

110
Years

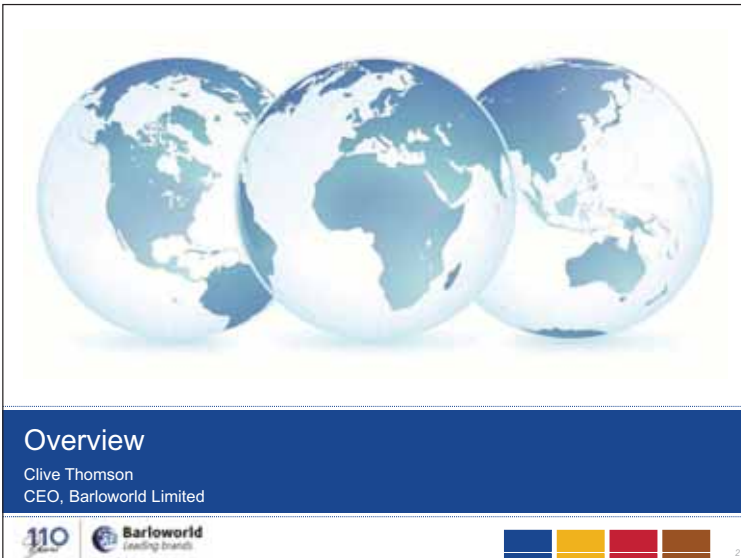
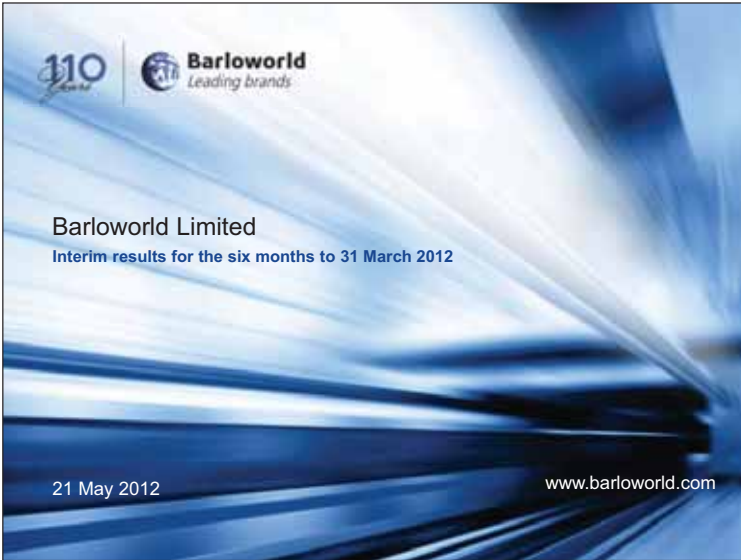


Barloworld
Leading brands



Barloworld Limited

Results for the six months ended 31 March 2012



Salient features – financial

- Revenue up 19% to R28.1bn
- Operating profit up 50% to R1 282m
- Profit before exceptional items up 84% to R829m
- HEPS up 70% to 245 cents (H1'11: 144 cents)
- Interim dividend of 80 cents per share up 60%
- Disposed of Handling US in April 2012 for approximately R460m



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Salient features – non-financial

- Group celebrates 110 years
 - 85 years as a Caterpillar dealer
- Broad-based black economic empowerment
 - Remain in first position in General Industrial sector and number 12 overall*
 - Achieved Level 2 BBBEE rating
- Remain in JSE SRI index ('Best Performer' category)
- 6th position and Gold Certificate in The JSE 100 Carbon Disclosure Leadership Index 2011
- Improvement in group Lost Time Injury Frequency Rate (LTIFR)
- Improvement in energy and greenhouse gas emissions efficiency
- Implementation of water stewardship initiatives
- Continued focus on, and investment into, skills development

* Per 2012 Financial Mail Survey



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Operational highlights

Division	
Equipment	<ul style="list-style-type: none"> • Strong overall performance in southern Africa on back of mining and infrastructure demand • Russian dealership continues to deliver ahead of expectation • Market leadership gains across all geographies including Iberia • Sizeable investments in product support capacity across southern Africa and Russia • Iberian industry declines further on Eurozone weakness • Global power systems strategy gains traction
Automotive and Logistics	<ul style="list-style-type: none"> • Strong overall performance in competitive trading environment • Good operational improvement in car rental • Opened Soweto Toyota and Volkswagen dealerships • Acquired remaining shares in Phakisaworld Fleet Solutions • Logistics turnaround
Handling	<ul style="list-style-type: none"> • Improvement in trading profit offset by currency impact • Agriculture being expanded into western Russia and additional territory in Siberia • SEM expanded into southern Africa and Russia • Business in US sold at end April



Financial Review

Don Wilson
Finance Director

Income statement highlights

(Rm)	1H'12	1H'11	% chg
Revenue	28 121	23 625	19
EBITDA	2 244	1 729	
Operating profit	1 282	854	50
Fair value adjustments on financial instruments	(106)	(66)	
Net finance costs	(347)	(338)	
Profit before exceptional items	829	450	84
Exceptional items	(26)	62	
Taxation	(343)	(143)	
Secondary Tax on Companies	(25)	(11)	
Income from associates	31	34	
Net profit	466	392	
HEPS (cents)	245	144	70



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Income statement highlights

(Rm)	1H'12	1H'11	% chg
Revenue	28 121	23 625	19
<i>Equipment</i>	<i>11 186</i>	<i>8 286</i>	<i>35</i>
<i>Southern Africa</i>	<i>7 548</i>	<i>5 339</i>	<i>41</i>
<i>Europe</i>	<i>1 993</i>	<i>1 744</i>	
<i>Russia</i>	<i>1 645</i>	<i>1 203</i>	<i>37</i>
<i>Automotive and Logistics</i>	<i>14 135</i>	<i>13 144</i>	<i>8</i>
<i>Handling</i>	<i>2 790</i>	<i>2 194</i>	<i>27</i>
<i>Corporate</i>	<i>10</i>	<i>1</i>	
Average exchange rates (Rands)	1H'12	1H'11	
United States Dollar	7.86	6.94	
Euro	10.51	9.46	
British Sterling	12.44	11.04	



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Income statement highlights

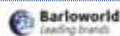
(Rm)	1H'12	1H'11	% chg
Revenue	28 121	23 625	19
EBITDA	2 244	1 729	
Operating profit	1 282	854	50
<i>Equipment</i>	<i>718</i>	<i>486</i>	<i>48</i>
<i>Southern Africa</i>	<i>689</i>	<i>478</i>	<i>44</i>
<i>Europe</i>	<i>(115)</i>	<i>(70)</i>	
<i>Russia</i>	<i>144</i>	<i>78</i>	<i>85</i>
<i>Automotive and Logistics</i>	<i>531</i>	<i>393</i>	<i>35</i>
<i>Handling</i>	<i>28</i>	<i>27</i>	
<i>Corporate</i>	<i>5</i>	<i>(52)</i>	



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Statement of financial position

(Rm)	Mar 12	Sep 11
Non-current assets	12 369	12 667
Current assets (excluding cash)	➡ 18 457	15 498
Cash and cash equivalents	➡ 1 053	2 754
Assets classified as held for sale	➡ 636	13
Total assets	➡ 32 515	30 932
Interest of all shareholders	12 443	12 652
Total debt	➡ 9 109	7 243
Other liabilities	➡ 10 963	11 037
Total equity and liabilities	➡ 32 515	30 932
Net debt	➡ 8 056	4 489



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Summarised statement of cash flows

(Rm)	1H'12	1H'11
Operating cash flows before working capital	2 384	1 913
Increase in working capital	(3 574)	(1 345)
Net investment in leasing assets and vehicle rental fleet	(1 155)	(683)
Cash utilised in operations	(2 345)	(115)
Other net operating cash flows	(636)	(600)
Dividends paid	(250)	(135)
Net cash applied to operating activities	(3 231)	(850)
Net cash used in investing activities	(231)	(435)
Net cash outflow	(3 462)	(1 285)



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Investment in working capital supports revenue growth

(Rm)	1H'12	1H'11
Inventories – increase	(2 361)	(990)
Receivables – increase	(1 134)	(863)
Payables – (decrease)/increase	(79)	508
Total working capital – increase	(3 574)	(1 345)

(Rm)	1H'12	1H'11
Equipment southern Africa	(1 779)	(614)
Equipment Europe	9	(76)
Equipment Russia	(773)	65
Automotive and Logistics	(633)	(502)
Handling	(385)	(124)
Other	(13)	(94)
Total working capital – increase	(3 574)	(1 345)



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Segmental gearing

Group segmental gearing ratios are as follows:

Debt to equity (%)	Trading	Leasing	Car Rental	Total group	
Target range	30 - 50	600 - 800	200 - 300	Gross	Net
31 March 2012	42	514	255	73	65
30 September 2011	30	577	196	57	36

- Net debt of R8 056m (*Sep 2011: R4 489m*) increased by R3 567m
- EBITDA interest cover 6.0 x (*Sep 2011: 5.3 x*)
- Fitch A+ rating maintained, stable outlook
- Capital structure strong



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Improving debt maturity profile

Interest bearing debt (Rm)	Redemption		
	Total	Short-term	Long-term
South Africa	7 978	2 509	5 469
Offshore	1 131	629	502
Total debt March 2012	9 109	3 138	5 971
Total debt September 2011	7 243	1 721	5 522

- Ratio of long-term to short-term debt 66:34 (*Sep 2011 – 76:24*)
- New 3 and 5 year bonds raised in April, R760m to extend maturity profile
- R5.5bn unutilised bank facilities at March 2012
- Additional funding secured for SA Bucyrus acquisition
- Cash and cash equivalents R1 053m (*Sep 2011 – R2 754m*)
- Approximately US\$60m cash proceeds from US Handling business in April




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Operational overview

110 Barloworld leading brands

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Divisional overview

Equipment southern Africa

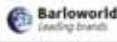
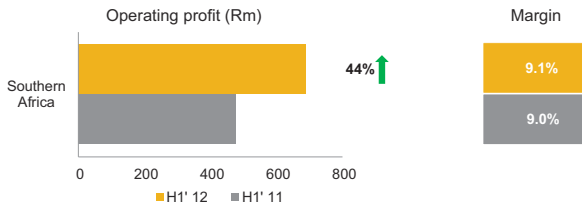
110 Barloworld leading brands

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Operational review – Equipment southern Africa

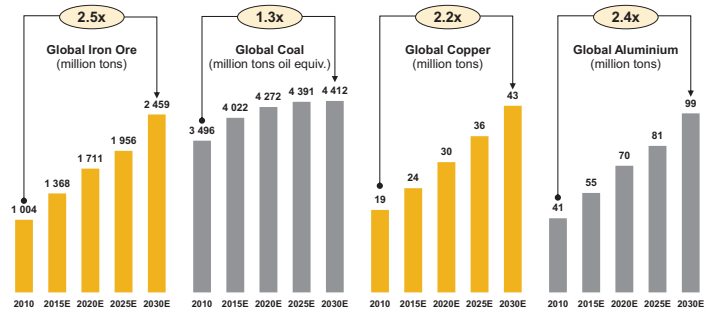
Performance

- Revenues of R7.5bn are 41% above March 2011
- Operating profit growth of 44% to a record R689m (2011: R478m)
- Operating margin of 9.1% (2011: 9.0%)
- Emerging market fundamentals continue to drive key commodity-backed demand in mining
- Significant product support revenues driven by high utilisation of mining machine population
- Government infrastructure spending in Angola gains traction



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Attractive long term demand outlook for key minerals



- Demand for iron ore, coal, copper and aluminium is expected to be the main driver of global mining CAPEX
- Estimated total mining CAPEX growing at 9.8% CAGR to 2015

Source: HSBC Research



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Progress on projects in Mozambique



797 mining truck



Vale

- US\$150m new units; US\$72m MARC over 5 year period
- Currently 30 x 793 OHTs operating
- Currently 4 x 797F OHT operating
- Additional 6 x 797 OHTs to be delivered by September 2012
- RFQ received from Vale for MOATIZE Phase II for 2012 to 2014 4 x 797F + 4 x 777F + 1 x 789 + 4 D11T + 8 drills and various other support machines
- First CAT 6090 shovel in Mozambique to be handed over early June 2012

Rio Tinto

- Currently MCC contractor runs 14 x 793 OHTs + 26 x 777F OHT + 7 x D10T dozers and other support machines
- RFI received for Zambezi project and pricing provided in April 2012; potential for the period 2014 to 2020
 - 94 x 793F
 - 52 x 795F
 - 31 x 789D
 - 24 x D11T
 - 28 other support machines



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Status of Bucyrus transaction

- Non-binding letter of intent signed with Caterpillar February 2012
- SA competition filing for proposed transaction submitted March 2012
- Transition planning teams from Caterpillar and Barloworld Equipment working on integration aspects
- Due diligence and legal agreements nearing finalisation
- Expect to be in a position to make formal announcement shortly
- Transaction expected to close early 4th quarter FY2012
- Russia transaction to be finalised thereafter

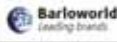


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Investment in remanufacturing capacity

Official opening of Barloworld Remanufacturing Centre

- R250m investment at Boksburg facility
- Positioned to deliver enhanced customer value in component rebuilding and product support
- Facility will be ready for production by the end of June 2012
- Will double our current output and position us to rebuild 797 components

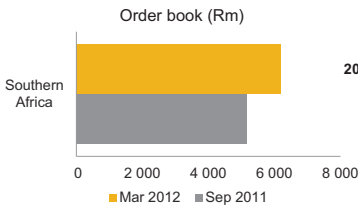


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Equipment – southern Africa

Outlook

- Firm back orders of R6.2bn up from R5.2bn in September 2011
- Strong activity levels expected to continue based on confirmed mining deliveries
- Encouraging prospects for rail and port infrastructure in Mozambique and South Africa
- Remanufacturing Centre to double throughput, improve efficiencies and position our product support offering as a key differentiator
- Angola, Botswana, Mozambique and South Africa will deliver strong performance



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Divisional overview

Equipment Iberia

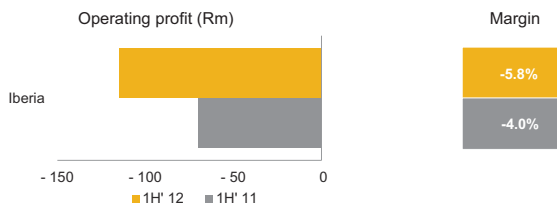


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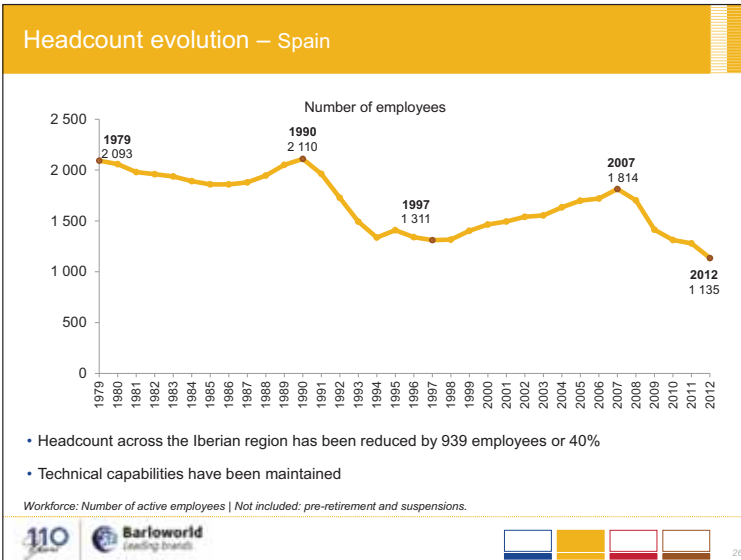
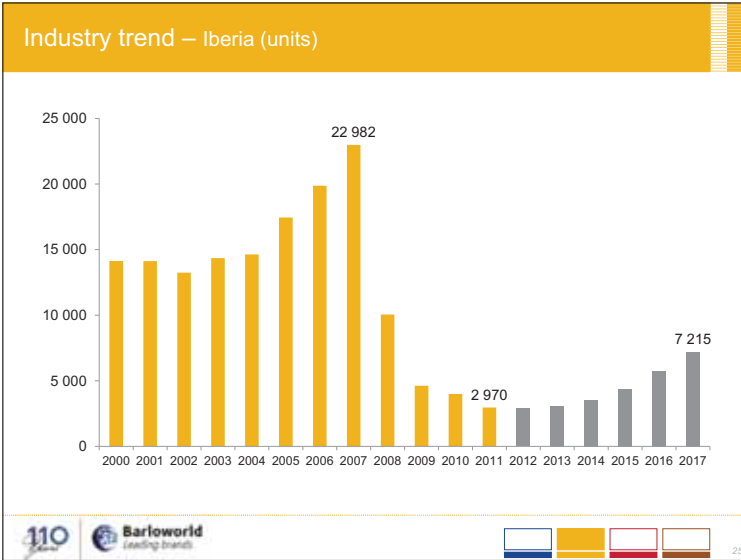
Operational review – Equipment Iberia

Performance

- Revenue up 3% in Euro terms based on export deals at low margins
- Product support revenue reflects a negative trend which affects revenue mix and margin
- Restructure costs of R73m (€7.1m) compared to R56m (€6.1m) in 2011
- Positive cash flows through continued strong working capital management
- Net operating assets further reduced by 10% in Euro terms
- Continued market share gains in both public works and construction segments



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Update on large deals awarded in Spain – machines

US\$m	Deal value	Delivery		Timing of Iberian delivery			
		Outside Iberia	Inside Iberia	2012	2013	2014	2015
Victorino Alonso ¹	285	-	285 (285)	44 (61)	120 (199)	96 (25)	25 (-)
EPSA	286	264	22	11	-	-	-
Transportes Peal	131	98	33	7	14	12	-

¹ Victorino Alonso – Delays are expected in equipment delivery and this has been updated to include these expected delays
 Figures in parenthesis represent the expected timing as presented in November 2011

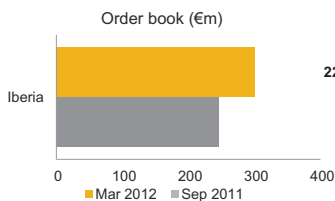


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Equipment – Iberia

Outlook

- Macro economic environment remains challenging with further market contraction expected for 2012 and stabilising in 2013
- Order book boosted by package deals closed in territory in co-operation with Barloworld African dealerships
- Continued focus on growing market share while maintaining margins
- Restructuring will position the business to achieve acceptable returns as market recovers
- Continued focus on cash generation and asset efficiency



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Divisional overview

Equipment Russia

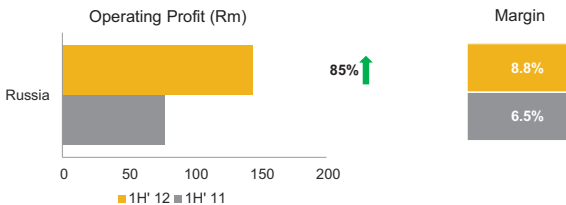


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Operational review – Equipment Russia

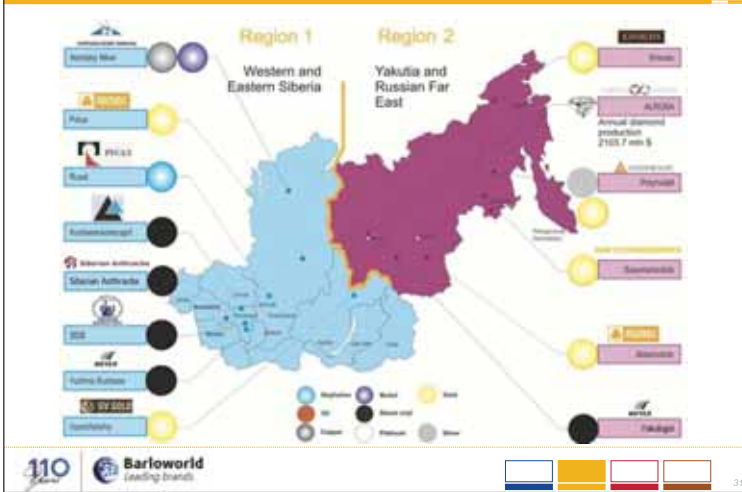
Performance

- Excellent first half producing 85% operating profit growth
- Operating margin expansion to 8.8%
- Continued demand from the mining segment supported by commodity prices
- Growth in the power sector produced a pleasing result
- Focus on facility development across territory – Irkutsk and Magadan well underway
- Increase in working capital to support the expanded business base



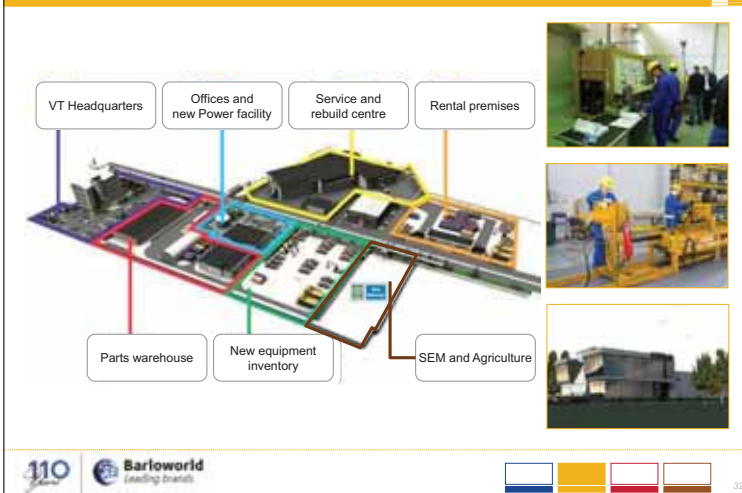
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Diversity of customer and commodity exposure



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Novosibirsk facility expansion

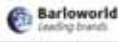
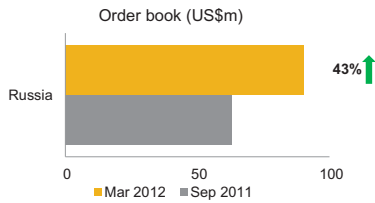


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Equipment – Russia

Outlook

- Mining activity expected to remain strong as evidenced by the order book size
- Construction season of 2012 expected to be successful
- Dedicated focus on recruitment, training and retention of technical staff
- Power business to continue developing turnkey solution capabilities
- Overall will exceed activity levels of first half



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Divisional overview

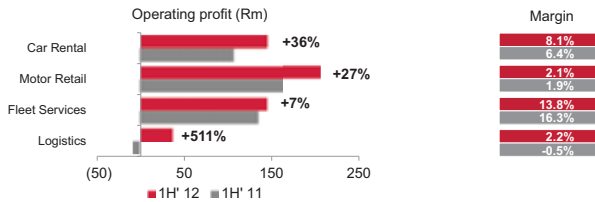
Automotive and Logistics



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Operational review – Automotive and Logistics

- Strong overall result in a competitive trading environment
- Revenue: R14.1bn (1H'11: R13.1bn) – up 7.5%
- Record operating profit R531m (1H'11: R393m) – up 35%
- Operating margin for the period 3.8% (1H'11: 3.0%)



Car Rental

- Good overall operational performance
- Strong growth in rental volumes
- Pleasing revenue per day increase in a competitive environment
- Operating costs well contained
- Further improved fleet utilisation to 76%
- Continued solid used vehicle profit contribution
- Sustained customer satisfaction above 90%



Car Rental – southern Africa	H1'12 (growth)
Rental days	+14.5%
Rental revenue per day	+4.4%



Motor Retail

Southern Africa delivered a much improved result

- Muted activity levels
- Improved operating profit and margins
- Cost containment supported result
- Continued strong finance and insurance contribution
- Opened Soweto Toyota and Volkswagen dealerships

Australia delivered a good result

- Activity levels improved across all departments
- Opened Suzuki dealership in Sydney



Motor retail H1'12 (growth)	Southern Africa	Australia
New unit sales (Oct 2011 – Mar 2012)	+3.8%	+14%
Parts revenue	+7.7%	+24%
Service hours	-2.2%	+4.8%



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Fleet Services

- Solid result in low interest rate environment
- Strong financed fleet growth supported by Phakisaworld acquisition
- Strong growth in fleets under maintenance
- Stable used vehicle profits despite lower margins
- Ghana operations commenced trading April 2012



Fleet Services	H1'12 (growth)
Finance fleet	+14%
Under maintenance	+17%
Total vehicles under management	+19%



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Logistics

Much improved result and positioned for growth

• Southern Africa

- Meadow Feeds 10 year transport contract settling well
- Ellerines supply chain contract progressing well
- Higher volumes through Barloworld Equipment
- Acquired chemical transport business effective 30 April 2012
- Established Barloworld Manline Logistics JV

• Europe, Middle East and Asia

- Rationalisation and cost control taking effect, however lower sea-air volumes continue
- Secured first significant supply chain management contract in Dubai
 - Pan Furnishers

• United Kingdom

- Supply chain software selling well and planned upgrades all on schedule



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Divisional overview

Handling

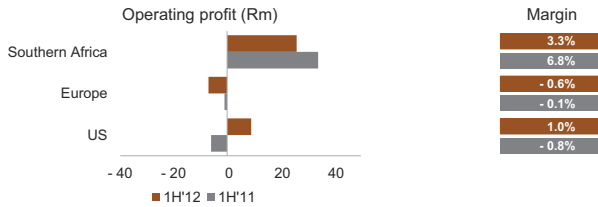


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Operational review – Handling

Performance

- Trading profit improvement offset by currency impacts in South Africa
- Agriculture SA grows strongly on the back of improved sentiment and low cost tractors
- Start-up agricultural operations in Mozambique and Siberia showing potential
- European trading profitable, but start-up loss in Siberia incurred
- New equipment market share growth in Belgium, UK and Agriculture
- US business returned to profit in H1; sold end April 2012



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Handling

Outlook

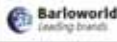
- The Eurozone debt crisis is impacting negatively on markets in UK, Belgium/Holland
- New low cost tractor ranges now fully available
- Further growth in agricultural footprint being explored
- Business development teams addressing major new solutions opportunities
- End March order book up 2% on Sep 2011
- Outlook for H2 is for limited improvement over last year notwithstanding slowing order intake as a result of the Eurozone debt crisis



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Outlook

Division	
Equipment	<ul style="list-style-type: none"> Emerging market fundamentals continue to drive commodity demand that is favourable for long term mining investment Strong performance to continue in southern Africa and Russia on the back of mining deliveries and improving infrastructure spend Iberian industry to remain depressed on general Eurozone weakness Expected growth in Power Systems
Automotive and Logistics	<ul style="list-style-type: none"> Car Rental: Current positive momentum to continue despite competitive trading environment Motor Retail: A stable performance in southern Africa and Australia Fleet Services: Continued solid growth Logistics: Sustained turnaround of the business
Handling	<ul style="list-style-type: none"> Despite markets in Europe slowing, profits to show limited improving trend Expansion of agriculture footprint to yield medium term benefits Strong performance in Agriculture should continue unless the drought in SA worsens Further growth expected in SEM product line



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Outlook

Clive Thomson, CEO of Barloworld, said:

"The financial performance for the six months showed a pleasing trend with operating profits up 50% and headline earnings per share increasing by 70% over the first half of last year. We expect the second half to show strong activity levels primarily driven by significant mining equipment deliveries in southern Africa and Russia. Automotive and Logistics will continue to perform well.

The acquisition of the Bucyrus distribution businesses in certain of our southern African Cat dealership territories is currently expected to close early in the fourth quarter of our financial year.

While recognising the uncertainties created by the economic challenges in the Eurozone, overall we expect to build on the good progress we have seen in the first six months and deliver a strong result for the 2012 financial year."

21 May 2012



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