Barloworld
Leading brands

Barloworld Limited – Reviewed results

For the six months ended 31 March 2011

Clive Thomson

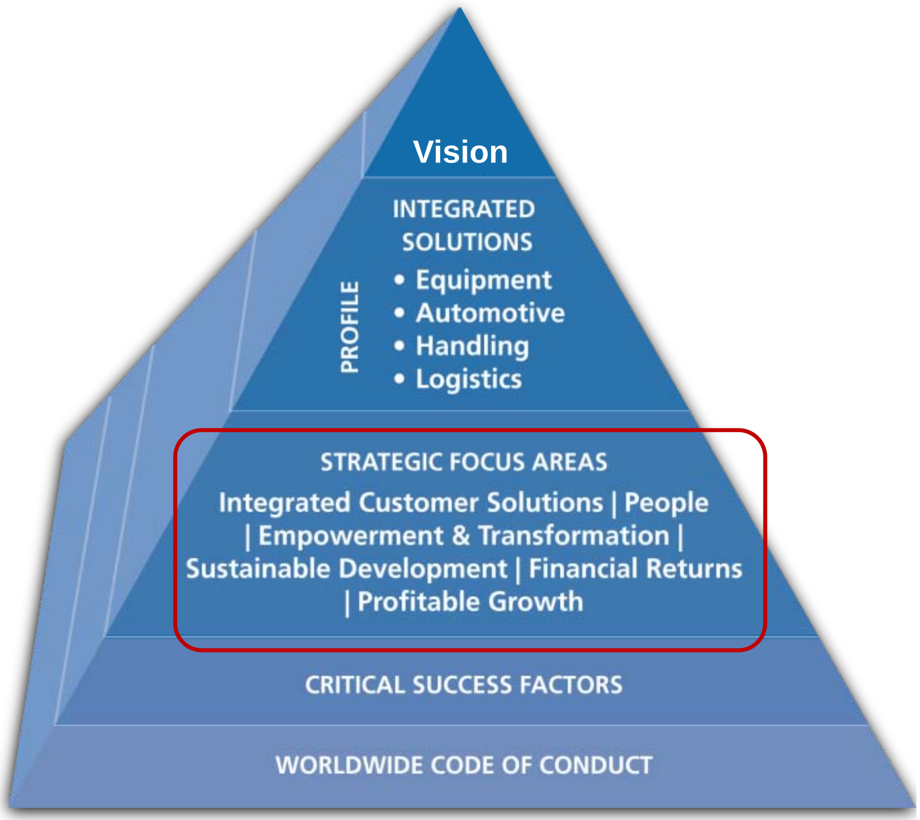
CEO, Barloworld Limited

Overview

H1:2011 Financial highlights

- Revenue up 17% to R23.6bn *(H1'10: R20.2bn)*
- Operating profit up 44% to R854m *(H1'10: R595m)*
- Operating margin of 3.6% *(H1'10: 2.9%)*
- HEPS from continuing operations up 255% to 144.3 cents *(H1'10: 40.7 cents)*
- Net profit from continuing operations R392m *(H1'10: R38m loss)*
- Interim dividend of 50 cents per share up 150 % *(H1'10: 20 cents)*
- Net debt to equity of 58% *(March '10: 67%)*

Strategic progress



Progress on strategic focus areas

- Russian Caterpillar acquisition completed
- Caterpillar Inc. acquisition of Bucyrus International awaiting regulatory approvals
- Power systems strategy gaining traction
- Car rental Scandinavia disposal concluded
- Significant investments in facility expansion across southern Africa and Russia
- Logistics business integrated into Automotive division effective 1 May 2011
- Barloworld ranked as top empowered company in general industrial sector for 2nd year running
- Significant investment into skills development and training
- Leading position in JSE carbon disclosure and performance ratings

Emphasis on driving **profitable growth** and enhancing **financial returns**

Barloworld
Leading brands

Don Wilson

Finance Director

Financial results

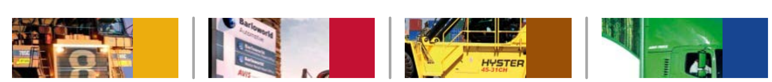
Income statement highlights

Continuing operations (Rm)	**1H'11**	1H'10*	*% chg*
Revenue	**23 625**	20 222	*17*
EBITDA	**1 729**	1 517	*14*
Operating profit	**854**	595	*44*
Fair value adjustments on financial instruments	**(66)**	(21)	
Net finance costs	**(338)**	(376)	*10*
Exceptional items (charge)	**62**	(150)	
Taxation	**(143)**	(58)	
Secondary Tax on Companies	**(11)**	(18)	
Income from associates	**34**	(10)	
Net profit from continuing operations	**392**	(38)	
Net profit/(loss) attributable to owners of Barloworld	**359**	(135)	*366*
HEPS continuing operations (cents)	**144**	41	*255*

** Reclassification of interest paid in the leasing business from cost of sales to net finance costs*

Statement of financial position

Rm	Mar 11	Sep 10
Non-current assets	**11 922**	11 626
Current assets (excluding cash)	**14 280**	12 136
Cash and cash equivalents	**1 184**	1 928
Total assets	**27 386**	25 690
Interest of all shareholders	**11 053**	10 826
Total debt	**7 633**	6 977
Other liabilities	**8 700**	7 887
Total equity and liabilities	**27 386**	25 690
Net debt	**6 449**	5 049



Summarised statement of cash flows

Rm	1H'11	1H'10*
Operating cash flows before working capital	**1 913**	1 578
(Increase)/decrease in working capital	**(1 345)**	679
Net investment in leasing assets and vehicle rental fleet	**(683)**	(1 012)
Cash (utilised in)/generated from operations	**(115)**	1 245
Other net operating cash flows	**(600)**	(502)
Dividends paid	**(135)**	(165)
Net cash (applied to)/retained from operating activities	**(850)**	578
Net cash applied to investing activities	**(435)**	(105)
Net cash (outflow)/inflow	**(1 285)**	473

Building working capital in line with increased activity levels

** Reclassification of interest paid in the leasing business from cost of sales to net finance costs*




Net cash investment in working capital

Rm	1H'11	1H'10
Inventories – (increase)/decrease	**(990)**	1 061
Receivables – (increase)	**(863)**	(359)
Payables – increase/(decrease)	**508**	(23)
Total working capital – (increase)/decrease	**(1 345)**	679

Rm	1H'11	1H'10
Equipment southern Africa	**(614)**	839
Equipment Europe	**(76)**	234
Equipment Russia	**65**	-
Automotive and Logistics	**(502)**	(198)
Handling	**(124)**	(80)
Other	**(94)**	(116)
Total working capital – (increase)/decrease	**(1 345)**	679

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 2011	**40**	**627**	**161**	**69**	**58**
30 September 2010	34	482	202	64	47
31 March 2010	50	531	185	82	67

- Net debt of R6 449m *(Sep 2010: R5 049m)* increased by R1 400m (Russia: R410m)
- Fitch A+ rating maintained, stabilised outlook
- Capital structure strong

Ratios include car rental Scandinavia for 31 March 2010

Debt maturity profile

Interest bearing debt		Redemption	
Rm	Total	Short-term	Long-term
South Africa	7 110	2 668	4 442
Offshore	523	322	201
Total debt March 2011	**7 633**	**2 990**	**4 643**
Total debt September 2010	6 977	2 692	4 285

- Ratio of long-term to short-term debt 61:39 *(Sep 2010 – 61:39)*
- Plans advanced to refinance BAW1 bond (R1 270m)
- R7.7bn unutilised bank facilities at March 2011

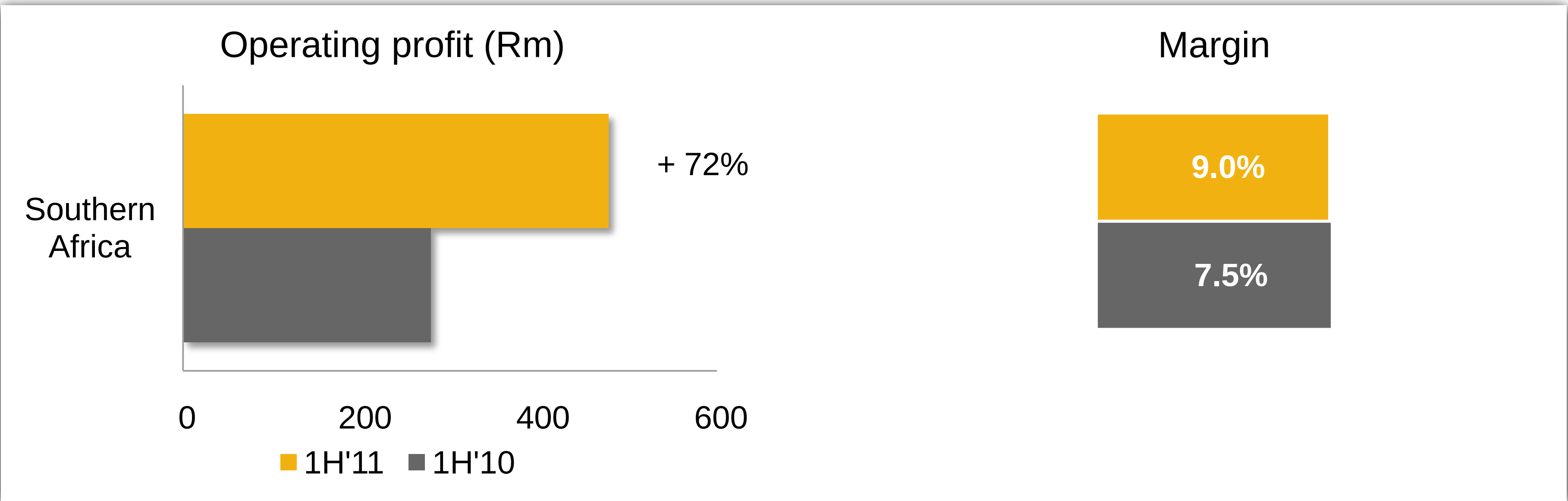
Well placed to fund future growth opportunities

Equipment Southern Africa

Operational Review – Equipment southern Africa

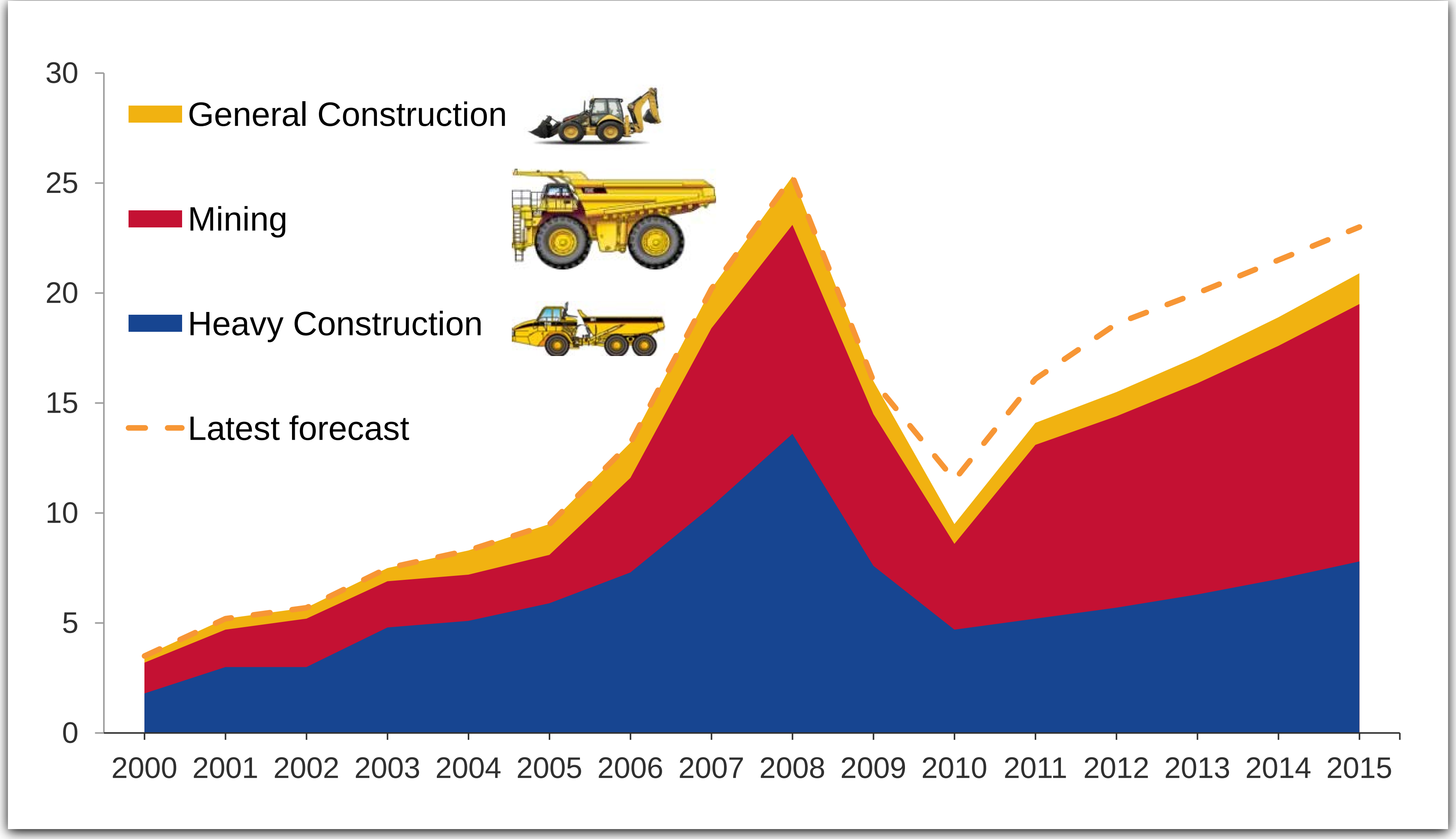
Performance

- Achieved operating profit growth of 72% from R278m to R478m
- Attained operating margin of 9.0%, up from 7.5%
- Strong demand in mining and contract mining
- Completed successful delivery of first tranche of equipment to Vale project
- Jwaneng Contractor B project awarded – letter of intent (LOI) received for support equipment
- Investment in facilities and skills development continues






Market trend and outlook for southern Africa (constant value)



Progress on Projects in Mozambique

Vale

- $116m new units
- $72m MARC over 5 year period
- Currently 10 x 793 operating
- Additional 14 x 793 OHT's to be delivered by Sept 2011
- Additional 5 before Dec 2011
- LOI received from Vale for 10 x 797 mega mining trucks

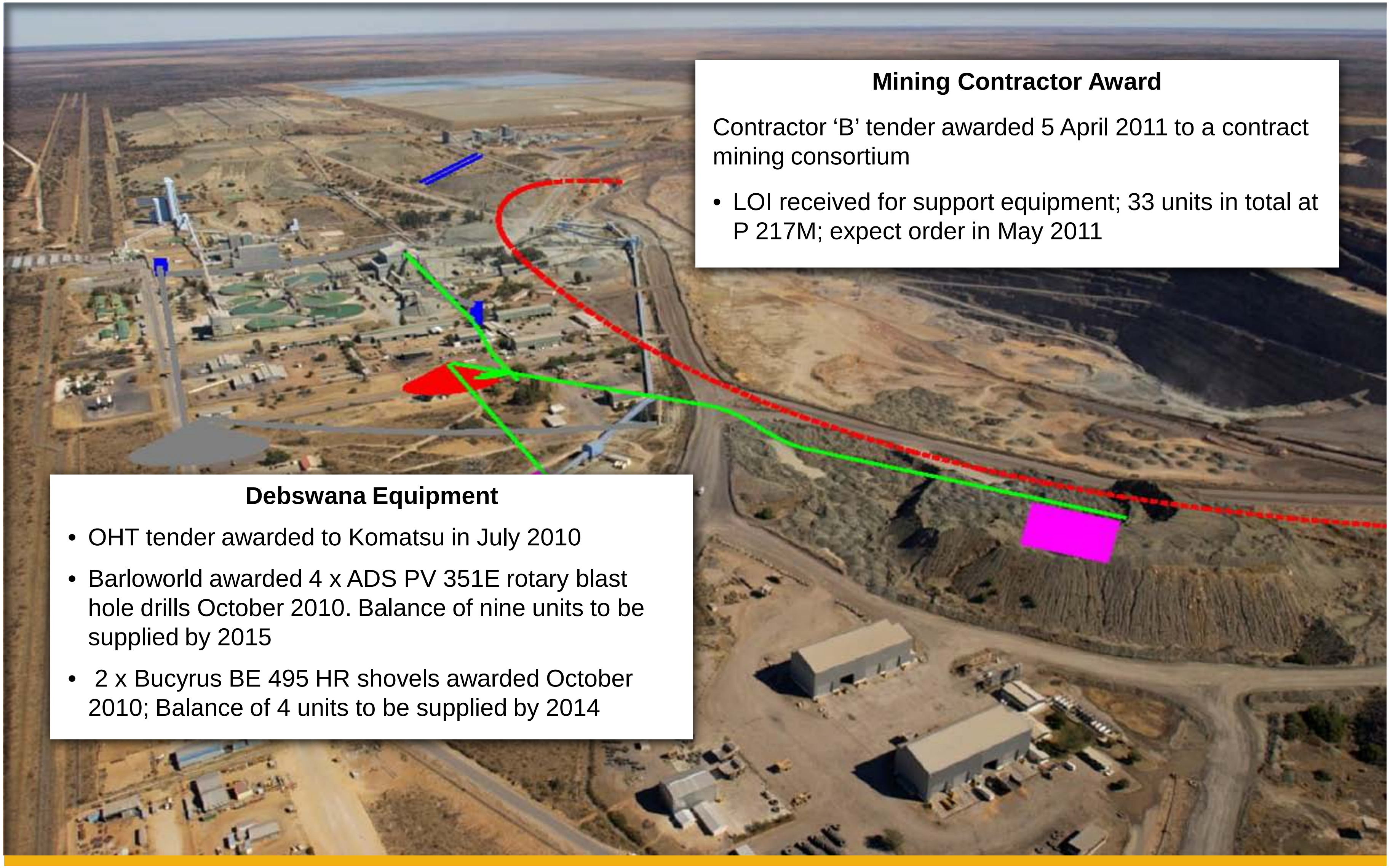
793D **797B**

Riversdale started in 2011

- Potential 20m tons/year for 25 years ($1bn project)
- Currently 6 x 793 operating
- Additional 7 x 793 to be delivered by Sept 2011

797 Mega mining truck – first in Africa

Jwaneng Cut 8 Project Update - Botswana



Mining Contractor Award

Contractor ‘B’ tender awarded 5 April 2011 to a contract mining consortium

- LOI received for support equipment; 33 units in total at P 217M; expect order in May 2011

Debswana Equipment

- OHT tender awarded to Komatsu in July 2010
- Barloworld awarded 4 x ADS PV 351E rotary blast hole drills October 2010. Balance of nine units to be supplied by 2015
- 2 x Bucyrus BE 495 HR shovels awarded October 2010; Balance of 4 units to be supplied by 2014

NamPower Project

- N$250m Turnkey power project
- 3 x 16 CM32 MAK engines/generators producing 22MW
- Practical completion scheduled May 2011

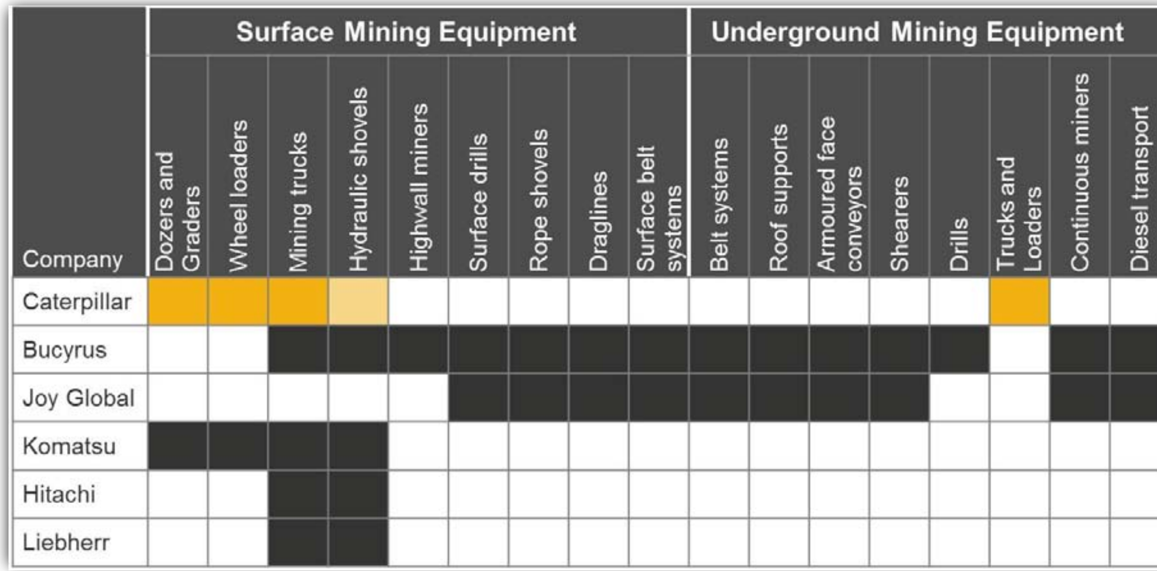
Caterpillar Inc. acquisition of Bucyrus International

- Appears on track to close by mid-year
- $8.6bn acquisition
- Significant growth opportunity for Caterpillar dealers
- Too early to assess cash flow and funding implications

Bucyrus acquisition, mining

Caterpillar
today

Important in mining,
but narrow product line



Caterpillar
and Bucyrus combined

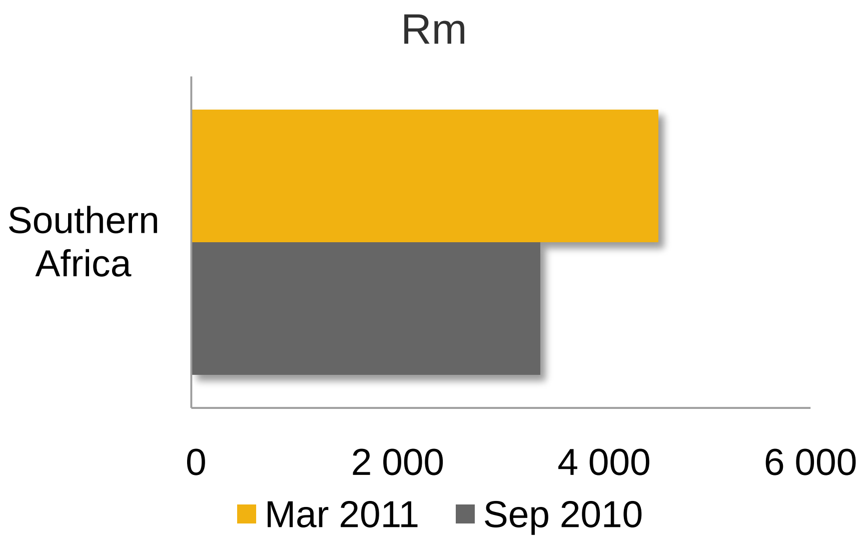
Broad mining product line

Equipment – southern Africa

Outlook

- Strong recovery in owner miner and contract mining sector remains intact
- Increase in Civil Engineering Confidence Index signals construction improvement
- Firm back orders stand at R4.5bn, up from R3.4bn in Sept 2010
- Investment in CRC expansion (R220m) targeted at increasing capacity
- Mozambique, Botswana and Zambia expected to deliver significant growth in mining
- Angola recovery in early stages

Order book

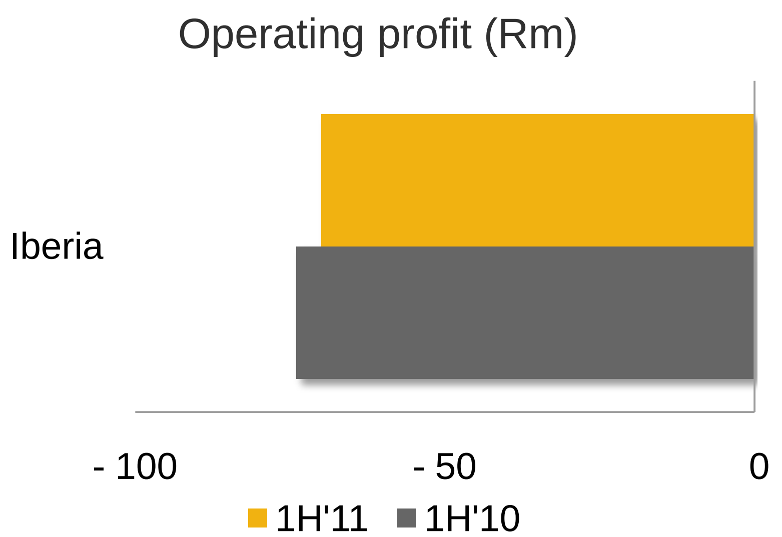


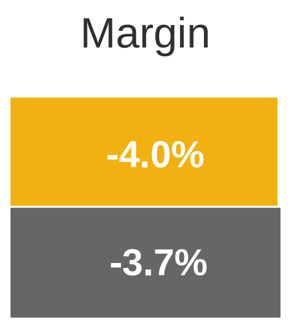
Equipment Iberia

Operational review – Equipment Iberia

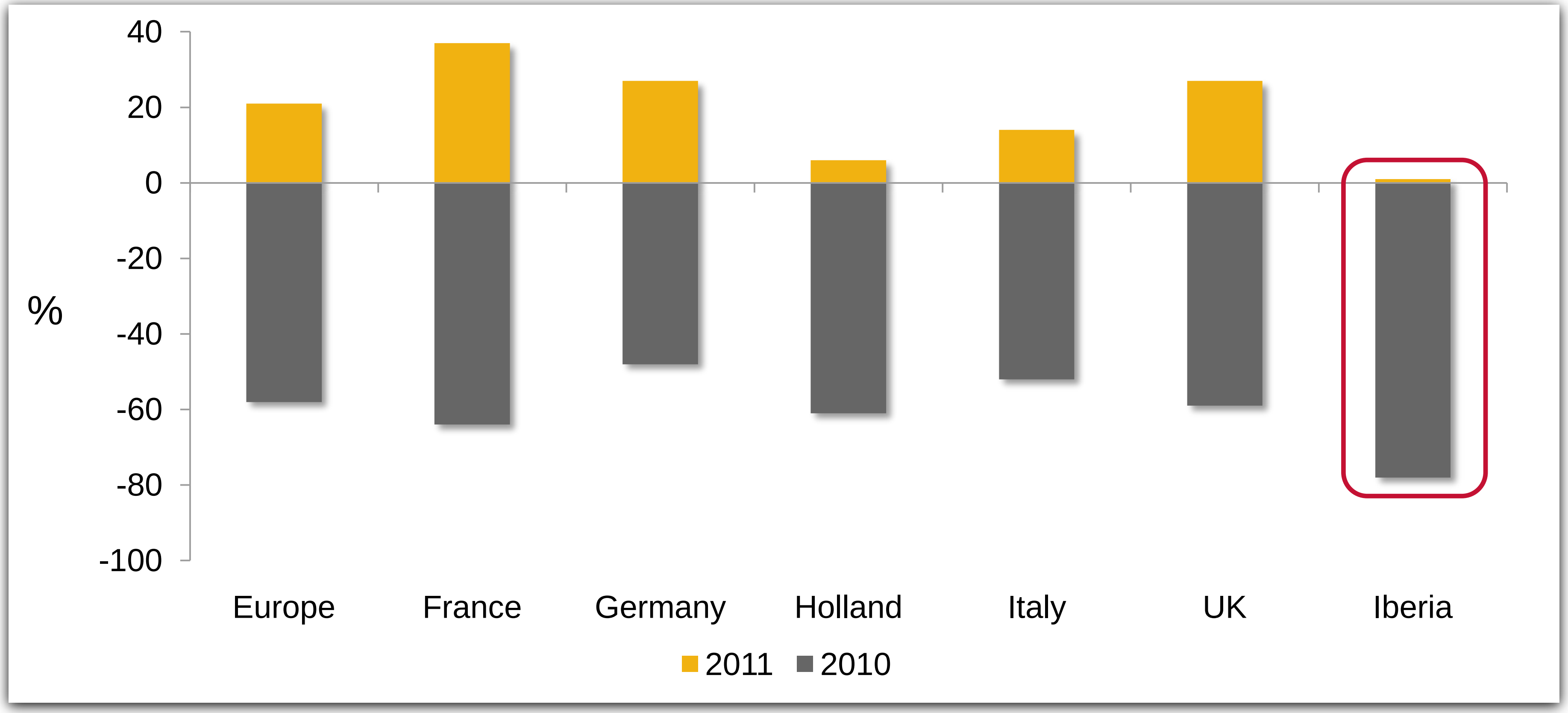
Performance

- Revenue down by 5% in Euro terms
- Operating loss of R70m (*H1'10: R74m*), on the back of restructuring costs
- R56m (€6.1m) in redundancy costs incurred in H1 compared to R29m (€2.7m) in H1'10
- Continued positive cash flows of €3 million following rental fleet reductions
- Two significant deals concluded:
    - $235m – major mining customer in Northern Spain
    - $156m – large Spanish contractor (largely export)



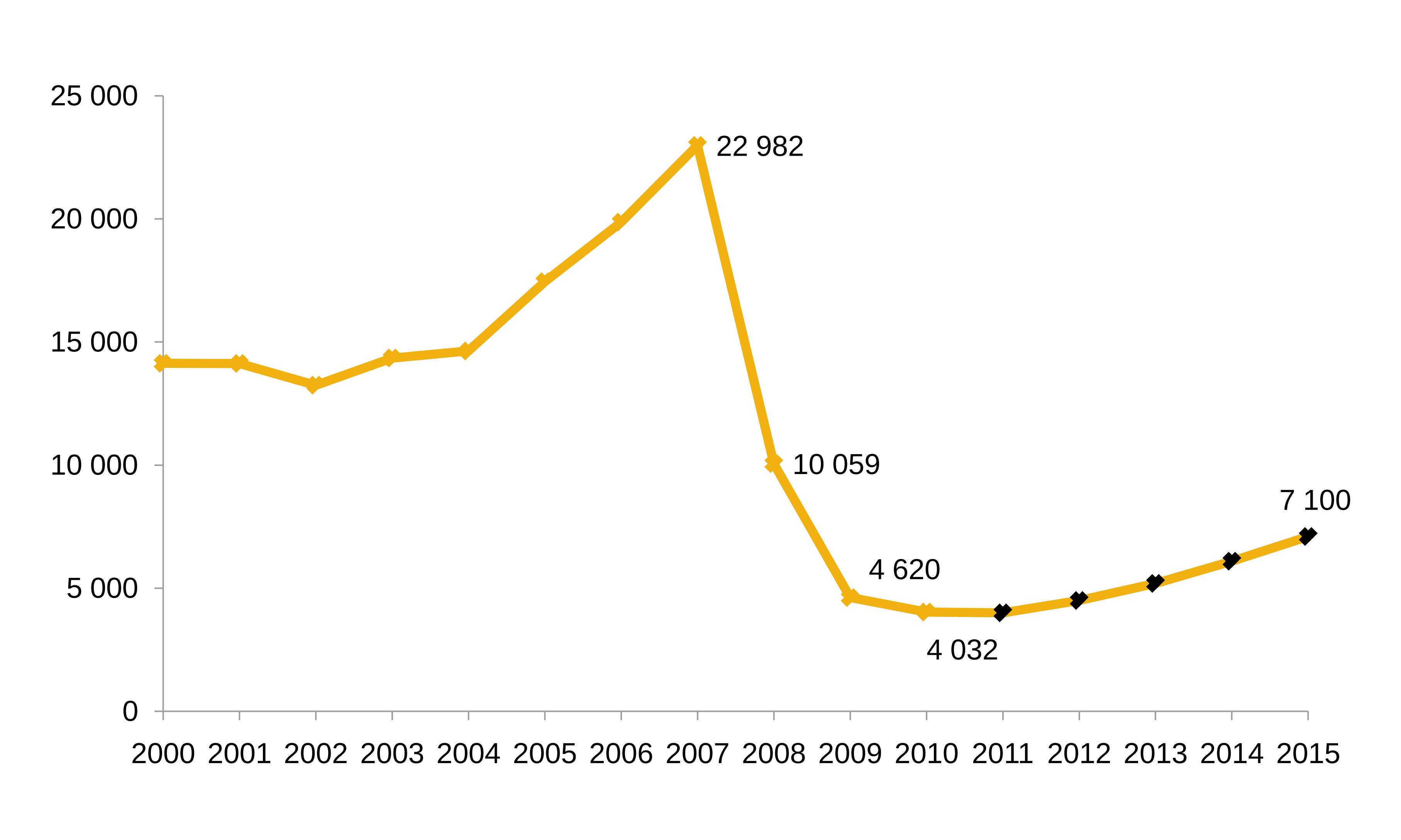


New equipment market conditions in Europe: Industry growth



- Iberian industry remains depressed with no rebound
- Market share gain in large and core machinery
- Successfully negotiated further workforce reductions
- Training investment maintained

Industry unit outlook – Iberia



Power systems strategy gaining traction

Oil and Gas

Electric Power Generation

Marine

Industrial

Power systems - Success in greenhouse market

- First reference site for co-generation in Spanish Greenhouse market
- Temperature control and CO_2 generation
- Potential for 48 MW of power generation, for a period of 75 000 hours
- Prime product sales of €11m and additional product support of €27m

Recent large deals won in Spain

EPSA

- 176 large and core public works machines
- Anticipated total deal value of $156m
- Delivery spread – 2011($7m), 2012 and 2013
- Anticipated that $25 - 40m worth of machines will be delivered in Iberia – balance delivered primarily in South America

Victorino Alonso

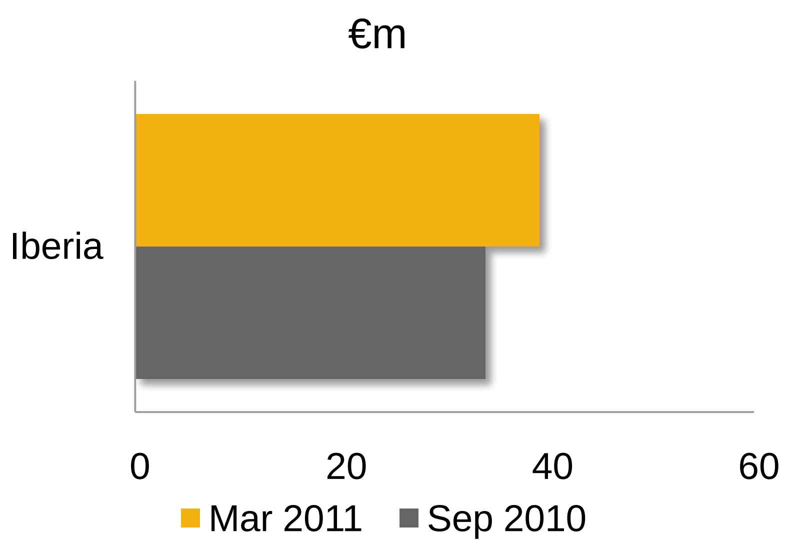
- 220 machines delivered in Iberia, including mining trucks
- Anticipated deal value of $235m
- Delivery spread – 2012 ($82m), 2013 ($153m)

Equipment – Iberia

Outlook

- Challenging macro economic environment with flat revenues in 2011
- Continued focus on growing market share while maintaining margins
- Effect of restructuring programmes has created a significantly lower cost base
- Expect to trade profitability in second half
- Retaining essential technical skills for anticipated future economic recovery
- Continued focus on cash generation and asset efficiency
- Order book excludes the Victorino Alonso and EPSA deals

Order book

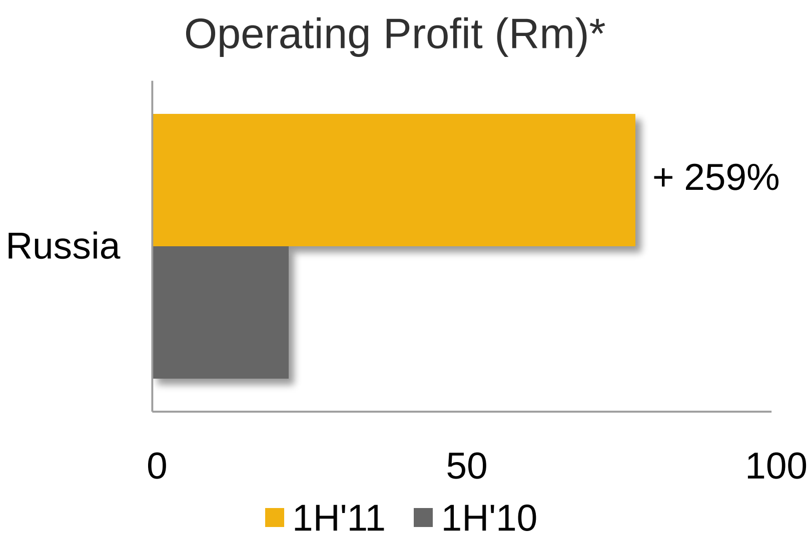


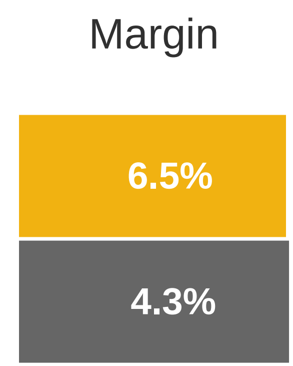
Equipment
Russia

Operational review – Equipment Russia

Performance

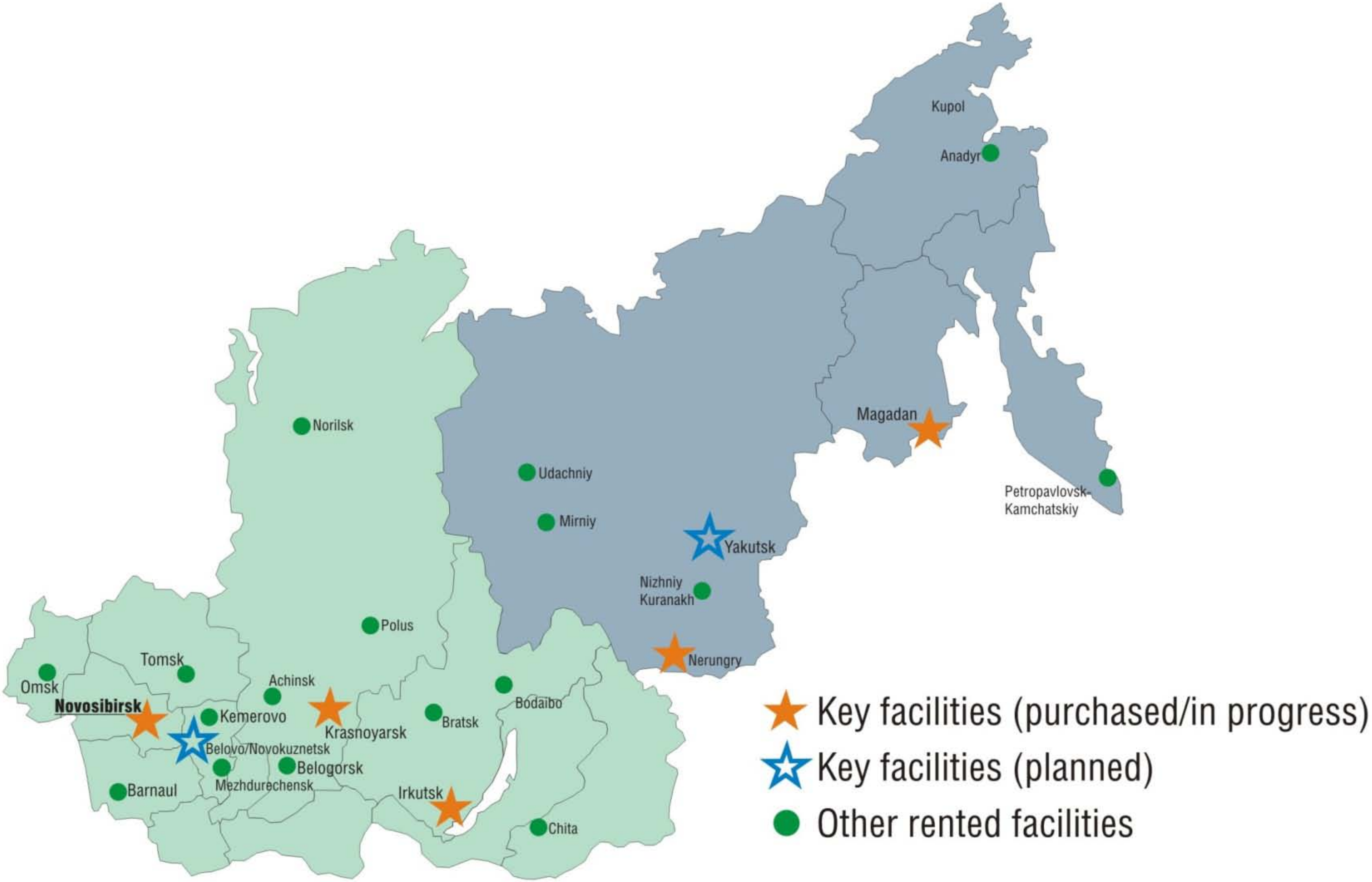
- Excellent result in the first half generating $173m (*H1'10: $71m*) in revenue
- Driven by strong mining and aftermarket business
- Power segment continues to grow
- Generated positive cash flow of $12.2m in the first six months of 2011





** 50% of PAT equity accounted in 2010 results*

Facilities expansion for future growth



New service and component rebuild facility, Novosibirsk

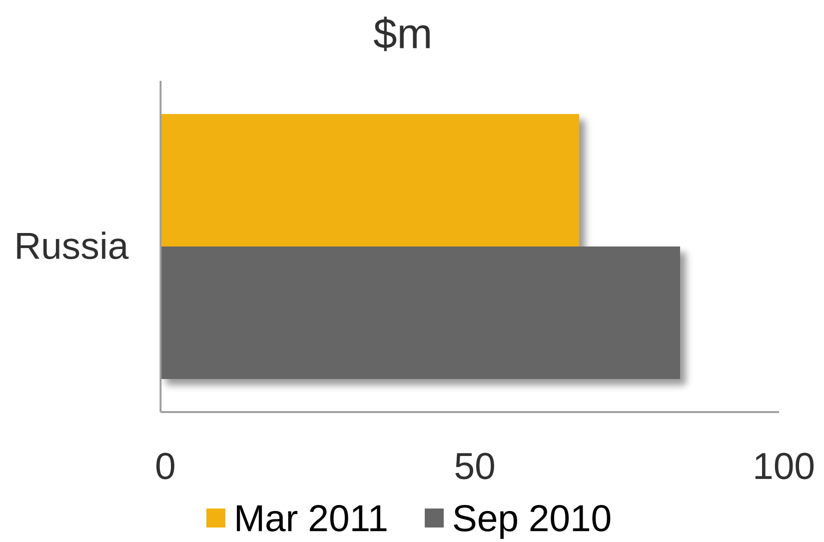
Total investment $10m – opening July 2011

Equipment – Russia

Outlook

- Second half of 2011 is expected to remain strong
- A good flow of new machine deals as evidenced by order book
- On track with opening of Novosibirsk service centre and facility expansion in the regions
- Progress on development of the power business
- Positive outlook for commodities bodes well for future activity

Order book



Automotive and Logistics

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Logistics business integrated into Automotive – 1 May 2011

Barloworld Automotive and Logistics

Car Rental
- Short-term vehicle usage

  - *Southern Africa*

Motor Retail
- Franchised motor retail
- Coachworks
- Used vehicles and disposal solutions

  - *Southern Africa*
  - *Australia*

Fleet Services
- Long term rental and fleet management

  - *Southern Africa*

Logistics
- Supply chain management
- Freight management and services
- Software

  - *Southern Africa*
  - *EMEA*

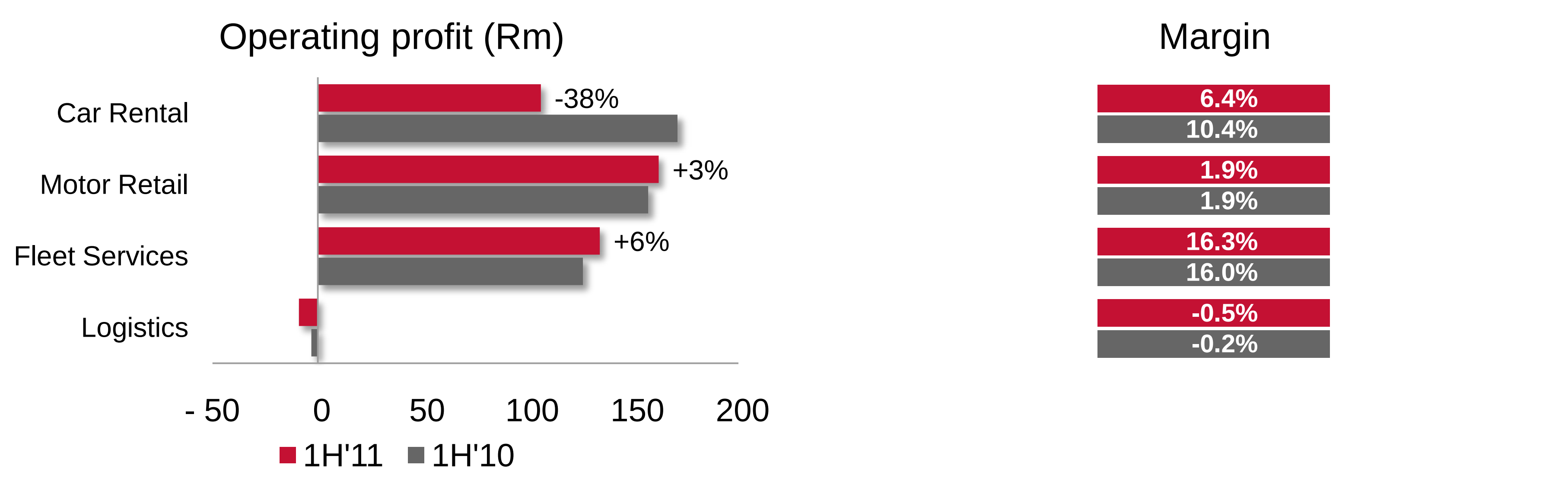
- Logistics and fleet services synergies
- Cost efficiencies
- Leveraging Automotive infrastructure to achieve critical mass for growth
- Retain strategic focus on each business unit



Operational review – Automotive and Logistics

Performance

- Revenue: R13.1bn *(1H’10: R12.4bn)* – up 6%
- Operating profit: R393m *(1H’10: R451m)* – down 13%
  - Operating margin at 3.0%



Car Rental

Performance

- Stagnant rental volumes
- Rate per day declines in aggressive trading environment
- Normalised used vehicle profits – R42m impact
- Operating lease impact R29m (2010: R22m)
- Improved fleet utilisation to 75%
- Final payments for the Scandinavian car rental business received with no residual issues

Car Rental – southern Africa	*HY:2011 (Growth)*
Rental days	*+0.1%*
Rate per day	*-4.3%*

Motor Retail

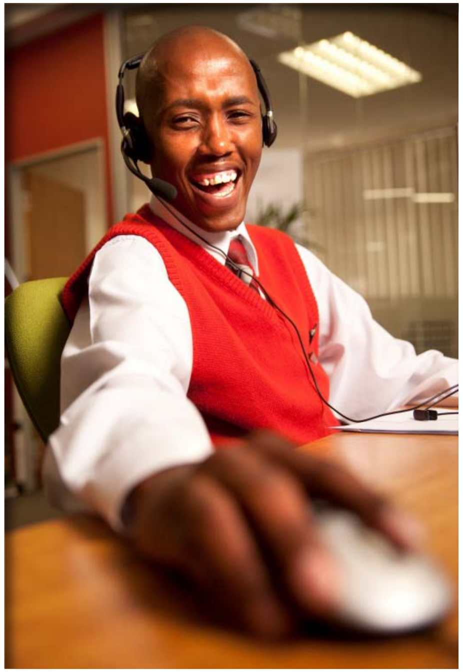
Performance

- Southern Africa delivered a satisfactory result
  - Increased new vehicle unit sales
  - Continued strong finance and insurance contribution
- Australia delivered a good result – operating profit increased by 16%
  - Improved margins from new vehicle sales
  - Solid performance from parts and service

Fleet Services

Performance

- Good result in low interest rate environment
- Selective financed fleet growth
- Strong growth in fleets under maintenance
- Used vehicle profitability contributed

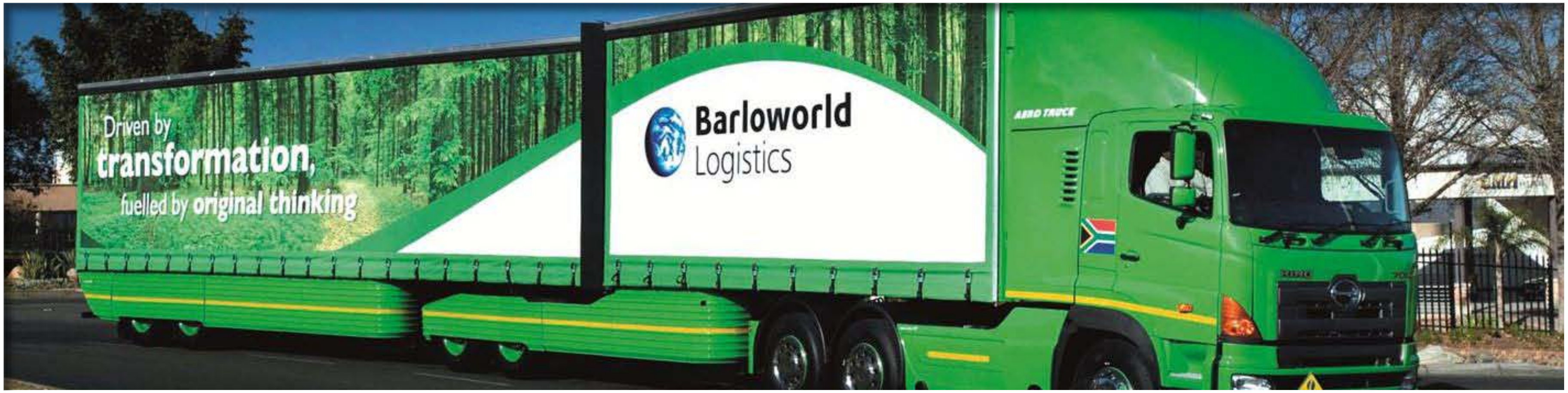


Fleet Services	*HY:2011 (Growth)*
Finance fleet	*+3%*
Under maintenance	*+25%*
Total vehicles under management	*+21%*

Logistics

Performance

- Supply Chain Management
  - Reduction in volumes in Dedicated Transport Services (DTS)
  - Lower volumes in Supply Chain Management (SCM) operations
- Freight Management and Services
  - Improvement in volumes in South Africa
  - Rationalisation and cost control starting to take effect internationally
  - Exited African and Asian non-corporate trader businesses effective end February 2011



Automotive and Logistics

Outlook

Car Rental

- Expect challenging industry trading conditions to continue in H2

Motor Retail

- Japanese impact on parts and vehicle supply uncertain
- Southern Africa well positioned to benefit from improving new vehicle market
- Australia expected softer H2 due to stock shortages

Fleet Services

- Stable growth across all regions

Logistics

- Strong internal focus on improving volumes and margins across all business units
- Settle internal structures post integration in order to derive expected benefits

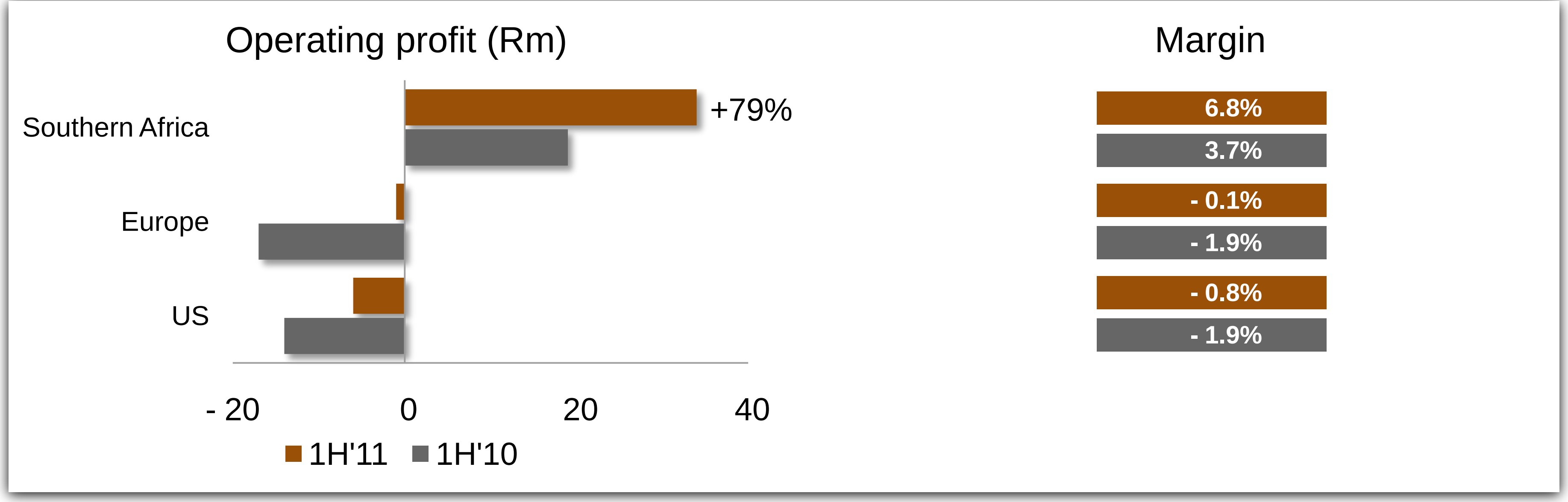
Handling

Barloworld
Leading brands

Operational review – Handling

Performance

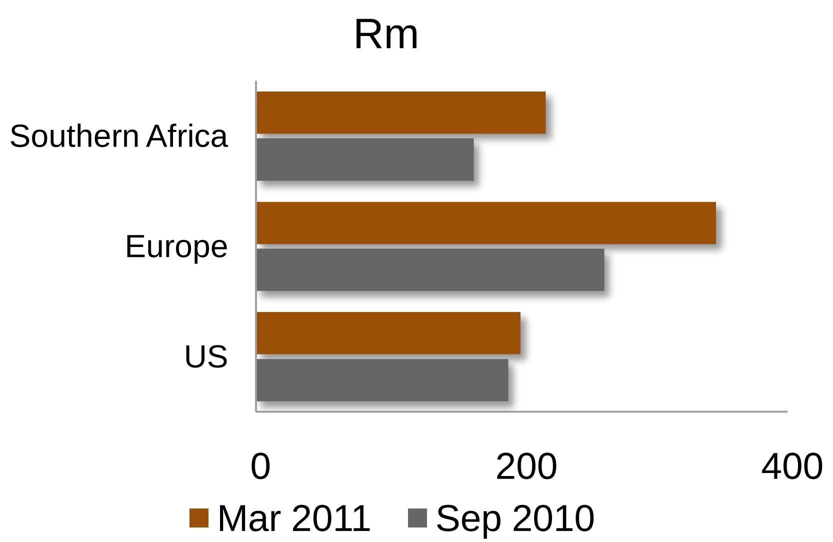
- Divisional operating profit of R27m *(H1'10: R12m loss)*
- Agriculture SA improves despite weak sentiment and shortage of low cost tractors
- Start-up agricultural operations in Mozambique and Siberia showing potential
- Europe moves back into profit before start up costs in Siberia
- Significantly reduced loss in US
- New equipment market share growth in US and Netherlands
- Modest growth in asset base; working capital down from 69 days (*H1'10*) to 51 days



Handling

Outlook

- Recovery gathering momentum in Hyster operations
- New low cost tractor ranges on stream in H2 to improve agriculture performance
- Agriculture footprint now includes Mozambique and Siberia
- Investment in people has enhanced our sales, service capability and customer focus
- ‘Form the Future’ project will allow increased leverage of cost and asset base
- Business development teams addressing major new solutions opportunities
- End March order book up 25% on September and 76% up on a year ago



Order book

Clive Thomson

CEO, Barloworld Limited

Going forward

Strategic growth areas

Mining

Chinese demand and global economic recovery to drive commodity prices and increased levels of mining investment

Geography
Southern Africa
Russia

Infrastructure

Infrastructure backlogs and rapid urbanisation in emerging markets to drive infrastructure investment

Geography
Southern Africa
Iberia
Russia

Power

Capacity constraints and increasing electrification requirements provide opportunities in electric power. Marine and petroleum segments also have significant potential

Geography
Southern Africa
Iberia
Russia

Strategic growth areas

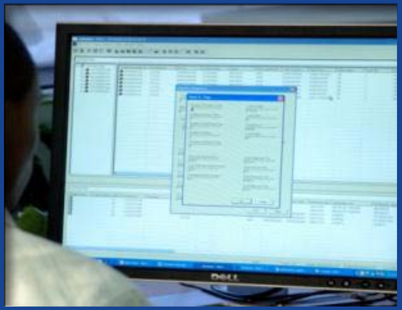
Automotive

Tourism potential, growing corporate demand for outsourced vehicle fleets, and other solutions platforms related to vehicle usage

Geography

Southern Africa
Australia

Logistics



Ongoing trend to outsource supply chain management activities and recovery in world trade

Geography

Southern Africa
Middle East, Europe
China

Handling

Growth opportunity in providing super-integrator solutions. Demand for food and bio-fuels likely to significantly increase agricultural equipment opportunity in emerging markets

Geography

US, UK, Europe, Siberia
Southern Africa

Clive Thomson, CEO of Barloworld, said:

"With order books continuing to increase across most businesses, we anticipate a strong second half of the financial year with earnings expected to be significantly up on both the first half of 2011 and the second half of last year. As the recovery gains momentum in most of our key market segments, particularly mining, our focus has shifted to driving profitable growth and enhancing the overall level of financial returns across our businesses. Our financial position remains strong and we are well placed to take advantage of a number of exciting growth opportunities in the year ahead."

17 May 2011

Clive Thomson

CEO, Barloworld Limited

Questions