued operations) of 481 cents per share showed 116 cents or 32% improvement on the 365 cents earned in the prior year.

An interim dividend of 145 cents per share was declared (1H'17: 125 cents).

OPERATIONAL REVIEW

Health and Safety

Tragically, there were two work-related fatalities in the period (Equipment Russia, December 2017; and Automotive, March 2018). Our condolences go out to the bereaved families and friends; and Barloworld continues to support the families at this time. Investigations into both incidents were conducted and management continues to enhance safety awareness and practices with the aim of strengthening safety in the workplace.

Equipment

Equipment southern Africa

Equipment southern Africa delivered good operating performance in the first half of FY2018 driven by positive global commodity price movements and a pick-up in mining activity.

Revenue to March of R8 670 million increased by R456 million (5.6%) compared to the prior year driven by higher mining machine sales in South Africa, Mozambique and Zambia.

Operating profit to date of R734 million was R21 million (2.9%) ahead of last year while the operating margin decreased to 8.5% (1H'17: 8.7%) due to the increase in mining machines in the sales mix and a stronger Rand.

Income from associates and joint ventures which mainly relates to Bartrac, our joint venture in the Katanga province of the DRC, increased by R72 million to R107 million supported by increased mining activity in that region.

Equipment Russia

Equipment Russia has continued to benefit from greenfield and brownfield mining projects, as well as a recovery in commodity prices, particularly in the coal sector, and produced record US$ revenue and operating profit for the first six months of FY2018. Revenue for the six months to March of US$296.5 million was US$129 million (77%) ahead of last year supported by strong growth in both prime product as well as aftermarket sales.

Mining unit sales in the first half increased by US$112 million and included a number of unit deliveries to Polyus Gold and NordGold.

Operating profit to March of US$25.0 million exceeded the prior year by US$5 million (26%). The operating margin of 8.2% was below the prior year due to the increase in machines in the overall sales mix.

Automotive and Logistics

Automotive

The Automotive division produced solid results despite challenging market conditions. Revenue for the six months of R15.4 billion was 5.8% below last year as a result of the BMW and GM dealership closures and disposals during the course of last year.

Operating profit to date of R883 million was R20 million (2.3%) up on last year. The operating margin of 5.7% was well ahead of the 5.3% achieved last year.

Car Rental

Revenue to March of R3.4 billion increased by R137 million (4.2%) compared to 2017. The business managed to increase both billed days and average rate per day. Operating profit of R301 million showed a 1.3% improvement on last year.

Fleet utilisation for the period of 76% was in line with the prior year.

Fleet Services

Revenue of R1.7 billion was 2.3% ahead of last year and operating profit increased by R16 million to R308 million (5.5%) mainly as a result of higher used vehicle sales.

Motor Trading

Revenue for the first six months of R10.2 billion decreased by R1.1 billion (9.9%) compared to the prior year mainly as a result of the closures and disposals last year. Both new and used vehicle sales were down on the prior year with all premium brands under pressure.

Operating profit to March of R274 million was in line with last year with operating margin improving from 2.4% to 2.7%.

In February we acquired the remaining 48.1% shares in Salvage Management and Disposal.

Logistics

In Logistics the turnaround initiatives implemented towards the end of 2017 are bearing fruit with operating profits, operating margins and overall return metrics all significantly up on the FY2017 first half results.

Year to date revenue of R2 989 million decreased by 6.6% compared to the prior year. This is mainly due to the combination of a subdued economy driving less than optimal activity levels within contracts as well as a rationalised customer portfolio. Revenue in the Transport segment was 8.3% up on 2017.

Operating profit of R99 million was significantly ahead of the R51 million generated last year. The operational and overhead cost savings initiatives initiated in 2017 more than offset the R12.5 million restructure costs incurred in the period.

The disposal of the Middle East business is progressing.

DIRECTORATE

In line with a structured board nomination process for Barloworld Limited, Ms Nomavuso Mnxasana was appointed as an independent non-executive director with effect from 6 October 2017.

We would like to congratulate Ms Sibongile Mkhabela who was awarded the National Order of Luthuli in silver in recognition of her contribution to the well-being of children, social justice and her role in the 1976 youth uprising.

Chief executive's report continued

FUNDING

Net debt increased by R3.8 billion from September 2017 to R9.6 billion in March 2018, mainly as a result of the absorption of working capital in Equipment southern Africa and Automotive. The build-up of inventories underpins the forecast increase in mining unit deliveries in the second half. Net debt levels are therefore expected to decrease by September 2018 as a result of reduced working capital and the initial proceeds on the disposal of Equipment Iberia of approximately R2.1 billion.

HUMAN CAPITAL, DIVERSITY AND SUSTAINABLE DEVELOPMENT

Our group headcount shows a decrease compared to last year. This is in line with our strategy, and bears witness to the 'fix and optimise' projects carried out during the period under review.

From a Diversity and Inclusion perspective, indications are that we are moving in the right direction, even as we admit that we still have some way to go to achieve our bold targets.

Progress on photovoltaic installations during the period contributed towards our sustainability objectives, which include a renewable energy target.

CORPORATE STRATEGY

The group continues to work on all four areas identified in the Corporate Strategy.

Fix – The disposal of Equipment Iberia is on track for completion before the end of the financial year. Legal agreements were signed on 24 April 2018 and the transaction should close on 2 July 2018. Approval from the Spanish and Portuguese Competition Authorities and the approval from the group's off-shore funders are conditions precedent to closing.

The turnaround within the Logistics business is delivering in line with expectations. The exit of the Middle East Logistics operations is progressing and the expectation is to sell this business within the next 12 months. All options remain under consideration as we assess the performance and fit of the individual parts of the South African business.

Optimise – Equipment Southern Africa is implementing an operational transformation programme that will ensure that the business is value creating throughout the cycle, while Motor Retail continues to look closely at costs and dealership portfolio while actively considering both acquisitions and selected disposals. The group is currently evaluating various opportunities to optimise its capital allocation.

Grow – Steady progress is being made on reviewing opportunities for the group with active searches in both the local and targeted international markets.

Active Shareholder Model – The rollout of the new approach, Managing for Value, centred on careful management of the group's resources is going well. The process will better inform choices around strategic alternatives; resource allocation; strategic planning and budgeting; and execution and monitoring. Good progress has been made on the disposal of Barlow Park with a 1 April 2019 scheduled handover of the vacated site.

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 2018. The Equipment southern Africa firm order book at March 2018 has increased to R1.9 billion compared to the R1.3 billion at September 2017 on the back of improved demand in mining and construction.

The improving global economy and current favourable commodity prices have resulted in improved mining output in our region. This has increased demand from both mining companies and contract miners for replacement machines and to a lesser extent machines for expansion projects. Higher machine utilisation levels in turn are driving strong after sales demand. The Mining Charter is currently under review and it is hoped that broad consensus can be achieved to ensure the long-term sustainability of South Africa's mining industry and to unlock new mining projects.

Despite the recent surge in oil prices, the outlook for Angola remains clouded by the slump in oil production. The availability of US Dollars remains a challenge to normal business operations in that country.

In the DRC the new Mining Code signed into law on 10 March 2018 is likely to impact new mining projects following the removal of the stability clause which had provided some regulatory certainty to mining investors in that country.

Equipment southern Africa firm orders at March of R2.9 billion were in line with the September 17 book (including the Mota Engil transaction) with approximately R2.2 billion relating to mining and contract mining machines.

The Russian economy is forecast to grow by close to 2% in 2018 supported by higher prevailing oil prices.

The tightening of US sanctions against Russia in early April has increased the risk of doing business in Russia. These new sanctions added seven high profile Russian businessmen and their companies to the Office of Foreign Assets Control sanctions list. These sanctions could in particular impact the Russian aluminium producer Rusal.

The Russian firm order book at the end of March of US$132.1 million included mining orders of US$100 million scheduled for delivery in the next six months. Total major projects currently under discussion stood at US$187 million and we remain positive about achieving a strong second half.

Car rental industry volumes will remain subdued with positive growth expected from the inbound tourism segment.

The Avis Fleet financed fleet reduced following the non-renewal of the SANParks and ADT contracts during the period. On the plus side we were the preferred bidder for the City of Johannesburg specialised vehicle fleet. While a number of existing government contracts have been extended for the near term, the future of these contracts remain uncertain pending the finalisation of the new tender processes.

NAAMSA is currently forecasting an increase in new vehicle sales of around 3% for the 2018 calendar year. Despite the improved confidence levels in the South African economy we still expect trading for the rest of the year to remain challenging particularly for the premium segment. The strategic projects, focused on optimising our dealer network and aligning the costs and structures within our Motor Retail business, will continue to be progressed in order to ensure sustainable returns of Motor Trading.

Logistics achieved the milestone target for the first six months. The target operating profit for the second half is substantially higher but based on current progress we believe it is achievable. While Logistics ROIC is unlikely to exceed our cost of capital by the end of September, the year on year increase in economic profit generated this year will be significant to the group.

Dominic Sewela
Chief executive

Group financial review

As announced on 25 April 2018, the group's disposal of the Equipment Iberia operations is expected to close by 2 July 2018. In compliance with IFRS 5, and as presented at the year-ended 30 September 2017, the results of the Equipment Iberia operations for the six months ended 31 March 2018 have been reported separately as a discontinued operation, and assets and liabilities held for sale at the interim period end date. The following commentary regarding the first six months trends is against restated comparatives to reflect the results of the group's continuing operations unless specifically stated.

FINANCIAL PERFORMANCE FROM CONTINUING OPERATIONS FOR THE SIX MONTHS ENDED 31 MARCH 2018

Revenue for the first six months grew by 1% to R30.9 billion (H1'17: R30.6 billion) primarily on the back of improved performance in Equipment Russia and Equipment southern Africa. Revenue in Equipment Russia hit record first six month levels and was up by over 77% in dollar terms to US$297 million (H1'17: US$167 million) driven by continued strong mining activity levels in the region. Equipment southern Africa's revenue growth of 5.6% to R8.7 billion (H1'17: R8.2 billion) was also ahead of the prior year and is reflective of positive global commodity price movements together with increased activity levels in the mining sector. Revenues for both regions in Rand terms were negatively impacted by the stronger Rand exchange rate, which reduced total revenue by R365 million. Year on year Automotive revenues were down by 5.8% to R15.4 billion (H1'17: R16.3 billion) affected by the prior year closure and disposal of a number of our BMW and General Motors dealerships. Logistics revenues were slightly behind that of the prior year at R3.0 billion (H1'17: R3.2 billion) resulting from tough market conditions and the loss of a KLL contract in the latter part of last year.

The group generated an operating profit from continuing operations of R1 954 million which was R113 million (6.1%) up on last year. The operating profit margin of 6.3% held strong against the 6.6% achieved at September 2017 and was primarily impacted by stronger mining machine sales mix contributions in both Equipment southern Africa and Equipment Russia. In spite of challenging market conditions, margins in the Automotive division have improved across all business units. In Logistics, the turnaround in operating profit from R51 million in the prior period to R99 million in the first half of 2018 is mainly as a result of cost reductions and other business optimisation initiatives.

The net negative fair value adjustments on financial instruments of R127 million (1H'17: R123 million) mainly comprise the cost of forward points on foreign exchange contracts and net losses on foreign currency denominated monetary assets and liabilities in Equipment southern Africa.

Finance costs decreased by R91 million to R583 million mainly due to lower interest rates and lower average borrowings in South Africa.

Losses from non-operating and capital items of R14 million relate to impairments of certain assets within Logistics offset by gains on asset sales in the Corporate division.

The taxation charge increased by R145 million to R406 million and the effective taxation rate for the period (excluding prior year taxation and taxation on non-operating and capital items) increased to 31.0% (1H'17: 23.9%) as a result of local currencies strengthening against the US Dollar functional currency of the offshore operations. In particular, the Group's taxation charge was negatively impacted by local currency gains made on US$ linked Angolan Bonds.

The Bartrac Equipment joint venture in the Katanga province of the DRC has benefited from improved copper and cobalt prices and was the primary contributor to the increased profits from associates to R113 million (H1' 17: R43 million). The BHBW joint venture in Agriculture and Handling contributed income of R11 million for the period.

The discontinued operation of Equipment Iberia has benefited from cost reductions initiated in the prior year recording profits of R57 million against losses of R93 million recognised in the prior period. Growth in new machine sales and a marginal increase in aftersales revenue was offset by continuing losses in the associate Energyst.

Profits were up by 16.7% to R1 001 million and were well ahead of the prior period R858 million. This growth was reflected in the 14% increase in headline earnings per share (HEPS) to 457c against a prior period HEPS of 400c. Total HEPS increased by 116 cents (32%) to 481 cents per share compared to 365 cents per share last year.

CASH FLOW

The group utilised R3.1 billion of working capital in the first half mainly as a result of increased inventory of R1.8 million. The impact of Caterpillar lead times and the anticipated uptick in the mining cycle both in southern Africa and in Russia has necessitated investment in working capital in the period. Additionally, wins and contract extensions in our vehicle fleet leasing business, together with increased demand for leased mining machines, have required investment in the rental and leasing fleets of R1.1 billion. Consequently, cash utilised in operations of R1.4 billion was significantly down on the R929 million generated in the prior period.

Net cash used in investment activities of R482 million included an additional investment in Angolan US$ linked government bonds of R188 million (US$16 million) using Kwanza cash on hand as a hedge against currency devaluation. The total investment in Angolan US$ linked government bonds at March was US$82 million (September 2017: US$66 million). The net cash outflow before financing activities and dividends for the period of R3.0 billion was R2.7 billion lower than the R343 million utilised in the first half of 2017.

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 R1.0 billion (2.2%) to R47.4 billion compared to September 2017 of R46.3 billion. This was driven by increased working capital and an increase in fleet leasing and Equipment rental fleet. Consistent with the year ended September 2017 net assets held for sale of R2.3 billion (September 2017: R2.5 billion) comprise Equipment Iberia and the Logistics Middle East business. The stronger Rand reduced total assets by R1.7 billion.

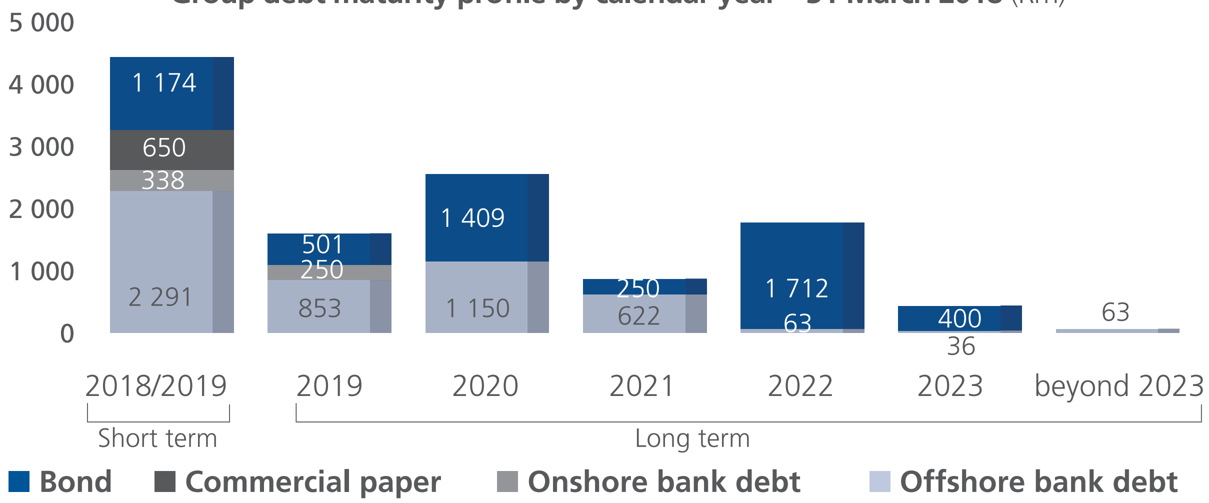
Total interest-bearing debt at 31 March 2018 increased by R2.0 billion to R11.7 billion (September 2017: R9.7 billion) while cash and cash equivalents decreased by R1.7 billion to R2.2 billion (September 2017: R3.9 billion). Net interest-bearing debt at 31 March 2018 of R9.6 billion was R504 million up on the prior year (March 2017: R9.1 billion) and R3.8 billion up on the September 2017 position of R5.8 billion.

DEBT

In October 2017 bonds (BAW3 and BAW8) totalling R425 million were repaid using existing facilities. In February 2018, BAW29, a five-year bond for R400 million was issued in anticipation of bonds maturing in the latter part of the 2018 calendar year.

South African short-term debt at March 2018 includes commercial paper (CP) totalling R650 million (September 2017: R643 million). Our continued participation in the CP market is dependent on overall liquidity and on competitive pricing.

Group debt maturity profile by calendar year – 31 March 2018 (Rm)



Group financial review continued

Cash and cash equivalents at March of R2.2 billion included US$12 million (September 2017: US$35 million) held in Angola of which US$9 million (September 2017: US$30 million) was denominated in Kwanzas and is considered restricted cash.

At the end of March the group had unutilised borrowing facilities of R8.1 billion, of which R7.1 billion was committed. The group's ratio of long-term to short-term debt was 62:38 (September 2017: 79:21).

On 27 March 2018 Moody's raised Barloworld's Global Scale outlook from negative to stable following the change of outlook on the Baa3 sovereign rating of South Africa and on 2 May 2018 Moody's affirmed 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 Aa1.za and P-1.

The group total debt to equity ratio at 31 March 2018 was 59% (September 2017: 46%), while group net debt to equity was 48% (September 2017: 28%).

Gearing in the three segments remains in line with, or better than, the 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 2018	**29**	**521**	**254**	**59**	**48**
Ratio at 31 March 2017	32	604	279	63	47
Ratio at 30 September 2017	21	560	203	46	28

OUTLOOK FOR THE YEAR END

With the disposal of the Equipment Iberia operations expected to be concluded by 2 July 2018, management is focused on exploring various strategic opportunities for the deployment of the capital released in this transaction. Capital allocation and returns in the existing businesses remain at the forefront of management's agenda.

ROIC (rolling 12 month basis) improved to 11.0% against a prior year of 9.2% (1H'17) on the back of management's efforts to improve returns amidst tough trading conditions. In appreciating movement in the half year ROIC the cyclical nature of the businesses needs to be considered with the full year positive impact of numerous initiatives in the group expected to shift ROIC even closer towards the 13% hurdle rate by year end.

The build-up of working capital to March 2018 has negatively impacted cash generation of the group. However, in line with cyclical and historical trends, we expect working capital to be released into cash in the second half of the year. Similarly, the recent investments in fleet and rental assets are reflective of growth in these markets and will begin to contribute to returns in future reporting periods.

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 2018 Rm Reviewed	31 Mar 2017 Rm Reviewed Restated*	30 Sept 2017 Rm Audited	**31 Mar 2018 Rm Reviewed**	31 Mar 2017 Rm Reviewed Restated*	30 Sept 2017 Rm Audited	**31 Mar 2018 Rm Reviewed**	30 Sept 2017 Rm Audited
Equipment	**12 489**	11 084	24 193	**1 035**	978	2 362	**16 538**	15 534
– Southern Africa	**8 670**	8 214	18 287	**734**	713	1 785	**11 748**	10 106
– Europe*							**2 007**	2 441
– Russia	**3 766**	2 267	5 141	**310**	263	582	**2 422**	2 544
– Handling	**53**	603	765	**(9)**	2	(5)	**361**	443
Share of associate profit				**117**	43	97		

** Restated to classify Equipment Iberia as discontinued operation.*

In Equipment southern Africa revenue increased by 5.6% to R8.7 billion in the period, on the back of improved trading conditions in the South African mining sector. Contract mining equipment sales and rental hire both grew by 20% compared to the same period last year. Operating profit increased by 2.9% to R734 million, while operating margin reduced to 8.5% (1H'17: 8.7%). The business continues to focus on business improvement and cost reduction initiatives.

Construction unit sales declined by 15%, on a relatively flat industry with no major infrastructure investment. The aftermarket business remained stable, supported by 4% growth in parts sales in line with increased mining equipment utilisation. Revenue from our rest of Africa operations grew by 9% despite low activities in Angola and Botswana. Attributable profit contribution increased by 139% to R103 million, mainly as a result of the contribution from our DRC joint venture on the back of rallying copper and cobalt prices.

Equipment Russia revenues and operating profit grew by 77% and 27% respectively in US Dollar terms. Operating margin was negatively influenced by the sales mix which included a significant proportion of mining related equipment deliveries at lower margins. It is pleasing to note that aftermarket business remained robust in the period under review across the dealer territory. Net assets remained well controlled resulting in exceptional returns and a marginally positive cash flow despite the seasonal increase in inventories. Demand in the mining segment remains strong with coal and gold being the prevalent commodities.

Revenue in Handling is mainly related to activity in Mozambique where a small operating loss was incurred. Further operating losses were incurred in respect of the close out of the South African handling and agriculture operations. BHBW, our Agriculture and Handling associate in South Africa, generated associate income of R11 million in the period.

Operational reviews continued

AUTOMOTIVE AND LOGISTICS

	Revenue			Operating profit/(loss)			Net operating assets		
	Six months ended		Year ended	Six months ended		Year ended	Six months ended		Year ended
	31 Mar 2018 Rm Reviewed	31 Mar 2017 Rm Reviewed	30 Sept 2017 Rm Audited	**31 Mar 2018 Rm Reviewed**	31 Mar 2017 Rm Reviewed	30 Sept 2017 Rm Audited	**31 Mar 2018 Rm Reviewed**	31 Mar 2017 Rm Reviewed	30 Sept 2017 Rm Audited
Automotive	**15 372**	16 321	31 593	**883**	863	1 747	**9 873**	10 142	8 675
– Car Rental	**3 399**	3 262	6 446	**301**	297	562	**3 676**	3 687	2 750
– Avis Fleet	**1 726**	1 688	3 570	**308**	292	621	**3 848**	3 764	3 687
– Motor Trading	**10 247**	11 371	21 577	**274**	274	564	**2 349**	2 691	2 238
Logistics	**2 989**	3 199	6 171	**99**	51	101	**2 334**	2 783	2 082
– Southern Africa	**2 932**	3 108	6 011	**96**	56	102	**2 251**	2 668	1 970
– Europe and Middle East	**57**	91	160	**3**	(5)	(1)	**83**	115	112
	18 361	19 520	37 764	**982**	914	1 848	**12 207**	12 925	10 757
Share of associate loss				**(4)**		(4)			

The Automotive division delivered another record result in a challenging trading environment, increasing operating profit by 2.3% off a revenue decline of 5.8%. Revenue was impacted by dealer network restructuring in BMW and General Motors during the 2017 financial year as well as the change of revenue recognition regarding the agency model in the Motor Trading business. On a comparable basis revenue increased by 2.3% compared to prior year. The division increased operating margin to 5.7% (1H'17: 5.3%), delivered a ROIC of 11.6% (1H'17: 11.9%) and improved free cash flow on prior year. The ROIC is expected to improve in the second half as invested capital reduces.

Car Rental delivered a pleasing result increasing revenue by 4.2% to R3.4 billion and generated operating profit of R301 million, up 1.3% on prior year. Operating margin was negatively impacted by lower used vehicle margins as a result of lower new vehicle price increases. On the upside, the business managed to contain fleet costs and vehicle damage expenses below inflation. The business increased both rental days and rate per day. Fleet utilisation was maintained at 76%.

Avis Fleet delivered a good result increasing revenue by 2.3% to R1.7 billion and operating profit by 5.5% to R308 million. Operating margin increased to 17.9% (1H'18: 17.3%) complemented by strong used vehicle profit contribution driven by increased units and margins. The business was awarded the City of Johannesburg contract for specialised vehicles, subject to contract finalisation. The business continues to focus on addressing underperforming businesses with specific focus on African territories.

Motor Trading delivered a credible result in a tough trading environment. Operating profit remained flat against a revenue decline of 9.9%. Revenue was impacted by the dealer network restructuring and revenue recognition in line with the agency model. On a comparable basis, revenue increased by 1.8% on prior year. New vehicle unit sales were below the 1.2% dealer market industry growth, predominantly driven by declining volumes in the premium segment. The business increased operating margin to 2.7% (1H'17: 2.4%), delivered a ROIC above the group target of 13% and generated positive free cash flow. The remaining minority shareholding in Salvage Management and Disposals (SMD) was acquired, effective 19 February 2018.

Logistics revenue to March of R2 989 million was R210 million (6.6%) down on last year mainly due to lower trading in Supply Chain Management and a rationalised customer base. Transport, however, increased revenue by R100 million (8.3%) due to contract retention and expansion. Year to date operating profit of R99 million was R48 million (94%) above the prior year. The significant increase in profitability was mainly driven by the implementation of the turnaround strategy that the business embarked on in early October 2017. The operating and organisational model was simplified and optimised. Multiple initiatives to reduce costs, including procurement savings, contributed to the improved results.

CORPORATE

	Revenue			Operating (loss)/profit			Net operating assets/ (liabilities)	
	Six months ended		Year ended	Six months ended		Year ended		
	31 Mar 2018 Rm Reviewed	31 Mar 2017 Rm Reviewed	30 Sept 2017 Rm Audited	**31 Mar 2018 Rm Reviewed**	31 Mar 2017 Rm Reviewed	30 Sept 2017 Rm Audited	**31 Mar 2018 Rm Reviewed**	30 Sept 2017 Rm Audited
Southern Africa			2	**(24)**	(13)	(56)	**588**	553
Europe			2	**(39)**	(38)	(72)	**(2 016)**	(2 262)
			2	**(63)**	(51)	(128)	**(1 428)**	(1 709)

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 incurred higher operating losses compared to last year mainly due to corporate activity costs. Costs in the UK were adversely impacted by a weaker Rand.

DIVIDEND DECLARATION
Dividend number 179

Notice is hereby given that interim dividend number 179 of 145 cents (gross) per ordinary share in respect of the six months ended 31 March 2018 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 145 cents per ordinary share;
- The net dividend amount is 116 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, 5 June 2018
• Shares trade ex-dividend	Wednesday, 6 June 2018
• Record date	Friday, 8 June 2018
• Payment date	Monday, 11 June 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 June 2018 and Friday, 8 June 2018, both days inclusive.

On behalf of the board

LP Manaka
Group company secretary

Directors
Non-executive: DB Ntsebeza (Chairman), NP Dongwana, FNO Edozien^, HH Hickey, MD Lynch-Bell*, SS Mkhabela, NP Mnxasana, 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 2018 Reviewed Rm	Six months ended 31 Mar 2017 Reviewed Restated* Rm	Year ended 30 Sept 2017 Audited Rm
CONTINUING OPERATIONS				
Revenue		**30 850**	30 604	61 959
Operating profit before items listed below (EBITDA)		**3 228**	3 134	6 694
Depreciation		**(1 212)**	(1 228)	(2 468)
Amortisation of intangible assets		**(62)**	(65)	(144)
Operating profit	3	**1 954**	1 841	4 082
Fair value adjustments on financial instruments		**(127)**	(123)	(209)
Finance costs		**(583)**	(674)	(1 329)
Income from investments		**64**	70	109
Profit before non-operating and capital items		**1 308**	1 114	2 653
Non-operating and capital items	4	**(14)**	(38)	(155)
Profit before taxation		**1 294**	1 076	2 498
Taxation	5	**(406)**	(261)	(565)
Profit after taxation		**888**	815	1 933
Profit from associates and joint ventures		**113**	43	93
Net profit from continuing operations for the period		**1 001**	858	2 026
DISCONTINUED OPERATION				
Profit/(loss) from discontinued operation	8	**57**	(93)	(269)
Net profit for the period		**1 058**	765	1 757
Net profit attributable to:				
Owners of Barloworld Limited		**1 007**	710	1 643
Non-controlling interests in subsidiaries		**51**	55	114
		1 058	765	1 757
Earnings per share (cents)				
– basic		**477.8**	336.6	779.6
– diluted		**474.2**	334.7	774.7
Earnings per share from continuing operations (cents)				
– basic		**450.8**	380.5	907.2
– diluted		**447.4**	378.4	901.5
Earnings per share from discontinued operation (cents)				
– basic		**27.0**	(43.9)	(127.6)
– diluted		**26.8**	(43.7)	(126.8)

** Restated to classify Equipment Iberia as discontinued operation. Refer to note 8.*

Condensed consolidated statement of other comprehensive income

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Rm	30 Sept 2017 Audited Rm
Profit for the period	**1 058**	765	1 757
Items that may be reclassified subsequently to profit or loss:	**(1 090)**	(323)	75
Exchange (loss)/gain on translation of foreign operations	**(1 007)**	(366)	8
(Loss)/gain on cash flow hedges	**(115)**	59	89
Deferred taxation on cash flow hedges	**32**	(16)	(22)
Items that will not be reclassified to profit or loss:		(28)	535
Actuarial gain on post-retirement benefit obligations			678
Taxation effect		(28)	(143)
Other comprehensive (loss)/income for the period	**(1 090)**	(351)	610
Total comprehensive (loss)/income for the period	**(32)**	414	2 367
Total comprehensive (loss)/income attributable to:			
Owners of Barloworld Limited	**(83)**	359	2 253
Non-controlling interests in subsidiaries	**51**	55	114
	(32)	414	2 367

Condensed consolidated statement of financial position

	Notes	Six months ended 31 Mar 2018 Reviewed Rm	Six months ended 31 Mar 2017 Reviewed Rm	Year ended 30 Sept 2017 Audited Rm
ASSETS				
Non-current assets		**19 028**	20 174	18 613
Property, plant and equipment		**12 931**	13 852	12 659
Goodwill		**1 902**	2 003	1 932
Intangible assets		**1 466**	1 678	1 602
Investment in associates and joint ventures	6	**1 246**	1 178	1 093
Finance lease receivables		**226**	164	240
Long-term financial assets	7	**564**	363	404
Deferred taxation assets		**693**	936	683
Current assets		**25 085**	27 774	24 368
Vehicle rental fleet		**3 472**	3 572	3 222
Inventories		**9 690**	10 287	8 457
Trade and other receivables		**9 583**	10 600	8 676
Taxation		**168**	85	88
Cash and cash equivalents	13	**2 172**	3 230	3 925
Assets classified as held for sale	8	**3 245**	27	3 343
Total assets		**47 358**	47 975	46 324
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium		**441**	441	441
Other reserves		**3 858**	4 804	5 144
Retained income		**15 184**	13 549	14 690
Interest of shareholders of Barloworld Limited		**19 483**	18 794	20 275
Non-controlling interest		**535**	716	602
Interest of all shareholders		**20 018**	19 510	20 877
Non-current liabilities		**10 445**	12 043	10 852
Interest-bearing		**7 302**	8 133	7 623
Deferred taxation liabilities		**582**	628	538
Provisions		**32**	135	19
Other non-current liabilities		**2 529**	3 147	2 672
Current liabilities		**15 988**	16 422	13 798
Trade and other payables		**10 560**	11 223	10 697
Provisions		**844**	930	929
Taxation		**125**	87	117
Amounts due to bankers and short-term loans		**4 459**	4 182	2 055
Liabilities directly associated with assets classified as held for sale	8	**907**		797
Total equity and liabilities		**47 358**	47 975	46 324

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 2016 (audited)	441	5 134	13 367	18 942	737	19 679
Total other 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
Total other comprehensive income for the period		398	1 496	1 894	59	1 953
Other reserve movements		(147)	43	(104)	51	(53)
Other changes in minority shareholders interest and minority loans		89	(132)	(43)	(201)	(244)
Dividends			(266)	(266)	(23)	(289)
Balance at 30 September 2017 (audited)	441	5 144	14 690	20 275	602	20 877
Total other comprehensive (loss)/income for the period		**(1 090)**	**1 007**	**(83)**	**51**	**(32)**
Other reserve movements		**(196)**	**234**	**38**	**(1)**	**37**
Other changes in minority shareholders interest and minority loans			**(183)**	**(183)**	**(75)**	**(258)**
Dividends			**(564)**	**(564)**	**(42)**	**(606)**
Balance at 31 March 2018 (reviewed)	**441**	**3 858**	**15 184**	**19 483**	**535**	**20 018**

Condensed consolidated statement of cash flows

	Notes	Six months ended 31 Mar 2018 Reviewed Rm	Six months ended 31 Mar 2017 Reviewed Rm	Year ended 30 Sept 2017 Audited Rm
CASH FLOW FROM OPERATING ACTIVITIES				
Operating cash flows before movements in working capital		**3 416**	3 262	7 307
Movement in working capital		**(3 075)**	(362)	1 539
Cash generated from operations before investment in rental fleets		**341**	2 900	8 846
Fleet leasing and equipment rental fleet		**(1 117)**	(773)	(1 661)
Additions		**(2 055)**	(1 614)	(3 550)
Proceeds on disposal		**938**	841	1 889
Vehicles rental fleet		**(658)**	(1 198)	(1 220)
Additions		**(2 352)**	(2 938)	(4 373)
Proceeds on disposal		**1 694**	1 740	3 153
Cash (utilised in)/generated from operations		**(1 434)**	929	5 965
Realised fair value adjustments on financial instruments		**(115)**	(172)	(270)
Finance costs and investment income		**(505)**	(600)	(1 217)
Taxation paid		**(477)**	(395)	(744)
Cash (outflow)/inflow from operations		**(2 531)**	(238)	3 734
Dividends paid (including non-controlling interest)		**(606)**	(514)	(803)
Net cash (applied to)/retained from operating activities		**(3 137)**	(752)	2 931
Net cash used in investing activities		**(482)**	(105)	(329)
Acquisition of subsidiaries, investments and intangibles	11	**(282)**	(51)	(393)
Proceeds on disposal of subsidiaries, investments, intangibles and loans repaid	12		301	379
Net investment in leasing receivables		**77**	(47)	(134)
Acquisition of property, plant and equipment		**(341)**	(368)	(774)
Proceeds on disposal of property, plant and equipment		**64**	60	593

Condensed consolidated statement of cash flows continued

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Rm	30 Sept 2017 Audited Rm
Net cash (outflow)/inflow before financing activities	**(3 619)**	(857)	2 602
Net cash from/(used in) financing activities	**2 063**	1 122	(1 642)
Shares proceeds/(repurchased) for equity settled share-based payment	**18**		(154)
Purchase of non-controlling interest	**(257)**	(22)	(201)
Non-controlling interest loan and equity movements		(69)	4
Net increase/(decrease) in interest-bearing liabilities	**2 302**	1 213	(1 291)
Net (decrease)/increase in cash and cash equivalents	**(1 556)**	265	960
Cash and cash equivalents at beginning of period	**3 925**	3 028	3 028
Cash and cash equivalents held for sale at beginning period	**102**		
Effect of foreign exchange rate movements	**(130)**	(63)	39
Effect of cash balances held for sale	**(169)**		(102)
Cash and cash equivalents at end of period	**2 172**	3 230	3 925

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.

This report was prepared under the supervision of RL Pole CA(SA) (Group general manager: finance).

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Restated* Rm	30 Sept 2017 Audited Rm
2. RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS			
Net profit attributable to Barloworld Limited shareholders	**1 007**	710	1 643
Adjusted for the following:			
Loss on disposal of subsidiaries and investments (IFRS 10)		42	25
Profit on disposal of plant, property, equipment and other assets excluding rental assets (IAS 16 and IAS 38)	**(17)**	(15)	(43)
Impairment of goodwill (IFRS 3)			73
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	**24**	11	98
Taxation effects of remeasurements	**(1)**	10	(5)
Associate and non-controlling interest in remeasurements	**1**	12	71
Headline earnings	**1 014**	770	1 862

** Restated to classify Equipment Iberia as discontinued operation. Refer to note 8.*

2. RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS continued

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Restated* Rm	30 Sept 2017 Audited Rm
CONTINUING OPERATIONS			
Profit from continuing operations	**1 001**	858	2 026
Non-controlling shareholders' interest in net profit from continuing operations	**(51)**	(55)	(114)
Profit from continuing operations attributable to Barloworld Limited shareholders	**950**	803	1 912
Adjusted for the following:			
Loss on disposal of subsidiaries and investments (IFRS 10)		42	25
Profit on disposal of plant, property, equipment and other assets excluding rental assets (IAS 16 and IAS 38)	**(8)**	(15)	(43)
Impairment of goodwill (IFRS 3)			73
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38) and other assets	**24**	11	98
Taxation effect of remeasurements	**(3)**	10	(5)
Associate and non-controlling interest in remeasurements		(7)	(7)
Net remeasurements excluded from headline earnings from continuing operations	**13**	41	141
Headline earnings	**963**	844	2 053
DISCONTINUED OPERATION			
Profit/(loss) from discontinued operation attributable to Barloworld Limited shareholders	**57**	(93)	(269)
Adjusted for the following:			
Profit on disposal of plant, property, equipment and other assets excluding rental assets (IAS 16 and IAS 38)	**(9)**		
Taxation effect of remeasurements	**2**		
Associate and non-controlling interest in remeasurements	**1**	19	78
Net remeasurements excluded from headline earnings from discontinued operation	**(6)**	19	78
Headline earnings/(loss)	**51**	(74)	(191)

* *Restated to classify Equipment Iberia as discontinued operation. Refer to note 8.*

Notes to the condensed consolidated financial statements continued

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Restated* Rm	30 Sept 2017 Audited Rm
2. RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS continued			
Weighted average number of ordinary shares in issue during the period (000)			
– basic	**210 691**	210 995	210 780
– diluted	**212 360**	212 138	212 095
Headline earnings per share (cents)			
– basic	**481.3**	364.9	883.4
– diluted	**477.4**	363.0	877.9
Headline earnings per share from continuing operations (cents)			
– basic	**457.1**	400.0	974.5
– diluted	**453.5**	397.9	968.0
Headline earnings/(loss) per share from discontinued operation (cents)			
– basic	**24.2**	(35.1)	(91.1)
– diluted	**23.9**	(34.9)	(90.1)
3. OPERATING PROFIT			
Included in operating profit from continuing operations are:			
Cost of sales (including allocation of depreciation)	**23 649**	24 608	47 832
Expenses includes the following:			
Loss on disposal of other plant, equipment and rental assets	**37**	43	85
Amortisation of intangible assets in terms of IFRS 3 business combinations	**9**	13	23

* *Restated to classify Equipment Iberia as discontinued operation. Refer to note 8.*

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Restated* Rm	30 Sept 2017 Audited Rm
4. NON-OPERATING AND CAPITAL ITEMS			
Profit on disposal of property and other assets	**10**	15	41
Impairment of property, plant and equipment, intangibles and other assets	**(24)**	(11)	(98)
Loss on acquisitions and disposal of investments and subsidiaries		(42)	(25)
Impairment of goodwill			(73)
Gross non-operating and capital items from continuing operations	**(14)**	(38)	(155)
Taxation benefit/(charge) on non-operating and capital items	**3**	(10)	5
Non-operating and capital items included in associate income		7	7
Net non-operating and capital items from continuing operations	**(11)**	(41)	(143)
Non-operating and capital items from discontinued operation	**9**		
Taxation benefit on non-operating and capital items	**(2)**		
Non-operating and capital items included in associate income from discontinued operation	**(1)**	(19)	(78)
Net non-operating and capital items	**(5)**	(60)	(221)
As per our group accounting policy the definition of non-operating and capital items does not include profit or loss on property, plant and equipment, intangibles and investments. These items are adjusted for in the headline earnings calculation.			
5. TAXATION			
Taxation per income statement	**(406)**	(261)	(565)
Prior year taxation	**(4)**	14	65
Taxation on non-operating and capital items	**3**	(10)	5
Attributable to a change in the rate of income tax		1	25
Taxation on profit before prior year taxation, non-operating and capital items and rate change	**(405)**	(266)	(660)
Effective taxation rate excluding non-operating and capital items, prior year taxation (%)	**31.0%**	23.9%	23.9%

* *Restated to classify Equipment Iberia as discontinued operation. Refer to note 8.*

Notes to the condensed consolidated financial statements continued

	Six months ended		Year ended
	31 Mar 2018 Book value Reviewed Rm	31 Mar 2017 Book value Reviewed Rm	30 Sept 2017 Book value Audited Rm
6. INVESTMENT IN ASSOCIATES AND JOINT VENTURES			
Joint ventures	**1 196**	979	1 044
Unlisted associates	**125**	199	146
Total group	**1 321**	1 178	1 190
Amount classified as held for sale	**(75)**		(97)
	1 246	1 178	1 093
7. LONG-TERM FINANCIAL ASSETS			
Unlisted and listed investments at fair value	**70**	49	64
Other long-term financial assets	**51**	96	123
Unlisted debt instruments*	**443**	218	226
Total group	**564**	363	413
Amount classified as held for sale			(9)
	564	363	404

* *The long-term element of the investment in Angolan US$ linked government bonds was US$37 million.*

8. DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE

Consistent with the year ended 30 September 2017, Equipment Iberia is classified as held for sale. Negotiations for the sale of these operations were concluded on 24 April 2018 and the sale is expected to be effective before 2 July 2018. Due to the significance of this geography, this segment has been classified as a discontinued operation.

8. DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE continued

	Six months ended		Year ended
	31 Mar 2018 Book value Reviewed Rm	31 Mar 2017 Book value Reviewed Rm	30 Sept 2017 Book value Audited Rm
Results from discontinued operation are as follows:			
Revenue	**2 277**	1 928	4 076
Operating profit before items listed below (EBITDA)	**140**	71	58
Depreciation	**(55)**	(58)	(121)
Amortisation of intangible assets	**(5)**	(5)	(14)
Operating profit/(loss)^	**80**	8	(77)
Finance costs	**(2)**	(6)	(9)
Income from investments		1	1
Profit/(loss) before non-operating and capital items	**78**	3	(85)
Non-operating and capital items	**9**		
Profit/(loss) before taxation	**87**	3	(85)
Taxation	**(21)**	(45)	(51)
Net profit/(loss) after taxation	**66**	(42)	(136)
Loss from associates#	**(9)**	(51)	(133)
Profit/(loss) from discontinued operation per income statement	**57**	(93)	(269)
The cash flows from the discontinued operation is are follows:			
Cash flows from operating activities	**53**	160	381
Cash flows from investing activities	**(22)**	(15)	(65)
Cash flows from financing activities	**55**	(76)	(326)

^ *Operating loss at 30 September 2017 includes restructuring costs of R137 million (EUR9.1 million).*

Loss from associates at 30 September 2017 includes an impairment on investment and goodwill of R78 million (EUR5.1 million).

Notes to the condensed consolidated financial statements continued

	Six months ended		Year ended
	31 Mar 2018 Book value Reviewed Rm	31 Mar 2017 Book value Reviewed Rm	30 Sept 2017 Book value Audited Rm
8. DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE continued			
The major classes of assets and liabilities comprising the disposal group and other assets classified as held for sale were as follows:			
Property, plant and equipment	**964**	27	1 131
Investments	**75**		97
Long-term financial assets			9
Deferred tax asset	**151**		166
Intangible assets	**41**		42
Inventories	**867**		823
Trade and other receivables	**978**		973
Cash balances	**169**		102
Assets classified as held for sale	**3 245**	27	3 343
Interest-bearing short and long-term loans	**(75)**		(33)
Trade and other payables – short and long term	**(691)**		(637)
Deferred tax liability	**(2)**		(2)
Provisions	**(139)**		(125)
Total liabilities associated with assets classified as held for sale	**(907)**		(797)
Net assets classified as held for sale	**2 338**	27	2 546
Per business segment:			
Equipment Iberia	**2 212**		2 424
Logistics	**126**	27	122
Total group	**2 338**	27	2 546

8. DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE continued

Changes to comparative information

Following the decision to dispose of the Equipment Iberia business, this segment is classified as a discontinued operation. In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the income statement comparatives for March 2017 of this business have been reclassified as a discontinued operation.

CONSOLIDATED INCOME STATEMENT

	March 2017		
	Previously reported Reviewed Rm	Discontinued operation Reviewed Rm	**Restated Reviewed Rm**
Revenue	**32 532**	1 928	**30 604**
Operating profit before items listed below (EBITDA)	**3 205**	71	**3 134**
Depreciation	**(1 286)**	(58)	**(1 228)**
Amortisation of intangible assets	**(70)**	(5)	**(65)**
Operating profit	**1 849**	8	**1 841**
Fair value adjustments on financial instruments	**(123)**		**(123)**
Finance costs	**(680)**	(6)	**(674)**
Income from investments	**71**	1	**70**
Profit before non-operating and capital items	**1 117**	3	**1 114**
Non-operating and capital items	**(38)**		**(38)**
Profit before taxation	**1 079**	3	**1 076**
Taxation	**(306)**	(45)	**(261)**
Profit after taxation	**773**	(42)	**815**
Loss from associates and joint ventures	**(8)**	(51)	**43**
Net profit from continuing operations	**765**	(93)	**858**
Discontinued operation			
Loss from discontinued operation		93	**(93)**
Net profit for the period	**765**		**765**
Attributable to:			
Owners of Barloworld Limited	**710**		**710**
Non-controlling interest in subsidiaries	**55**		**55**
	765		**765**
Earnings per share (cents)			
– basic	**336.6**		**336.6**
– diluted	**334.7**		**334.7**
Earnings per share from continuing operations (cents)			
– basic	**336.6**	43.9	**380.5**
– diluted	**334.7**	43.7	**378.4**
Earnings per share from discontinued operation (cents)			
– basic		(43.9)	**(43.9)**
– diluted		(43.7)	**(43.7)**

Notes to the condensed consolidated financial statements continued

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Rm	30 Sept 2017 Audited Rm
9. FINANCIAL INSTRUMENTS			
Carrying value of financial instruments by class:			
Financial assets:			
Trade receivables			
– Industry	**6 496**	6 300	5 429
– Government	**484**	465	438
– Consumers	**836**	908	403
Other loans and receivables and cash balances	**3 197**	5 102	5 732
Finance lease receivables	**446**	317	499
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts		2	42
Other financial assets at fair value	**53**	114	49
Total carrying value of financial assets	**11 512**	13 208	12 592
Financial liabilities:			
Trade payables			
– Principals	**4 178**	3 689	3 336
– Other suppliers	**4 643**	3 169	5 234
Other non interest-bearing payables	**110**	313	435
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	**72**	1	5
Interest bearing debt measured at amortised cost	**11 761**	14 995	9 134
Total carrying value of financial liabilities	**20 764**	22 167	18 144

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 Mar 2018			
	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			**48**	**48**
Available-for-sale financial assets				
Shares			**5**	**5**
Total			**53**	**53**
Financial liabilities at fair value through profit or loss				
Derivative liabilities designated as effective hedging instruments		**72**		**72**
Total		**72**		**72**

	31 Mar 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
Financial liabilities at fair value through profit or loss				
Derivative assets designated as effective hedging instruments		1		1
Total		1		1

Notes to the condensed consolidated financial statements continued

9. FINANCIAL INSTRUMENTS continued

Fair value measurements recognised in the statement of financial position continued

	30 Sept 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			49	49
Available-for-sale financial assets				
Shares			5	5
Derivative assets designated as effective hedging instruments		42		42
Total		42	54	96
Financial liabilities at fair value through profit or loss				
Financial liabilities designated at fair value through profit or loss	5			5
Total	5			5

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Rm	30 Sept 2017 Audited Rm
10. DIVIDENDS DECLARED			
Ordinary shares			
Final dividend No 178 paid on 16 January 2018: 265 cents per share (2017: No 176 – 230 cents per share)	**564**	489	489
Interim dividend No 177 paid on 12 June 2017: 125 cents per share			266
Paid to Barloworld Limited shareholders	**564**	489	755
Paid to non-controlling interest	**42**	25	48
	606	514	803

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Rm	30 Sept 2017 Audited Rm
11. ACQUISITION OF SUBSIDIARIES, INVESTMENTS AND INTANGIBLES			
Investments and intangibles acquired	**(282)**	(51)	(393)
Cash amounts paid to acquire subsidiaries, investments and intangibles	**(282)**	(51)	(393)
During the period R188 million (US$16 million) was invested in US$ linked Angolan bonds.			
12. PROCEEDS ON DISPOSAL OF SUBSIDIARIES, INVESTMENTS, INTANGIBLES AND LOANS REPAID:			
Inventories disposed		492	551
Receivables disposed		20	26
Payables, taxation and deferred taxation balances disposed		(55)	(60)
Property, plant and equipment, non-current assets, goodwill and intangibles		145	151
Net assets disposed		602	668
Less: Non-cash translation reserves realised on disposal of foreign subsidiaries			
Investment in joint venture		(301)	(301)
Profit on disposal			(9)
Net cash proceeds on disposal of subsidiaries		301	358
Proceeds on disposal of investments and intangibles			21
Cash proceeds on disposal of subsidiaries, investments, intangibles and loans repaid		301	379

The net cash proceeds on disposal arises mainly from the sale of the assets of the Agriculture SA and Handling SA business into a joint venture company with BayWa AG.

Notes to the condensed consolidated financial statements continued

	Six months ended		Year ended
	31 Mar 2018 Reviewed Rm	31 Mar 2017 Reviewed Rm	30 Sept 2017 Audited Rm
13. CASH AND CASH EQUIVALENTS			
Cash balances not available for use due to reserving and foreign exchange restrictions	**150**	874	444
This includes US$9.2 million (R109 million) of Angolan Kwanza cash on hand (March 2017: US$47.5 million, R635 million) (Sept 2017: US$29.7 million, R401 million).			
14. COMMITMENTS			
Capital commitments to be incurred			
Contracted – Property, plant and equipment	**245**	369	566
Contracted – Vehicle Rental Fleet	**235**	777	1 259
Approved but not yet contracted	**511**	334	168
Total continuing operations	**991**	1 480	1 993
Discontinued operation	**18**	57	24
Total group	**1 009**	1 537	2 017
Operating lease commitments:			
Continuing operations	**2 790**	2 776	2 932
Discontinued operation	**106**	160	143
Total group	**2 896**	2 936	3 075
Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.			
15. CONTINGENT LIABILITIES			
Performance guarantees given to customers, other guarantees and claims			
From continuing operations	**517**	871	578
From discontinued operation	**182**	252	207
Total group	**699**	1 123	785
Buy-back and repurchase commitments not reflected on the statement of financial position			
From continuing operations	**90**	99	102
From discontinued operation	**14**	12	24
Total group	**104**	111	126

On 13 October 2017 the Barloworld Equipment South Africa business (BWE SA) received notification from the Competition Commission (the commission) that it intended referring BWE SA and the members of the Contractors Plant Hire Association to the Competition Tribunal in respect of a contravention of section 4(1)(b)(i) of the South African Competition Act. Based on preliminary internal investigations, BWE SA's view is that these allegations are unfounded. At the date of this report management are not in a position to conclude on the possible outcome of this matter, nor can management reliably measure the potential financial impact at this stage.

16. RELATED PARTY TRANSACTIONS

There has been no significant changes 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 standards and interpretations adopted

The annual 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 year. No new amended standards or new interpretations were adopted.

18. EVENTS AFTER THE REPORTING PERIOD

On 24 April 2018 the negotiations for the sale of the Equipment Iberia operations were concluded and the board approved the entering into of a sale and purchase agreement with Tesa S.p.A, a privately owned Italian group and the current Caterpillar dealer for Italy. The sale transaction is expected to be closed by 2 July 2018. The sale price will be determined at the closing date using the shareholders' equity attributable to Barloworld after negotiated asset impairments and an agreed premium. Part of the purchase price, €10 million (R151 million), is deferred and payable in equal instalments over a five-year period. On closing, Tesa will settle a maximum of €142 million (approximately R2.1 billion) in cash. This will subsequently be adjusted after the true up period. The overall proceeds of the transaction are estimated to be €160 million (approximately R2.4 billion). The group has also provided specific warranties and indemnities as well as a guarantee in respect of its obligations post-closing.

The price represents a premium to the net asset value of the business with net assets at 31 March 2018 of €152 million.

There have been no further events subsequent to the reporting period.

19. AUDITOR'S REVIEW

These condensed consolidated interim financial statements for the period ended 31 March 2018 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 18 Reviewed Rm	31 Mar 17 Reviewed Restated* Rm	30 Sept 17 Audited Rm	**31 Mar 18 Reviewed Rm**	31 Mar 17 Reviewed Restated* Rm	30 Sept 17 Audited Rm
Equipment	**12 489**	11 084	24 193	**1 035**	978	2 362
Automotive and Logistics	**18 361**	19 520	37 764	**982**	914	1 848
Corporate			2	**(63)**	(51)	(128)
Total	**30 850**	30 604	61 959	**1 954**	1 841	4 082
Southern Africa	**27 028**	28 246	56 658	**1 680**	1 630	3 584
Europe	**3 823**	2 358	5 301	**274**	211	498
Total	**30 850**	30 604	61 959	**1 954**	1 841	4 082

* *Restated to classify Equipment Iberia as discontinued operation. Refer to note 8.*

\+ *The net operating assets/(liabilities) includes 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 18 Reviewed Rm	31 Mar 17 Reviewed Restated* Rm	30 Sept 17 Audited Rm	**31 Mar 18 Reviewed Rm**	31 Mar 17 Reviewed Restated* Rm	30 Sept 17 Audited Rm	**31 Mar 18 Reviewed Rm**	31 Mar 17 Reviewed Restated* Rm	30 Sept 17 Audited Rm	**31 Mar 18 Reviewed Rm**	30 Sept 17 Audited Rm
	(97)	(113)	(184)	**938**	865	2 178	**8.3**	8.8	9.8	**16 538**	15 534
	(9)	(2)	(6)	**973**	912	1 842	**5.3**	4.7	4.9	**12 207**	10 757
	(21)	(8)	(19)	**(84)**	(59)	(147)				**(1 428)**	(1 709)
	(127)	(123)	(209)	**1 827**	1 718	3 873	**6.3**	6.0	6.6	**27 317**	24 582
	(104)	(110)	(187)	**1 576**	1 520	3 397	**6.2**	5.8	6.3	**24 821**	21 736
	(23)	(13)	(22)	**251**	198	476	**7.2**	8.9	9.4	**2 496**	2 846
	(127)	(123)	(209)	**1 827**	1 718	3 873	**6.3**	6.0	6.6	**27 317**	24 582

Salient features

	Six months ended		Year ended
	31 Mar 2018 Reviewed	31 Mar 2017 Reviewed Restated*	30 Sept 2017 Audited
Financial			
Group headline earnings per share (cents)	481.3	364.9	883.4
Continuing headline earnings per share (cents)	457.1	400.0	974.5
Dividends per share (cents)	145	125	390
Continuing operating margin (%)	6.3	6.0	6.6
Continuing net asset turn (times)	2.2	2.0	2.2
Continuing EBITDA/interest paid (times)	5.5	4.6	5.0
Continuing net debt/equity (%)	47.9	46.6	27.6
Group return on net operating assets (RONOA) (%)	18.0	15.0	18.4
Continuing return on net operating assets (RONOA) (%)	17.0	15.4	16.4
Return on invested capital (ROIC) (%)	11.0	9.2	11.2
Group return on ordinary shareholders' funds (%)	10.2	8.0	9.5
Continuing return on ordinary shareholders' funds (%)	9.7	9.0	10.5
Net asset value per share including investments at fair value (cents)	9 160	8 837	9 533
Number of ordinary shares in issue (000)	212 693	212 693	212 693
		Restated*	Audited
Non-financial			
Non-renewable energy consumption (GJ)	1 469 964	1 562 107	3 087 269
Greenhouse gas emissions (tCO_2e)$^{\Delta}$	129 187	137 108	270 707
Water withdrawals (municipal sources) (ML)	292	333	674
Number of employees	18 171	18 848	18 085
Lost-time injury frequency rate (LTIFR)†	0.80	0.81	0.75
Number of work-related fatalities	2	2	3
dti^ B-BBEE rating (level)$^{+}$	3	3	3

** Restated to classify Equipment Iberia as a discontinued operation. Refer to note 8 (Financial).*
$^{\Delta}$ 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.

	Closing rate			**Average rate**		
	Six months ended		Year ended	Six months ended		Year ended
	31 Mar 18 Reviewed	31 Mar 17 Reviewed	30 Sept 17 Audited	**31 Mar 18 Reviewed**	31 Mar 17 Reviewed	30 Sept 17 Audited
Exchange rates (Rand)						
United States Dollar	**11.85**	13.41	13.50	**12.75**	13.56	13.39
Euro	**14.57**	14.34	15.96	**15.34**	14.57	14.83
British Sterling	**16.62**	16.77	18.12	**17.42**	16.91	17.03

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