Barloworld Limited - Audited Results

for the year ended 30 September 2010

Barloworld
Leading brands

About Barloworld

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

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

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

Corporate information

Registered office and business address

Barloworld Limited, 180 Katherine Street, PO Box 782248, Sandton, 2146, South Africa
Tel: +27 11 445 1000 **E-mail:** invest@barloworld.com
(Registration number 1918/000095/06) JSE codes: BAW and BAWP
ISIN codes: ZAE000026639 and ZAE000026647

Transfer secretaries – South Africa

Link Market Services South Africa (Proprietary) Limited (Registration number 2000/007239/07)
11 Diagonal Street, Johannesburg, 2001, (PO Box 4844, Johannesburg) **Tel:** +27 11 630 0000

Registrars – United Kingdom

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL, England
Tel: +44 190 383 3381

Transfer secretaries – Namibia

Transfer Secretaries (Proprietary) Limited (Registration number 93/713)
Shop 8, Kaiser Krone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia)
Tel: +264 61 227 647

Directors

Non-executive: DB Ntsebeza (Chairman), SAM Baqwa, AGK Hamilton*, SS Mkhabela, MJN Njeke
SS Ntsaluba, TH Nyasulu, G Rodriguez de Castro de los Rios†, SB Pfeiffer•

Executive: CB Thomson (Chief Executive), PJ Blackbeard, PJ Bulterman, M Laubscher, OI Shongwe, DG Wilson
*British •American †Spanish

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

Salient Features

- **Revenue R40 830 million** (2009: R45 269 million)
- **EBITDA R3 318 million** (2009: R4 061 million)
- **HEPS** from continuing operations **212 cents** (2009: 351 cents)
- Agreement to acquire remaining **50%** of Caterpillar dealership in Russia
- Disposal of car rental Scandinavia concluded for **R1 billion** enterprise value
- **Net cash inflow** before financing **R2 286 million** (2009: R1 207 million)
- Net debt reduced by **R3 billion**
- Strong working capital management
- Order books starting to rebuild across most businesses
- Total dividend of **75 cents** per share (2009: 110 cents)

Clive Thomson, CEO of Barloworld, said:

"The second half of the financial year yielded a significantly stronger performance than the first half due to improved trading conditions for most of our businesses and the results of actions taken to realign our cost base with prevailing activity levels. Cash flow for the year was strong as a result of intense focus on working capital management and the successful execution of the Scandinavian car rental disposal.

An exciting development is our agreement to acquire the remaining 50% of our Caterpillar joint venture in Russia, subject to regulatory approvals. This will provide us with significant long term growth opportunities in the mining, infrastructure, power and forestry segments in Siberia and the Russian Far East.

The recently announced acquisition by Caterpillar of Bucyrus International will, once completed, provide a major opportunity to broaden our product line and after market offering to customers in the mining industry.

Our financial position is strong and we are well placed to benefit from some positive trends emerging in the economies and market sectors where we operate. Our focus is now firmly on executing profitable growth initiatives to drive financial returns and value creation for our stakeholders in the year ahead."

17 November 2010

Chairman and Chief Executive's Report

Operational review

In the current year, we were impacted by difficult trading conditions in most of our markets. We have however seen a noticeable improvement in trading conditions towards the back end of our financial year, which contributed to a strongly improved second half result compared to the first.

Group operating profit for the year of R1 376 million is 31% down on 2009. Headline earnings per share from continuing operations (HEPS) is 212 cents (2009: 351 cents). HEPS of 171 cents was earned in the second six months, 13% higher than the 151 cents earned in the second half of 2009.

Our net cash inflow before financing activity was very strong at R2 286 million, 89% up on the cash inflow last year of R1 207 million. Together with the reduction in debt following the disposal of our car rental business in Scandinavia our net debt has reduced by R3 billion (37%) in the year.

Since reaching a peak in March 2009 of R10.1 billion our net debt has been reduced by some R5.1 billion over the past eighteen months with our focus on managing our working capital down in line with prevailing activity levels. Our financial position is strong and we are well placed to fund growth opportunities as our markets recover.

Equipment

Following the decline in activity towards the end of last year, Equipment southern Africa experienced difficult trading conditions for most of 2010. The division entered the current year with a vastly reduced order book compared to 2009 and this resulted in revenue in the first half being 39% below the first half of 2009. Despite this we ended the year with a good operating margin and significantly improved cash generation.

A commodity-led recovery that had shown some signs in the first half only gained real traction in the last quarter of the financial year. Increased mining activity in coal, iron ore and copper driven by demand from China and other emerging markets supported this recovery. In South Africa our mining business was driven by coal and iron ore while our Zambian business, which was the second biggest contributor to profitability in southern Africa, benefitted from increased demand on the back of a stronger copper price.

Our business in Mozambique has delivered the first tranche of the equipment order to Vale for their Moatize coal mining project. In April we received a further substantial order for the Riversdale coal mining project which we forecast to start delivering towards the end of this calendar year. Revenue in Angola in dollar terms reduced by 48% compared to the prior year as a consequence of infrastructure project deferrals.

Construction in South Africa showed a flurry of activity ahead of the FIFA World Cup but has shown few signs of recovery subsequent to this event. The South African government has budgeted to spend close to R850 billion on infrastructure over the next three years but this has been slow to materialise in the form of new contracts awarded.

The Caterpillar machine population in southern Africa has more than doubled over the past five years. This increased population is now beginning to generate strong after sales activity which significantly lessened the impact of the recession on our results.

Spain is projected to have a negative GDP growth in 2010 and the economy continues to face a number of structural challenges. The government has taken positive steps to reduce the fiscal deficit through the implementation of an austerity budget which reduces public spending and includes tax increases. Our business in Spain is however highly dependent on the public works sector which remains depressed following sharp declines in the level of public tenders.

The steps taken to realign the Iberian cost base in 2009 as well as additional measures during the current financial year have started to bear fruit. The loss incurred in the first half included a large element of restructure costs, the benefits of which have started to come through in the second half. While Iberia ended the year in a loss position, the business was marginally profitable in the second half and Portugal was profitable for the full year. The focus on working capital management continued in the current year and the business generated a further €21 million in cash on top of the €93 million positive cash flow in 2009.

Revenue in our Russian operations for the year in dollar terms increased by 20% mainly due to robust mining and construction demand as well as a strong improvement in our after sales activity due to the installed machine population. The business generated an operating margin of just under 6% which represents a credible performance for a young dealership in a growth phase. Continued focus on working capital management produced a positive cash flow of $34 million.

Automotive
The division delivered a record result in a competitive trading environment. Revenue increased by 9% primarily supported by improving new vehicle unit sales, albeit from a low base.

Avis Rent a Car southern Africa increased revenue by 5% compared to the prior year. Improved profitability was mainly as a result of increased profits on sale of used vehicles in the first half. Fleet utilisation remained strong at 74%.

Motor retail in southern Africa produced a good result on the back of improved industry sales, while motor retail in Australia produced a strong performance by growing market share.

Revenue in Avis Fleet Services was flat year on year with operating profit slightly below last year. The fleet under finance grew by 1% while fleet under maintenance increased by 27%. A strong used vehicle contribution was partially offset by lower net interest margins.

Handling
Our handling business in all territories continued to experience difficult trading conditions in the current year. While the US and the UK are now emerging from recession, we continue to receive mixed signals regarding the state and sustainability of the recovery. In southern Africa the handling business suffered from lower activity within our customer base while the agriculture business was impacted by weak maize prices and the lack of a low cost tractor range.

Although the US and UK continued to incur losses, these were at significantly reduced levels compared to the prior year. Belgium reported a small loss while the Netherlands, SA and Agriculture achieved profits but at levels below the prior year. Cash flow was strong with a net inflow for the division of £26 million.

Logistics
Revenue for the logistics division was 10% down on 2009 levels following lower activity levels in Europe, Middle East and Asia while revenue in southern Africa was in line with the prior year.

The southern African results were impacted by reduced activity in the construction and automotive segments in supply chain management, however improved volumes in the fast moving consumer goods and retail sector compensated for such shortfalls. The international business was adversely impacted by reduced freight forwarding volumes in the Far East while the Sea Air business experienced margin pressure on increased volumes at fixed contract prices.

Corporate activity
We have reached agreement to acquire the remaining 50% of the shares in our Russian Caterpillar dealership for $52 million (R363 million), subject to various regulatory and other approvals. This business represents a significant long term opportunity for the group due to the growth expected in the mining, infrastructure, power and forestry segments.

The disposal of car rental Scandinavia was finalised at the end of July. The disposal process which absorbed a great deal of management time and effort has achieved a good result for the group. The sale has resulted in a debt reduction of close to R800 million with the final balance owing in terms of the agreement of NOK150 million (R180 million) due by end December 2010.

We further successfully completed the sale of the remaining 50% in the Subaru import and distribution business to Toyota Tsusho Corporation.

A decision has been taken to dispose of our logistics African and Asian non-corporate trader businesses, which form part of the Middle East and Asia operations, and negotiations are progressing with a view to concluding the transaction early in the new calendar year.

Empowerment, transformation and sustainability

We continued our initiatives to drive improvements in all elements of the DTI broad based black economic empowerment (BBBEE) scorecard. In this regard it was pleasing that Barloworld's ranking in the 2010 FM Top Empowerment Companies survey improved significantly to position No 21 and we achieved first place as the most empowered company in the general industrial sector. Each of our divisions or significant business units is independently audited and have all achieved Level 2 or Level 3 empowerment ratings.

In terms of our sustainability initiatives it was also pleasing to be recognised as one of the top four companies in the CDP 2010 South Africa JSE 100 Joint Carbon Disclosure and Carbon Performance ratings.

Directorate

Mr Peter Bulterman was appointed as an executive director of the Barloworld Limited board with effect from 1 October 2009 and subsequently appointed a member of the risk and sustainability committee with effect from 1 October 2010.

Independent non-executive directors, Messrs Sango Ntsaluba and Gordon Hamilton were appointed to the risk and sustainability committee from 1 October 2009 with Mr Ntsaluba as chairman. Mr Johnson Njeke was appointed to this committee from 1 October 2010.

Outlook

Equipment southern Africa is entering the new year with a strong order book particularly from mining customers. The delivery of the Riversdale order in Mozambique is expected to boost activity in the first half. The anticipated recovery of the construction market in South Africa and Angola driven by governmental infrastructure spending is not expected before mid 2011 calendar year.

The austerity measures introduced by the Spanish government mean that the public works sector will remain subdued for most of 2011. The existing order book in Iberia is dominated by power, and emerging opportunities in the marine and industrial markets could favourably impact this segment.

In Russia, order books have increased significantly on the back of a recovery in mining activity and we expect a strong first half of next year.

Our automotive division remains strategically well positioned. Trading conditions in the car rental industry will be challenging for the next year. The motor retail businesses will continue to benefit from increasing consumer confidence and improving credit availability in both southern Africa and Australia. The fleet services business is expected to perform well.

The economic recovery in most of our territories has already favourably impacted the handling business where improved order books and increasing demand for short term rental will ensure an improved performance in 2011. The recovery of the maize price should boost our agriculture business as this has a direct correlation with tractor sales in southern Africa. The introduction of a new range of low cost tractors will also boost activity levels.

The logistics southern African business is close to finalising a number of significant supply chain contracts which are expected to generate profitable growth in 2011. Volumes in the dedicated transport segment should improve following a pick-up in the construction sector. The Middle East and Asia business will benefit from the restructuring initiatives currently underway.

With the very good cash generation in the current year, gearing levels have reduced considerably and our financial position is strong. We are well placed to pursue attractive growth opportunities that will improve financial returns and drive value creation for all our stakeholders in the year ahead.

DB Ntsebeza
Chairman

CB Thomson
Chief Executive Officer

Group Financial Review

Revenue for the year declined by 10% to R40.8 billion. The bulk of the shortfall occurred in our equipment businesses where total revenue fell by R4.8 billion (28%). The drop off in activity levels experienced in Equipment southern Africa in the second half of 2009 continued into the current year while demand in Iberia remained weak throughout the year.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) decreased by 18% to R3 318 million while operating profit declined by 31% to R1 376 million. Reduced activity in Equipment southern Africa resulted in a decrease in operating profit of R557 million (43%). The automotive division continued their good performance, increasing operating profit by 10% to R772 million. Redundancy and restructuring charges of R59 million (2009: R139 million), were incurred to realign the cost base with prevailing activity levels. The bulk of the restructuring costs (R48 million) were incurred in Iberia.

The stronger rand resulted in losses arising from marking to market foreign currency contracts on unhedged transactions mainly in Equipment southern Africa. The total negative fair value adjustments on financial instruments of R89 million is lower than the R201 million incurred in 2009 due to reduced volatility in the foreign exchange markets this year.

Net finance costs decreased by R206 million (26%) to R583 million. This was largely due to the continued focus on reducing debt levels through improving operating cash flows and tightly managing working capital and capital expenditure. Total finance charges, including leasing interest classified as cost of sales, decreased by R281 million (26%) to R809 million.

Exceptional charges of R176 million mainly comprise the impairment of goodwill in the logistics Middle East and Asia operations reported at the interim totalling R152 million.

Taxation, before Secondary Tax on Companies (STC), declined by 2% to R203 million. The effective taxation rate (excluding STC, prior year taxation and taxation on exceptional items) was 33.8% (2009: 22.2%). The increased rate was largely attributable to withholding taxes and losses incurred in low-tax jurisdictions, while the prior year rate was reduced by the first-time recognition of certain deferred taxation assets.

Income from associates fell by R27 million to R16 million owing to lower profits earned in the equipment joint ventures. The contribution from the Democratic Republic of Congo equipment joint venture declined by R62 million. Profits in the Russian joint venture improved, particularly in the second half, contributing R14 million to associates income.

The loss of R272 million from discontinued operations is attributable to trading losses incurred in the Scandinavian car rental business and a loss of R187 million on the disposal of the business in July 2010.

The non-controlling interest in the current year's earnings includes R13 million representing the dividends paid to the holders of 14 485 013 ordinary shares in terms of the BEE transaction concluded in 2008. These shares are not included in issued shares for purposes of calculating headline earnings per share (HEPS). HEPS from continuing operations of 212 cents is 40% lower than 2009 (351 cents).

Cash flow and debt

The continued focus on cash generation resulted in a net cash inflow for the year of R2 286 million (2009: R1 207 million). Working capital decreased by R1 069 million following the reduction of R885 million in 2009. During the past eighteen months that we have been focusing on reducing working capital, inventories have declined by R3 832 million. Most of the reduction in the current year was achieved in the southern African equipment business. In addition capital expenditure in the group has been curtailed to essential projects only. While there was some build up of the short-term car rental fleet ahead of the FIFA World Cup in South Africa, the fleet has reduced to normal levels at year end.

The disposal of the Scandinavian car rental business has resulted in a reduction in group debt of R774 million with a further R180 million (NOK 150 million) payment due by December 2010. The guarantee provided to DnB NOR for the bank funding was cancelled in September 2010 following the repayment of the loan by the purchaser.

Total interest bearing debt at 30 September 2010 was reduced by R2 836 million to R6 977 million (2009: R9 813 million).

Strong collections from customers in the closing days of the financial year and reduced supplier and short term funding commitments resulted in cash and cash equivalents increasing by R156 million to R1 928 million (2009: R1 772 million).

Further progress was made in our initiative to address the group's debt maturity profile and to reduce the company's reliance on short-term funding. Long-term debt raised during the year included corporate bonds totalling R1 billion (BAW3 to 8) issued in September 2010. The funds raised were utilised to repay short-term debt including R230 million of the corporate bond BAW1 which matures in July 2011. The long-term debt maturity profile at 30 September 2010 was 61% (2009: 63%).

Debt maturity profile

R' million	**Debt September 2010**	**Redemption** 2011	2012	2013	2014 onwards
South Africa	**6 453**	2 369	85	46	3 953
Offshore	**524**	323	72	53	76
Total	**6 977**	2 692	157	99	4 029

In South Africa, short-term debt due for redemption in 2011 includes the balance outstanding on BAW1 of R1 305 million (including accrued interest) and commercial paper (CP) totalling R606 million. The CP market has remained liquid during the current year and we expect to maintain our participation in this market. The company has unutilised debt facilities with domestic banks totalling R5 362 million at 30 September 2010. The offshore facilities include a syndicated loan (undrawn at September 2010) of £80 million (R879 million) plus other unutilised bank lines totalling the equivalent of R1 688 million.

Net debt at September 2010 of R5 049 million declined by R2 992 million (37%) in the year. The bulk of the reduction was through cash inflows before financing while the sale of car rental Scandinavia resulted in a reduction in net debt of R774 million.

Gearing in the three business segments is as follows:

Debt to equity (%)	Trading	Leasing	Car rental	Group total debt	Group net debt
Target range	30 – 50	600 – 800	200 – 300		
Ratio at 30 September 2010	**34**	**482**	**202**	**64**	**47**
Ratio at 30 September 2009	49	567	205	81	67

Total assets employed by the group decreased by R4 405 million to R25 690 million. The decrease was largely due to reduced working capital and the disposal of car rental Scandinavia. The stronger rand resulted in a decrease of R1 271 million in total assets and R820 million in shareholders' funds.

Going forward

In the wake of the world economic crisis our strategy of strengthening our financial position by focusing on cash flow and debt reduction has yielded good results. While we plan to maintain this emphasis, debt will start to increase as we build working capital as the recovery gains momentum. Since March 2009 net debt has declined by R5.1 billion and annual gross finance charges have dropped by R328 million. Over this period our net debt to equity has declined from 75% to 47% notwithstanding that currency has negatively impacted our shareholders' funds by R2.2 billion.

We believe that our financial position is strong and that we are well placed to fund the growth strategies of the divisions. The acquisition of the remaining 50% of the equipment business in Russia subsequent to year end will be funded utilising cash balances in our offshore business.

As we have now emerged from the worst of the financial crisis, the key financial strategic focus for 2011 will be on financial returns, particularly improving our return on shareholders' funds.

DG Wilson
Finance director

Operational Reviews

EQUIPMENT

R million	Revenue Year ended 30 Sept 2010	2009 Restated	Operating profit/(loss) Year ended 30 Sept 2010	2009	Net operating assets 30 Sept 2010	2009
– Southern Africa	**8 379**	11 187	**725**	1 282	**2 990**	4 703
– Europe	**3 854**	5 892	**(69)**	11	**2 626**	3 462
	12 233	17 079	**656**	1 293	**5 616**	8 165
Share of associate income			**8**	51		

Barloworld Equipment southern Africa achieved a pleasing result considering the challenging market conditions. Despite the decline in unit sales in the first half, we ended the year with a good operating margin and significantly improved our cash generation by reducing working capital and containing capital expenditure.

Strong performances in Zambia, Namibia and Mozambique partly offset the weakness in Angola. This was largely due to increased demand for copper, diamonds and coal. South Africa, Botswana, the DRC and Malawi produced pleasing results in a declining market. After sales activity remained robust throughout southern Africa and our total parts and service revenue reached a record high.

The commodities-led recovery that began in the first half has escalated rapidly in the past six months, with our mining result improving significantly in the last quarter. The construction sector slowed prior to the FIFA World Cup and has continued to decline since, exacerbated by slow implementation of future infrastructure projects in South Africa. However the rental business grew and used machine sales improved.

Activity was slow in the Power division which continued its consolidation of capabilities and skills to capitalise on future opportunities.

The Technical Academy in Isando trained a new intake of 250 learners and in addition continued with the training of existing artisans and we are now one of Caterpillar's flagship dealers in skills development.

The operations in Iberia continued to experience difficult trading conditions in a very challenging macro-economic environment. The construction industry bore the brunt of the cutbacks and stoppages of public works contracts. Our primary focus was increasing market share and we concluded equipment sales to large Portuguese and Spanish contractors working in developing markets in Africa and South America.

Power Systems in Iberia experienced similarly poor market conditions. The marine market was heavily influenced by the subdued Spanish shipping industry; however there were signs of a revival towards the end of the year.

After a difficult first half, our Russian joint venture recovered well. Mining sector investment programmes on hold during the downturn are now recommencing and this renewed confidence is reflected in an improved mining order book. A world class component rebuild centre will open in Novosibirsk in 2011 to help satisfy growing demand for after sales support.

AUTOMOTIVE

R million	Revenue Year ended 30 Sept 2010	2009 Restated	Operating profit/(loss) Year ended 30 Sept 2010	2009	Net operating assets 30 Sept 2010	2009
Car rental Southern Africa	**3 204**	3 059	**283**	254	**2 580**	2 266
– Southern Africa	**12 341**	11 525	**258**	232	**1 599**	1 682
– Australia	**3 737**	2 937	**82**	59	**1 009**	946
Trading	**16 078**	14 462	**340**	291	**2 608**	2 628
Leasing Southern Africa*	**1 545**	1 552	**149**	158	**441**	387
	20 827	19 073	**772**	703	**5 629**	5 281
Share of associate income/(loss)			**4**	(11)		

* *For Leasing Southern Africa, operating profit before interest paid is R278 million (2009: R293 million) resulting in total divisional operating profit before interest of R901 million (2009: R838 million). Net operating assets is after deducting interest-bearing debt.*

Our integrated motor vehicle usage solutions strategy remains resilient and the division produced a record result in a competitive trading environment. An overall operating margin of 4.3% was achieved which is in line with the prior year. The division generated strong operating cash flow, which was used to increase investment into rental and leasing fleets in line with activity levels.

Avis Rent a Car southern Africa produced a good result. The business maintained high fleet utilisation and marginally increased rate per day in an aggressive trading environment. A change in the non-risk fleet funding model, from buyback to lease, tempered growth in operating profit to 11.4%. Underlying operating profit grew by 20.1%.

The southern African motor retail operations delivered a solid result in a difficult market. This was supported by increased new vehicle sales and a strong finance and insurance contribution. The Australian operations reported a much improved result by increasing market share in a growing market.

Our fleet services business produced a satisfactory result, underpinned by stable fleet growth and an improved used vehicle profit contribution which was partly offset by lower net interest margins. Excluding non-recurring items in the prior year, underlying operating profit grew by 12.9%.

Associates include our Phakisaworld and Sizwe BEE joint ventures as well as Subaru Southern Africa which was disposed of during the year.

HANDLING

R million	Revenue Year ended 30 Sept **2010**	 2009 Restated	Operating profit/(loss) Year ended 30 Sept **2010**	 2009	Net operating assets 30 Sept **2010**	 2009
– Southern Africa	**912**	1 156	**42**	80	**369**	518
– Europe	**1 734**	2 127	**(40)**	(53)	**573**	681
– North America	**1 440**	1 725	**(19)**	(54)	**383**	480
	4 086	5 008	**(17)**	(27)	**1 325**	1 679
Share of associate income			**3**	4		

The division again experienced difficult trading conditions, notably in the South African agricultural market in the second half. However, the market for new forklift trucks began to improve particularly in the last quarter, and end-September orders in hand were up by over a third against the previous year-end. Used sales showed strong growth against the prior year, and short-term rental utilisation recovered to two year highs by September in some operations, albeit on a smaller fleet.

The UK and US operations reduced the level of losses, benefitting from a modest improvement in overall activity, a reduced cost base and improved efficiencies. The Netherlands remained marginally profitable but Belgium swung from profit to loss. Market shares improved in the Netherlands, Belgium and the UK.

Profits in the South African operations were significantly below prior year, reflecting market declines and the impact of the stronger rand on margins. Restricted supplies of small tractors depressed sales in the second half, however new supplies have been secured for the year ahead.

The division reduced its asset base by a noteworthy 21% (16% in constant currency) with improved receivable collections and pleasing inventory reductions, notably in the agriculture business.

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

We anticipate improved trading into the new year with stronger orders on hand and improving service and rental business. The agriculture operation is being expanded into Mozambique and Siberia which will add further growth.

LOGISTICS

R million	Revenue Year ended 30 Sept 2010	2009	Operating profit/(loss) Year ended 30 Sept 2010	2009	Net operating assets 30 Sept 2010	2009
Southern Africa	**2 256**	2 257	**50**	92	**398**	342
Europe, Middle East and Asia	**1 422**	1 830	**(40)**	(15)	**457**	707
	3 678	4 087	**10**	77	**855**	1 049

Southern African results were affected by continued lower volumes in the construction and automotive segments and in the freight forwarding business. Results in the dedicated transport business were impacted by declines in volumes from the construction sector which resulted in suboptimal fleet utilisation. The freight forwarding business had a better second half performance on the back of mining related logistics projects into Mozambique and an upturn in volumes. These results were partly offset by the performance of the FMCG and retail segments where the management fee and performance based business model mitigated the effect of volume declines. Continued investments were made in the areas of operational excellence, knowledge management and technology which will enable the organization to enhance its customer offering and improve market share.

The performance in the international operations was impacted by significant reductions in volumes moved in the freight forwarding business, notwithstanding cost saving and rationalisation initiatives undertaken. In the Sea-Air business, margin realised was reduced due to increased volumes shipped at contracted rates with rising variable input costs. The Spanish business stabilised in the second half as rationalisation initiatives were implemented. A decision to exit the Africa and Asia non-corporate trader segment of the freight forwarding business has been taken and a turnaround strategy for the remaining businesses is being implemented by the newly constituted management team.

CORPORATE

R million	Revenue Year ended 30 Sept 2010	2009	Operating loss Year ended 30 Sept 2010	2009	Net operating assets/(liabilities) 30 Sept 2010	2009
Southern Africa	**6**	22	**(41)**	(42)	**498**	372
Europe			**(4)**	(10)	**(390)**	(475)
	6	22	**(45)**	(52)	**108**	(103)
Share of associate income/(loss)			**1**	(1)		

Corporate comprises mainly the activities of the corporate offices, including the treasuries, in South Africa and the United Kingdom.

In southern Africa the operating loss is similar to last year. Rental income from properties purchased or developed for the equipment and handling businesses in the past two years have been partially offset by increased funding facility commitment fees. Net operating assets have increased mainly owing to the purchase of a property for the Equipment division in 2010.

Dividend Declaration

Dividend declaration for the full year ended 30 September 2010

Dividend Number 164

Notice is hereby given that the following dividend has been declared in respect of the full year ended 30 September 2010

Number 164 (final dividend) of 55 cents per ordinary share.

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

Dividend declared	Wednesday, 17 November 2010
Last day to trade cum dividend	Friday, 7 January 2011
Shares trade ex dividend	Monday, 10 January 2011
Record date	Friday, 14 January 2011
Payment date	Monday, 17 January 2011

Share certificates may not be dematerialised or rematerialised between Monday, 10 January 2011 and Friday, 14 January 2011, both days inclusive.

On behalf of the board

S Mngomezulu
Secretary

Consolidated Income Statement

for the year ended 30 September

R million	Notes	2010	Audited 2009 Restated*	% change
CONTINUING OPERATIONS				
Revenue		**40 830**	45 269	(10)
Operating profit before items listed below (EBITDA)		**3 318**	4 061	(18)
Depreciation		**(1 736)**	(1 854)	
Amortisation of intangible assets		**(64)**	(61)	
Leasing interest classified as cost of sales		**(142)**	(152)	
Operating profit		**1 376**	1 994	(31)
Fair value adjustments on financial instruments		**(89)**	(201)	
Finance costs		**(667)**	(938)	
Income from investments		**84**	149	
Profit before exceptional items		**704**	1 004	(30)
Exceptional items	3	**(176)**	22	
Profit before taxation		**528**	1 026	
Taxation		**(203)**	(207)	
Secondary taxation on companies		**(25)**	(41)	
Profit after taxation		**300**	778	
Income from associates and joint ventures		**16**	43	
Net profit from continuing operations		**316**	821	
DISCONTINUED OPERATIONS				
Loss from discontinued operations	4	**(272)**	(82)	
Net profit		**44**	739	
Net profit attributable to:				
Non-controlling interest in subsidiaries		**51**	68	
Owners of Barloworld Limited		**(7)**	671	
		44	739	
(Loss)/earnings per share^ (cents)				
– basic		**(3,3)**	321,8	
– diluted		**(3,3)**	319,6	
Earnings per share from continuing operations^ (cents)				
– basic		**126,5**	361,1	
– diluted		**126,1**	358,5	
Loss per share from discontinued operations^ (cents)				
– basic		**(129,9)**	(39,3)	
– diluted		**(129,4)**	(39,0)	

** Restated for the treatment of IAS 7 and IAS 16*

^ Refer note 2 for details on headline earnings per share calculation

Consolidated Statement of Comprehensive Income

for the year ended 30 September

R million	Audited 2010	2009
Profit for the year	**44**	739
Other comprehensive income		
Exchange losses on translation of foreign operations	**(820)**	(926)
Translation reserves realised on disposal of foreign subsidiaries	**(102)**	
Loss on cash flow hedges	**(24)**	(105)
Deferred taxation on cash flow hedges	**8**	25
Loss on revaluation of available for sale investments		(1)
Net actuarial losses on post-retirement benefit obligations	**(176)**	(232)
Actuarial losses on post-retirement benefit obligations	**(238)**	(321)
Taxation effect	**62**	89
Other comprehensive income for the year	**(1 114)**	(1 239)
Total comprehensive income for the year	**(1 070)**	(500)
Total comprehensive income attributable to:		
Non-controlling interest in subsidiaries	**51**	68
Owners of Barloworld Limited	**(1 121)**	(568)
	(1 070)	(500)

Consolidated Statement of Financial Position

at 30 September

R million	Notes	2010	Audited 2009 Restated*
ASSETS			
Non-current assets		**11 626**	12 582
Property, plant and equipment		**7 575**	7 854
Goodwill		**2 078**	2 319
Intangible assets		**297**	280
Investment in associates and joint ventures		**552**	731
Finance lease receivables		**236**	463
Long-term financial assets		**133**	279
Deferred taxation assets		**755**	656
Current assets		**14 012**	15 155
Vehicle rental fleet		**1 679**	1 692
Inventories		**5 318**	7 036
Trade and other receivables		**5 030**	4 747
Taxation		**57**	53
Cash and cash equivalents		**1 928**	1 627
Assets classified as held for sale	4	**52**	2 358
Total assets		**25 690**	30 095
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium		**295**	252
Other reserves		**1 750**	2 688
Retained income		**8 548**	8 913
Interest of shareholders of Barloworld Limited		**10 593**	11 853
Non-controlling interest		**233**	217
Interest of all shareholders		**10 826**	12 070
Non-current liabilities		**5 670**	6 486
Interest-bearing		**4 285**	5 278
Deferred taxation liabilities		**302**	249
Provisions		**217**	185
Other non-interest bearing		**866**	774
Current liabilities		**9 136**	10 030
Trade and other payables		**5 807**	5 775
Provisions		**476**	580
Taxation		**161**	108
Amounts due to bankers and short-term loans		**2 692**	3 567
Liabilities directly associated with assets classified as held for sale	4	**58**	1 509
Total equity and liabilities		**25 690**	30 095

** Restated for the treatment of IAS 7 and IAS 16*

Condensed Consolidated Statement of Changes in Equity

at 30 September

R million	Share capital and premium	Other reserves	Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Balance at 1 October 2008	242	3 745	8 861	**12 848**	185	**13 033**
Total comprehensive income for the year		(1 007)	439	**(568)**	68	**(500)**
Transactions with owners, recorded directly in equity						
Other reserve movements	(2)	(56)	9	**(49)**	2	**(47)**
Dividends			(396)	**(396)**	(38)	**(434)**
BEE charge in terms of IFRS 2		6		**6**		**6**
Shares issued in current year	12			**12**		**12**
Balance at 30 September 2009	252	2 688	8 913	**11 853**	217	**12 070**
Total comprehensive income for the year		(938)	(183)	**(1 121)**	51	**(1 070)**
Transactions with owners, recorded directly in equity						
Other reserve movements		(6)	7	**1**	(1)	
Dividends			(189)	**(189)**	(34)	**(223)**
BEE charge in terms of IFRS 2		6		**6**		**6**
Shares issued in current year	43			**43**		**43**
Balance at 30 September 2010	295	1 750	8 548	**10 593**	233	**10 826**

Consolidated Statement of Cash Flows

for the year ended 30 September

R million	2010	Audited 2009 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	**3 457**	3 845
Operating cash flows – continuing operations	**3 344**	3 661
Operating cash flows – discontinued operations	**113**	184
Decrease in working capital	**1 069**	885
Cash generated from operations before investment in rental assets	**4 526**	4 730
Net investment in fleet leasing assets	**(847)**	(760)
Net investment in vehicle rental fleet	**(209)**	(69)
Cash generated from operations	**3 470**	3 901
Finance costs	**(691)**	(994)
Realised fair value adjustments on financial instruments	**(102)**	(180)
Dividends received from investments and associates	**6**	14
Interest received	**82**	146
Taxation paid	**(200)**	(603)
Cash flow from operations	**2 565**	2 284
Dividends paid (including non-controlling interest)	**(223)**	(434)
Cash retained from operating activities	**2 342**	1 850
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, investments and intangibles^	**(3)**	219
Proceeds on disposal of subsidiaries, investments and intangibles	**309**	7
Net investment leasing receivables	**135**	(139)
Acquisition of other property, plant and equipment	**(565)**	(910)
Replacement capital expenditure	**(346)**	(522)
Expansion capital expenditure	**(219)**	(388)
Proceeds on disposal of property, plant and equipment	**68**	180
Net cash used in investing activities	**(56)**	(643)
Net cash inflow before financing activities	**2 286**	1 207
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on share issue	**43**	12
Proceeds from long-term borrowings	**1 920**	4 379
Repayment of long-term borrowings	**(2 928)**	(4 328)
Decrease in short-term interest-bearing liabilities	**(826)**	(710)
Net cash used in financing activities	**(1 791)**	(647)
Net increase in cash and cash equivalents	**495**	560
Cash and cash equivalents at beginning of year	**1 627**	1 238
Cash and cash equivalents held for sale at beginning of year	**145**	31
Effect of foreign exchange rate movement on cash balances	**(106)**	(57)
Effect of cash balances classified as held for sale	**(6)**	(145)
Cash disposed	**(227)**	
Cash and cash equivalents at end of year	**1 928**	1 627
Cash balances not available for use due to reserving restrictions	**413**	360

** Restated for the treatment of IAS 7 and IAS 16*

^ This movement includes the repayment of loans by joint ventures and associates

Condensed Notes to the Consolidated Financial Statements

for the year ended 30 September

1. Basis of preparation

The condensed financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34: Interim Financial Reporting. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 30 September 2009, except for the new or amended Standards and new Interpretations adopted as detailed in note 8.

R million	Audited **2010**	2009
2. Reconciliation of net profit to headline earnings		
Net (loss)/profit attributable to Barloworld shareholders	**(7)**	671
Adjusted for the following:		
Loss/(profit) on disposal of discontinued operations (IFRS 5)	**289**	(60)
Profit on disposal of subsidiaries and investments (IAS 27)	**(38)**	
Realisation of translation reserve on disposal of offshore subsidiaries (IAS 21)	**(102)**	
Profit on disposal of properties (IAS 16)	**(22)**	(14)
Impairment of goodwill (IFRS 3)	**152**	
Impairment/(reversal) of impairment of investments in associates (IAS 28) and joint ventures (IAS 31)	**33**	(12)
Impairment of plant and equipment (IAS 16)	**51**	
Loss/(profit) on sale of intangible assets (IAS 38)	**4**	(1)
Profit on sale of plant and equipment excluding rental assets (IAS 16)	**(2)**	
Taxation effects of remeasurements		5
Headline earnings	**358**	589
Headline earnings from continuing operations	**443**	731
Headline loss from discontinued operation	**(85)**	(142)
Weighted average number of ordinary shares in issue during the year (000)		
– basic	**209 469**	208 518
– diluted	**210 187**	209 967
Headline earnings per share (cents)		
– basic	**170,9**	282,5
– diluted	**170,3**	280,5
Headline earnings per share from continuing operations (cents)		
– basic	**211,5**	350,6
– fully diluted	**210,7**	348,1
Headline loss per share from discontinued operations (cents)		
– basic	**(40,6)**	(68,1)
– diluted	**(40,4)**	(67,6)

R million	**2010**	Audited 2009
3. Exceptional items		
Profit on disposal of properties, investments and subsidiaries	**60**	18
Impairment of goodwill	**(152)**	
(Impairment)/reversal of impairment of investments	**(33)**	4
Impairment of property, plant and equipment	**(51)**	
Gross exceptional (loss)/profit from continuing operations	**(176)**	22
Taxation charge on exceptional items		(5)
Net exceptional (loss)/profit from continuing operations	**(176)**	17
Gross exceptional loss from discontinued operations		(1)
Net exceptional (loss)/profit – total group	**(176)**	16

R million	**2010**	Audited 2009 Restated*
4. Discontinued operations and assets classified as held for sale		
The car rental Scandinavia business segment was sold on 31 July 2010.		
Results from discontinued operations are as follows:		
Revenue	**1 219**	1 451
Operating profit before items listed below (EBITDA)	**104**	160
Depreciation	**(190)**	(291)
Amortisation of intangible assets	**(3)**	(4)
Operating loss	**(89)**	(135)
Fair value adjustments on financial instruments		(1)
Finance costs	**(24)**	(56)
Income from investments	**4**	11
Loss before exceptional items	**(109)**	(181)
Exceptional items (gross of taxation)		(1)
Loss before taxation	**(109)**	(182)
Taxation	**24**	39
Net loss of discontinued operations before (loss)/profit on disposal	**(85)**	(143)
Loss on disposal of discontinued operations before taxation	**(289)**	
Realisation of translation reserve	**102**	
Net (loss)/profit on disposal of discontinued operations after taxation	**(187)**	61
Loss from discontinued operations per income statement	**(272)**	(82)
The cash flows from the discontinued operations are as follows:		
Cash flows from operating activities	**(6)**	172
Cash flows from investing activities	**183**	(17)
Cash flows from financing activities	**(92)**	(40)
Assets classified as held for sale consist of the following:		
– Car rental Scandinavia		2 345
– Logistics African and Asian trading business	**52**	
– Other assets		13
	52	2 358
Liabilities directly associated with assets classified as held for sale consist of the following:		
– Car rental Scandinavia		1 509
– Logistics African and Asian trading business	**58**	
	58	1 509

** Restated for the treatment of IAS 7 and IAS 16*

R million	Audited 2010	2009
5. Dividends		
Ordinary shares		
Final dividend No 162 paid on 18 January 2010:		
70 cents per share (2009: No 160 – 150 cents per share)	**147**	312
Interim dividend No 163 paid on 7 June 2010:		
20 cents per share (2009: No 161 – 40 cents per share)	**42**	84
	189	396
Paid to non-controlling interest	**34**	38
	223	434
Dividends per share (cents)	**75**	110
– interim (declared May)	**20**	40
– final (declared November)	**55**	70
6. Contingent liabilities		
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims	**1 367**	1 212
Litigation, current or pending, is not considered likely to have a material adverse effect on the group.		
The group has given guarantees to the purchaser of the coatings Australian business relating to environmental claims. The guarantees are for a maximum period of eight years up to 2015 and are limited to the sales price received for the business.		
Buy-back and repurchase commitments not reflected on the balance sheet	**224**	294
The related assets are estimated to have a value at least equal to the repurchase commitment.		
There are no material contingent liabilities in joint venture companies.		
7. Commitments		
Capital expenditure commitments to be incurred:		
Contracted	**1 016**	920
Approved but not yet contracted	**331**	503
	1 347	1 423
Operating lease commitments	**1 950**	2 151
Finance lease commitments	**820**	986
Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.		

8. Accounting policies

The group adopted the following new and amended Standards and new Interpretations during the current year:

- IAS 1 Presentation of Financial Statements (Revised)
- IAS 7 Statement of cash flows: Refer to annual financial statements note 34
- IAS 16 Property, plant and equipment: Refer to annual financial statements note 34
- IAS 32 Financial instruments: Classification of rights issues (Revised)
- IFRS 2 Share based payment (Revised)
- IFRS 2 Group cash-settled share-based payment transactions (Revised)
- IFRS 3 Business combinations (Revised)
- IFRS 8 Operating segments: Refer to annual financial statements note 34
- IFRIC 14 Prepayments of a minimum funding requirement (Revised)
- IFRIC 17 Distributions of non-cash assets to owners
- IFRIC 19 Extinguishing financial liabilities with equity instruments

9. Related party transactions

There has been no significant change in related party relationships since the previous year.

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

10. Events after the reporting period

Agreement has been reached to acquire our partner's 50% shareholding in Vostochnaya Technica (VT) for US$52 million (R363 million). VT distributes and supports Caterpillar and allied equipment across Siberia and the Russian Far East.

The transaction is subject to certain regulatory approvals but the group has acquired control of VT from 1 October 2010 through the right to approve an additional director. Acquisition date for values are in the process of being determined.

11. Auditor's opinion

The auditors, Deloitte & Touche, have issued their opinion on the group's financial statements for the year ended 30 September 2010. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These summarised provisional financial statements have been derived from the group financial statements and are consistent in all material respects, with the group financial statements. A copy of their audit report is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

Salient Features

for the year ended 30 September

	Audited	
	2010	2009
Number of ordinary shares in issue, including BEE shares (000)	**230 452**	227 440
Net asset value per share including investments at fair value (cents)	**5 032**	5 731

Operating segments (audited)

R million	Revenue Year ended 30 September 2010	2009 Restated*	Operating profit/(loss) Year ended 30 September 2010	2009
Equipment	**12 233**	17 079	**656**	1 293
Automotive	**20 827**	19 073	**772**	703
Handling	**4 086**	5 008	**(17)**	(27)
Logistics	**3 678**	4 087	**10**	77
Corporate	**6**	22	**(45)**	(52)
Total continuing operations	**40 830**	45 269	**1 376**	1 994
Car rental Scandinavia	**1 219**	1 451	**(89)**	(135)
Total discontinued operations	**1 219**	1 451	**(89)**	(135)
Total group	**42 049**	46 720	**1 287**	1 859

R million	Fair value adjustments on financial instruments Year ended 30 September 2010	2009	Operating profit/(loss) including fair value adjustments Year ended 30 September 2010	2009
Equipment	**(58)**	(151)	**598**	1 142
Automotive	**2**	(2)	**774**	701
Handling	**(28)**	(29)	**(45)**	(56)
Logistics	**(7)**	(6)	**3**	71
Corporate	**2**	(13)	**(43)**	(65)
Total continuing operations	**(89)**	(201)	**1 287**	1 793
Car rental Scandinavia		(1)	**(89)**	(136)
Total discontinued operations		(1)	**(89)**	(136)
Total group	**(89)**	(202)	**1 198**	1 657

R million	Net operating assets/(liabilities) Year ended 30 September 2010	2009
Equipment	**5 616**	8 165
Automotive	**5 629**	5 281
Handling	**1 325**	1 679
Logistics	**855**	1 049
Corporate	**108**	(103)
Total continuing operations	**13 533**	16 071
Car rental Scandinavia		1 804
Total discontinued operations		1 804
Total group	**13 533**	17 875

** Restated for the treatment of IAS 7 and IAS 16*

Notes

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