

March 2007 Interim Results - Final

Barloworld Limited (Registration number 1918/000095/06)

JSE codes: BAW and BAWP

ISIN codes: ZAE000026639 and ZAE000026647

Reviewed interim results for the six months ended 31 March 2007

New strategic focus positions Barloworld for the future

- **Revenues up 30% to R24 324 million**
- **Operating profit increases 25% to R2 157 million**
- **Headline earnings per share up 14% to 467 cents**
- **Headline earnings per share (excluding STC on special dividend) up 30%**
- **Proposed interim distribution up 17% to 175 cents per share**
- **Special dividend of R5 per share paid on 2 April 2007**
- **Announced strategic actions proceeding according to plan**

Clive Thomson, CEO of Barloworld, said:

"We have embarked on a new course for Barloworld. With the group's future focus as a leading global distribution business, we are in a strong position to capitalise on favourable trading conditions in each of our chosen business segments. We have exciting growth opportunities within our Caterpillar equipment businesses, face a growing market in our southern African Avis car rental operations, and have a number of expansion possibilities within our Logistics division. Our motor retail businesses are performing well and we look forward to ongoing improvements from streamlining our Hyster materials handling division following the impending disposal of the Freightliner operations. The outlook for the refocused group is very positive and we expect continued growth in all these businesses for the full year."

"A number of steps have been taken to unlock shareholder value including the disposal of underperforming businesses. In this regard, we are pleased to report good progress on the strategic actions announced at our annual general meeting on 25 January 2007."

14 May 2007

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For background information visit www.barloworld.com

Future direction of the group

At the annual general meeting held on 25 January 2007, it was announced that Barloworld Limited will be repositioned and profiled as a focused distribution company with an offering that includes integrated product support as well as rental and logistics solutions. The group will comprise businesses that fit the above strategic profile, meet strict performance criteria, and demonstrate good growth potential.

The board conducted an assessment of the impact of unbundling the Motor division and concluded that it is in the best long-term interests of shareholders and the company for the division to remain as an integral part of the Barloworld group.

Following the implementation of the announced unbundlings and disposals referred to below, the Barloworld group will comprise of the following core divisions:

- Equipment (earthmoving and power systems)
- Motor (car rental, fleet services and motor retail)
- Materials Handling (forklift truck distribution and fleet management)
- Logistics (logistics management and supply chain optimisation).

Progress on announced strategic actions

1. Unbundlings to unlock shareholder value

We announced on 27 March 2007 that Barloworld is at an advanced stage of preparing for the Pretoria Portland Cement Company Limited (PPC) unbundling. The PPC unbundling circular has been finalised and will be posted on Thursday 17 May 2007. A general meeting of shareholders to consider the PPC unbundling will be held on 8 June 2007. It is further anticipated that the PPC unbundling transaction, which is conditional upon shareholder approval at the general meeting, will be implemented on 16 July 2007, subject to all regulatory requirements being satisfied.

An independent non-executive director, Trevor Munday, has been appointed as chairman of a board subcommittee to manage the Coatings division unbundling. This process is targeted to be concluded before the end of the calendar year.

2. Disposal of businesses

Within the Scientific division, the sale of Melles Griot has recently been concluded for a consideration above tangible net asset value. The transaction remains subject to certain conditions precedent and is expected to close by end June 2007. Advisors have been appointed to assist in the disposal of the laboratory business and numerous indicative bids have been received. The targeted completion date remains the end of the calendar year.

Within the Industrial Distribution division, we have sold DitchWitch of Georgia effective 27 April 2007. The process to sell the Freightliner operations has commenced and we have made good progress in the disposal of the Vacuum Technology business. In the Equipment division, a decision has also been taken to exit the Finaltair biomass energy joint venture in Spain.

Where applicable, impairment provisions have been made to write down goodwill or assets to their estimated recoverable amounts.

The sale of the Steel Tube division to a management and BEE consortium was finalised in November 2006 as was the sale of the major part of our UK leasing book.

3. BEE and transformation

The process to finalise the details of the group's broad based Black Economic Empowerment (BEE) transaction is on track. Separate transactions are being planned for PPC and the Coatings division and the Barloworld transaction will therefore be implemented shortly after these companies have been unbundled.

Strong trading performance for half year

Revenue growth of 30% has been positively impacted by favourable trading conditions in most of the businesses to be retained in the Barloworld group.

Operating profit from continuing operations is up 25% driven by strong growth in the southern African equipment business and a pleasing result in Spain. The Motor division also performed very well with significant contributions from Avis Rent a Car South Africa and a strong turnaround in Motor Retail Australia. We have seen continued improvements in our handling business in the UK and our Logistics division is beginning to make a meaningful contribution to group profits.

Growth in profits from divisions that will be unbundled - Cement and Coatings - were also good. The Scientific division has performed ahead of the previous period despite weak market conditions, due mainly to fixed cost savings. This division has been disclosed as discontinued due to the impending sales of Melles Griot and the laboratory business.

A significant downsizing of the corporate offices is underway. Redundancy costs amounting to R60 million have been provided against operating profit at the half year. Estimated annualised savings from these initiatives amount to approximately R80 million.

Headline earnings per share (HEPS) increased by 14% to 467 cents per share. This was negatively impacted by the R125 million secondary taxation on companies (STC) charge provided on the R5 per share special dividend paid on 2 April 2007. Adjusting for this STC charge, HEPS increased by 30%.

It is the intention of the board to declare an interim distribution of 175 cents per share (17% up on the prior period) on 8 June 2007. Details of the last day to trade and the payment date will be published on that date.

Directorate

Clive Thomson was appointed as Chief Executive Officer (CEO) of Barloworld Limited effective from 18 December 2006.

Dumisa Ntsebeza was appointed interim Chairman on 25 January 2007 following Warren Clewlow reaching the mandatory retirement age. The search committee that was tasked to appoint a permanent Chairman is making good progress, and an announcement in this regard will be made shortly.

Isaac Shongwe was appointed as an executive director and CEO of Barloworld Logistics Africa, while Hixonia Nyasulu, Gordon Hamilton, and Trevor Munday were appointed as non-executive directors effective 26 January 2007.

Warren Clewlow, Tony Phillips, Mike Coward and Lester Day retired from the board. We would like to thank them for their valuable contribution to the company over many years.

In other executive management moves, John Blackbeard will take over as CEO of the Industrial Distribution division on 1 October 2007 when Brandon Diamond returns to South Africa following the completion of his term.

Outlook

In southern Africa, growth in the construction and mining sectors is expected to result in a further increase in activity in the Equipment division. We have entered into a joint venture in the mineral-rich Katanga province of the Democratic Republic of Congo, which will provide us with further growth potential in the southern African region. In the Motor division, increased interest rates are impacting the sales of passenger vehicles, although sales of commercial vehicles are continuing strongly. We expect sustained growth in the car rental business. In the fleet services business, we are delivering vehicles into new fleet contracts and are in a good position to further grow our fleet under management. Growth in the Logistics division is expected to continue at a rapid pace.

In Iberia, we are seeing good demand for equipment in Spain and expect conditions to remain stable for the short to medium term. Conditions in Portugal, however, are expected to remain weak in the short term.

Our handling business in Europe is benefiting from the streamlining of its operating structure. In the US, the materials handling business is expected to continue performing well, although slowing economic conditions are evident through lower deliveries and a reduced customer order book.

In Australia, we expect further benefit from the investments in our motor retail facilities and the strategic repositioning of our represented brands.

In businesses that will be unbundled, cement sales continue to grow strongly while the coatings business in southern Africa is benefiting from strong demand and the contribution from recently acquired businesses. These companies will have a good future, independent of Barloworld.

As a result of the implementation of many of the strategic actions announced, including the PPC unbundling, business disposals and corporate restructuring, as well as some once-off favourable profit impacts in the second half of last year, the results for the full year will not be directly comparable with the prior year. However, we expect the underlying operating performance to show good progress on 2006.

DB Ntsebeza
Chairman

CB Thomson
Chief Executive Officer

Group Financial Review

Strong growth in all our major businesses resulted in revenue from continuing operations increasing by 30% to R24 324 million.

Operating profit rose by 25% to R2 157 million, driven by the strong revenue growth. Included in operating profit are redundancy and restructuring charges of R60 million associated with the re-organisation of the corporate offices. Operating profit margin fell slightly from 9.3% to 8.9%.

Headline earnings per share of 467 cents (1H'06: 408 cents) is 14% higher than last year but was adversely impacted by the additional secondary tax on companies (STC) of 62 cents per share relating to the special dividend of R5 per share paid on 2 April 2007.

The charge for fair value adjustments on financial instruments reduced to R12 million (1H'06: R69 million) mainly due to the decision in June 2006 to implement hedge accounting for Caterpillar machine purchases and in November 2006 for Caterpillar spare parts in the southern African equipment business. The effect of these decisions is that a net amount of R6 million before tax is now deferred in equity.

Net finance costs increased by R80 million to R241 million mainly due to higher borrowings resulting from the increased trading activity and higher interest rates. The increase in the second half of last year was R76 million.

The exceptional loss of R190 million includes the pre-tax impairments of the investment in Finalair and goodwill relating to the Freightliner dealerships in the USA.

The taxation charge (before STC) of R521 million rose by 20%. The effective tax rate excluding STC, prior year taxation and taxation on exceptional items increased to 31.1% (1H'06: 29.0%).

The substantial increase in the STC charge to R276 million (1H'06: R116 million) is mainly due to STC of R125 million provided on the special dividend of R1 billion paid on 2 April 2007.

In terms of accounting standards the results of the Cement and Coatings divisions are included in continuing operations until the date of unbundling. Once the unbundlings have been implemented, the results will be reported as discontinued operations for the period up to the unbundling date and for the full comparative reporting period.

The profit from discontinued operations of R28 million (1H'06: R90 million loss) comprises the results of the Steel Tube division (two months up to date of disposal) and the Scientific division (six months).

The Steel Tube division was sold with effect from 30 November 2006. The Scientific division has been accounted for as a discontinued operation following the decision earlier this year to dispose of its businesses.

Cash generated from operations decreased by R85 million to R1 828 million mainly due to an increase of R1 441 million in net working capital due to higher levels of activity. This is, in part, a timing issue with strong deliveries anticipated in the second half of the financial year. Net cash generated from investing activities of R296 million includes additions to property, plant and equipment and intangibles of R772 million; a further net investment of R778 million in rental assets and hire vehicles; and proceeds of R1 973 million from the disposal of subsidiaries, investments, plant and equipment and the sale of the UK handling leasing assets.

The group's balance sheet remains strong with total assets employed in the business declining by 5% in the past six months to R33 711 million. The reduction is mainly due to the disposal of the UK leasing book and the Steel Tube division.

Assets classified as held for sale of R 3 336 million comprise mainly the Scientific division (R1 745 million) and Freightliner, DitchWitch and Vacuum Technologies within the Industrial Distribution division (R982 million).

Total interest-bearing borrowings of R9 728 million (September 2006: R9 884 million) represent a group debt to equity ratio of 76% (September 2006: 73%), while the debt to equity ratio for the Trading businesses is 42% (September 2006: 32%).

Capital commitments of R3 002 million include the approved expansion within our Cement division estimated at R1 656 million.

DG Wilson
Finance Director

Operational reviews

In the case of the leasing businesses, the operating profit is net of interest paid. Income from associates, which includes our share of earnings from joint ventures, is shown at the profit after taxation level.

Net operating assets comprise total assets less non-interest bearing liabilities. Cash is excluded as well as current and deferred taxation assets and liabilities. In the case of the leasing businesses, net assets are reduced by interest-bearing liabilities.

Comparative numbers have been restated as per note 19.

EQUIPMENT

R million	Revenue			Operating profit including fair value adjustments			Net operating assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	30 Sep 06
- Europe	3 511	2 509	5 415	293	218	474	3 258	3 368
- Southern Africa	4 084	2 815	6 212	337	189	645	2 599	2 304
	7 595	5 324	11 627	630	407	1 119	5 857	5 672
Share of associate income after taxation				6	10	27		

The business in this division arises mainly from our enduring partnership of 80 years with Caterpillar Inc. as their dealer in 16 countries.

Activity levels in Iberia were well up on the prior period, as construction demand in Spain remained at a high level and our public works machine sales were strong. We have not yet seen any impact from the reported cooling down in the Spanish residential market. Conditions in Portugal, however, continue to be weak. Overall operating margins fell slightly due to a higher mix of new equipment sales relative to product support revenues.

The southern African business continues to see accelerated demand for capital equipment. The construction industry is starting work on major public works and we have seen rising demand from this sector. The mining industry is investing in new capacity with significant new orders placed for Caterpillar equipment. During the period under review we have entered into a joint venture in the mineral-rich Katanga province of the Democratic Republic of Congo, which will provide us with further growth potential in the southern African region.

Associate income includes the results from the Siberian joint venture business as well as Energyst and Finaltair. Activity levels in Siberia in the mining and resource sectors remain high, and we are continuing to grow both our earthmoving and power systems businesses.

All territories recorded high levels of order intake which is a positive sign for equipment deliveries over the next 12 months. At March 2007 there are firm customer orders of R6.5 billion (September 2006: R4.8 billion). The order book placed on Caterpillar is US\$978 million (September 2006: US\$906 million).

Longer lead times and availability of certain product lines remains a challenge, but we are working closely with Caterpillar to meet our customers requirements.

INDUSTRIAL DISTRIBUTION

R million	Revenue			Operating profit/ (loss) including fair value adjustments			Net operating assets/ (liabilities)	
	6 months ended		Year ended	6 months ended		Year ended	31 Mar 07	30 Sep 06
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06		
- Europe	1 307	852	1 995	31	(2)	23	845	670
- North America	2 627	1 929	4 697	49	30	115	1 317	1 180
Trading	3 934	2 781	6 692	80	28	138	2 162	1 850
- Europe	78	145	257	-	12	33	121	309
- North America	3	49	96	(5)	(8)	(25)	(27)	(17)
Leasing*	81	194	353	(5)	4	8	94	292
	4 015	2 975	7 045	75	32	146	2 256	2 142

*Net operating assets after deducting interest-bearing borrowings

In Europe, restructuring benefits have positively affected profitability and the business is well on its way to recovery. The order book has shown healthy growth in the UK.

While the US handling business continues to perform well, trading conditions in the US are slowing which is evident in a reduced order book. The Truck Center benefited from the pre-buying generated by the new emission regulations that came into force at the beginning of 2007 although, as expected, orders have now dropped off sharply. Lower overall freight activity in the US is evident as well.

The leasing business continues to be wound down after the sale of the US book last year and the majority of the UK lease book during the period under review. The UK Ministry of Defence (MOD) leasing and fleet management contract will continue.

The sale of the Freightliner and Vacuum Technology businesses are proceeding well and the DitchWitch business was sold at the end of April 2007. These businesses constitute R695 million of the trading businesses net operating assets.

MOTOR

R million	Revenue			Operating profit/ (loss) including fair value adjustments			Net operating assets	
	6 months ended		Year ended	6 months ended		Year ended	31 Mar 07	30 Sep 06
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06		
- Southern Africa	664	546	1 108	197	134	256	2 715	2 400
- Europe	577	322	805	5	(7)	69	2 260	2 536
Car rental	1 241	868	1 913	202	127	325	4 975	4 936
- Southern Africa	4 916	4 501	9 307	91	87	223	1 185	1 020
- Australia	1 134	759	1 719	23	4	23	721	666
Trading	6 050	5 260	11 026	114	91	246	1 906	1 686
Leasing Southern Africa*	364	320	631	34	33	65	319	276
	7 655	6 448	13 570	350	251	636	7 200	6 898
Share of associate income after taxation				4	12	27		

*Net operating assets after deducting interest-bearing borrowings

Our integrated motor vehicle usage solutions strategy has driven our overall operating margin to 4.6% (1H'06: 3.9%). Avis Rent a Car Southern Africa delivered a good performance as a result of our focus on yield management and improving efficiencies, together with strong growth in car rental demand. The Scandinavian car rental business posted a small profit, in line with the seasonal earnings pattern where substantially all of the profits are earned during the European summer. This business is expected to benefit from our ongoing profitability initiatives and the increased business activity in the next six months.

The southern African motor retail operations performed well, despite higher interest rates impacting passenger vehicle sales. Commercial vehicle sales remain strong. The Subaru import and distribution business was negatively impacted by the weaker Rand compared to the prior period. The Australian result benefited from the investments in our dealer facilities and the strategic repositioning of our represented brands.

As a consequence of new contracts secured, our fleet services operation experienced strong growth in vehicles under management, which will positively benefit profitability into the future.

Associate income includes our DaimlerChrysler and Phavisworld BEE joint ventures but now excludes Auric Auto, which was disposed of during the period.

CEMENT

R million	Revenue			Operating profit including fair value adjustments			Net operating assets*	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	30 Sep 06
Southern Africa	2 588	2 183	4 863	983	855	1 905	2 933	2 565
Share of associate income after taxation				4				

*Net operating assets include goodwill arising on PPC shares purchased by Barloworld

The South African domestic cement market grew by over 12% compared with the same period last year. Increased investment in public-sector infrastructure is materialising rapidly and is likely to offset any slowdown in the rate of growth in the residential building sector following the continued rise in interest rates.

Operating margins decreased slightly due to the importation and sale of almost 200 000 tons of bagged Surebuild cement at little or no margin, significant increases in diesel and coal energy costs, the higher cost of operating older less efficient plants and the inability to fully optimise distribution logistics and factory sourcing at periods of very high demand.

The 1,25 million ton Batsweledi (Dwaalboom new kiln) project is progressing according to plan and within budget. Orders for the Hercules Pretoria cement mill upgrade and expansion project have been placed, and the project is expected to be commissioned in the middle of calendar year 2009.

Lime volumes and margins improved following the recovery in the world steel markets leading to higher profitability compared to the prior period.

PPC will be unbundled from Barloworld on 16 July 2007.

COATINGS

R million	Revenue			Operating profit /(loss) including fair value adjustments			Net operating assets	
	6 months ended		Year ended	6 months ended		Year ended		
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	30 Sep 06
Southern Africa	1 158	959	2 019	188	152	338	859	742
Australia & Asia	577	466	952	(10)	(17)	(55)	292	296
	1 735	1 425	2 971	178	135	283	1 151	1 038
Share of associate income after taxation				6	9	18		

The coatings business in southern Africa experienced good growth. The integration of the recent acquisitions has been successful and these are contributing well to the result. In Australia, improved average selling prices and the reduced cost base resulted in an improved performance.

A 15% empowerment transaction with Izingwe in respect of Prostart Investments, part of the automotive refinish business, was concluded at the end of the period.

The division will be unbundled from Barloworld with the targeted completion before the end of the calendar year 2007.

SCIENTIFIC

R million	Revenue			Operating profit including fair value adjustments			Net operating assets	
	6 months ended	Year ended		6 months ended	Year ended		31 Mar 07	30 Sep 06
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06		
Scientific Group	934	748	1 602	74	37	80	1 185	1 259

Continued benefits from the cost reduction initiatives resulted in further improvement in profitability in this division.

The sale of Melles Griot has been concluded for a consideration above tangible net asset value. The process to dispose of the laboratory business is progressing well. Numerous initial bids have been received and completion of the sale is expected before the end of the calendar year.

LOGISTICS

R million	Revenue			Operating profit including fair value adjustments			Net operating assets	
	6 months ended	Year ended		6 months ended	Year ended		31 Mar 07	30 Sep 06
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06		
Southern Africa	520	149	683	24	7	20	525	433
Europe	181	124	280	12	11	27	47	48
	701	273	963	36	18	47	572	481

The logistics businesses in South Africa and Spain have been consolidated under a single executive management team and growth prospects remain good.

The logistics business in Africa has shown strong organic growth during the period under review. A significant entry was made into the FMCG logistics

market with the conclusion of a long term contract with a large FMCG distributor/manufacturer. The results further reflect the benefit of the BEE transaction concluded eighteen months ago with significant contributions to revenue and operating profit from South African parastatals.

In Europe, the Iberian logistics business continues to perform well. We have been investing in expanding the logistics offering in the region.

CORPORATE AND OTHER

R million	Revenue			Operating (loss) / profit including fair value adjustments			Net operating assets/ (liabilities)	
	6 months ended		Year ended	6 months ended		Year ended	31 Mar 07	30 Sep 06
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06		
Southern Africa	35	35	52	(71)	(28)	21	(580)	491
Europe	-	-	-	(36)	(10)	131	(624)	(667)
	35	35	52	(107)	(38)	152	(1204)	(176)

The operating loss for the period includes costs of R60 million relating to the downsizing of the corporate offices. The expected annualised saving resulting from these initiatives amounts to approximately R80 million.

The full year result for 2006 includes once-off favourable benefits of R149 million relating to the pension fund curtailment in the UK and a net gain of R36 million in SA on the Watty hedge net of transaction costs.

Net operating liabilities at 31 March 2007 include the provision of R1 015 million for the special dividend paid on 2 April 2007 and the UK pension fund deficit amounting to R710 million.

Distribution declaration for the six months ended 31 March 2007: Dividend Number 157

It is the intention of the board to declare an interim distribution of 175 cents per share in respect of the six months ended 31 March 2007 on 8 June 2007. Details of the last day to trade and the payment date will be published on that date.

On behalf of the Board, **S Mngomezulu**, Secretary

Directors

Independent: DB Ntsebeza (Chairman), SAM Baqwa, AGK Hamilton*, MJ Levett, S Mkhabela, TS Munday, TH Nyasulu, G Rodriguez de Castro de los Rios***, EP Theron, RC Tomkinson*, SB Pfeiffer**

Executive: CB Thomson (Chief Executive), PJ Blackbeard, BP Diamond, JE Gomersall*, AJ Lamprecht, M Laubscher, OI Shongwe, PM Surgey, DG Wilson

*British **American ***Spanish

CONDENSED CONSOLIDATED INCOME STATEMENT

R million	Notes	Six months ended		% Change	Year ended
		31 March 2007 Reviewed	31 March 2006 Reviewed Restated		30 September 2006** Audited
Continuing operations					
Revenue		24 324	18 663	30	41 091
Operating profit	3	2 157	1 729	25	4 053
Fair value adjustments on financial instruments	4	(12)	(69)		235
Finance costs	5	(401)	(242)		(596)
Income from investments		160	81		270
Profit before exceptional items		1 904	1 499	27	3 962
Exceptional items	6	(190)	16		116
Profit before taxation		1 714	1 515		4 078
Taxation	7	(521)	(435)		(1 186)
Secondary taxation on companies	7	(276)	(116)		(159)
Profit after taxation		917	964		2 733
Income from associates and joint ventures		20	31		72
Net profit from continuing operations		937	995		2 805
Discontinued operations					
Profit/ (loss) from discontinued operations	11	28	(90)		(59)
Net profit for the period		965	905		2 746
Attributable to:					
Minority shareholders		179	160		389
Barloworld Limited shareholders		786	745		2 357
		965	905		2 746
Earnings per share* (cents)					
- basic		389.7	355.8		1138.9
- diluted		384.4	348.6		1117.1
Earnings per share from continuing operations* (cents)					
- basic		375.8	398.8		1167.4
- diluted		370.7	390.7		1145.1
Earnings per share from discontinued operations* (cents)					
- basic		13.9	(43.0)		(28.5)
- diluted		13.7	(42.1)		(28.0)

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

** Reclassified for the treatment of the Scientific segment as a discontinued operation - refer note 19

CONDENSED CONSOLIDATED BALANCE SHEET

R million	Notes	31 March 2007 Reviewed	31 March 2006 Reviewed Restated	30 September 2006 Audited
ASSETS				
Non-current assets		13 755	14 076	14 289
Property, plant and equipment		8 242	7 969	8 299
Goodwill		2 522	2 573	3 005
Intangible assets		305	252	323
Investment in associates and joint ventures	9	875	552	749
Finance lease receivables		623	1 349	566
Long-term financial assets	10	615	613	597
Deferred taxation assets		573	768	750
Current assets		19 956	15 700	21 365
Vehicle rental fleet		3 504	2 764	3 441
Inventories		5 368	4 658	5 907
Trade and other receivables		6 661	6 000	7 026
Taxation		31	37	17
Cash and cash equivalents		1 056	1 386	2 134
Assets classified as held for sale	11	3 336	855	2 840
Total assets		33 711	29 776	35 654
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium		441	1 461	327
Other reserves		3 117	1 178	3 461
Retained income		8 711	8 657	9 881
Interest of shareholders of Barloworld Limited		12 269	11 296	13 669
Minority interest		581	567	691
Interest of all shareholders	8	12 850	11 863	14 360
Non-current liabilities		7 410	7 689	7 920
Interest-bearing		4 989	5 453	5 475
Deferred taxation liabilities		746	937	870
Provisions		472	400	468
Other non-interest bearing		1 203	899	1 107
Current liabilities		13 451	10 224	13 374
Trade and other payables		5 965	4 855	6 663
Provisions		655	531	536
Taxation		512	311	705
Amounts due to bankers and short-term loans		4 739	4 309	4 409
Shareholders for dividend		1 015	-	-
Liabilities directly associated with assets classified as held for sale	11	565	218	1 061
Total equity and liabilities		33 711	29 776	35 654

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

R million	Notes	Six months ended		Year ended
		31 March 2007 Reviewed	31 March 2006 Reviewed Restated	30 September 2006 Audited
Cash flow from operating activities				
Operating cash flows before movements in working capital		3 269	2 739	6 077
Increase in working capital		(1 441)	(826)	(10)
Cash generated from operations		1 828	1 913	6 067
Realised fair value adjustments on financial instruments		(22)	(27)	136
Finance costs and investment income		(234)	(141)	(265)
Taxation paid		(1 006)	(651)	(1 007)
Cash flow from operations		566	1 094	4 931
Dividends paid (including minority shareholders)		(1 197)	(933)	(1 295)
Net cash from operating activities		(631)	161	3 636
Net cash generated from/ (applied to) investing activities				
Acquisition of subsidiaries and investments	12	(113)	(262)	(814)
Acquisition of property, plant and equipment and intangibles		(772)	(824)	(1 217)
Net investment in rental assets	13	(511)	(459)	(832)
Net investment in car hire vehicles	13	(267)	(340)	(1 260)
Reduction in instalment sale and leasing receivables		(14)	168	(16)
Proceeds on disposal of subsidiaries, investments and property, plant and equipment and sale of leasing assets		1 973	63	1 201
Net cash (outflow)/ inflow before financing activities		(335)	(1 493)	698
Net cash available from financing activities				
Ordinary shares issued		114	64	90
Buy-back of shares in company		-	-	(1 160)
(Decrease)/ increase in interest-bearing liabilities		(768)	1 466	846
Net (decrease)/ increase in cash and cash equivalents		(989)	37	474
Cash and cash equivalents at beginning of period		2 134	1 399	1 399
Effect of foreign exchange rate movements		(11)	(45)	242
Effect of cash included in assets classified as held for sale		(78)	(5)	19
Cash and cash equivalents at end of period		1 056	1 386	2 134

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

R million	Notes	31 March	31 March	30 September
		2007	2006	2006
		Reviewed	Reviewed	Audited
			Restated	
Exchange (losses)/ gains on translation of foreign operations		(228)	(326)	1 832
(Loss)/ gain on cash flow hedges		(160)	-	139
Taxation on cash flow hedges		45	-	(18)
Gain on revaluation of available for sale investments		-	-	18
Deferred taxation on revaluation of available for sale investments		-	-	(8)
Other reserve movements		1	(1)	(71)
Net actuarial losses on post-retirement benefit obligations		(3)	-	(55)
Net (loss)/ income recognised directly in equity		(345)	(327)	1 837
Profit for the period		965	905	2 746
Total recognised income and expense for the year		620	578	4 583
Attributable to:				
Minority shareholders		176	160	381
Barloworld Limited shareholders		444	418	4 202
		620	578	4 583

GROUP SALIENT FEATURES

	Six months ended		Year ended
	31 March	31 March	30 September
	2007	2006	2006
	Reviewed	Reviewed	Audited
		Restated	
Number of ordinary shares in issue, net of buyback (000)	203 345	210 206	200 716
Net asset value per share including investments at market value (cents)	6 194	5 520	6 973
Total liabilities to total shareholders' funds (%)	156.5	143.1	142.2
Total borrowings to total shareholders' funds (%)			
- Trading segment*	42.4	36.6	31.7
- Total group	75.9	82.3	73.3
Interest cover (times)			
- Trading segment*	7.6	10.6	10.2
- Total group	5.3	5.5	5.7

* Trading segment includes manufacturing and dealership businesses, but excludes leasing and car rental

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

R million	Six months ended		Year ended	
	31 March 2007 Reviewed	31 March 2006 Reviewed Restated	% Change	30 September 2006 Audited
1. BASIS OF PREPARATION				
The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The accounting policies and methods of computation used are consistent with those used for the group's 2006 annual financial statements (which were prepared in accordance with International Financial Reporting Standards) except for the adoption of IFRIC Interpretation 4 Determining Whether an Arrangement Contains a Lease, the impact of which was not significant.				
Comparative numbers have been restated as per note 19.				
2. RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS				
Net profit attributable to Barloworld shareholders	786	745		2 357
Profit on disposal of properties, investments and subsidiaries	(3)	(20)		(140)
Impairment of assets	125	5		4
Impairment of goodwill	106	-		23
(Profit)/ loss on sale of plant and equipment excluding rental assets	(4)	1		4
Taxation on exceptional items	(70)	-		19
Interest of outside shareholders in exceptional items	1	-		-
Impairment loss on disposal of Steel tube after taxation	-	123		156
Headline earnings	941	854		2 423
Headline earnings from continuing operations	874	821		2 326
Headline earnings from discontinued operations	67	33		97
Weighted average number of ordinary shares in issue during the period (000)				
- basic	201 686	209 371		206 959
- diluted	204 490	213 732		210 998
Headline earnings per share (cents)				
- basic	466.5	407.9	14	1170.8
- diluted	460.2	399.5	15	1148.4
Headline earnings per share from continuing operations (cents)				
- basic	433.3	392.1		1123.9
- diluted	427.4	384.1		1102.4
Headline earnings per share from discontinued operations (cents)				
- basic	33.2	15.8		46.9
- diluted	32.8	15.4		46.0
3. OPERATING PROFIT				
Included in operating profit are:				
Cost of sales (including allocation of depreciation)	17 630	13 826		30 226
Depreciation	1 015	982		1 930
Profit on sale of rental assets	32	26		110
Profit /(loss) on sale of other plant and equipment	4	(1)		(2)
4. FAIR VALUE ADJUSTMENTS ON FINANCIAL INSTRUMENTS				
(Losses) / gains arising from:				
Forward exchange contracts and other financial instruments	(11)	(72)		238
Translation of foreign currency monetary items	(1)	3		(3)
	(12)	(69)		235
5. FINANCE COSTS				
Total finance cost	(454)	(334)		(835)
Leasing interest classified as cost of sales	53	92		239
	(401)	(242)		(596)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

R million	Six months ended		Year ended
	31 March 2007 Reviewed	31 March 2006 Reviewed Restated	30 September 2006 Audited
6. EXCEPTIONAL ITEMS			
Profit on disposal of properties, investments and subsidiaries	5	16	139
Impairment of assets including share of associates' impairment losses	(195)	-	(23)
Gross exceptional (losses)/ profits	(190)	16	116
Taxation on exceptional items	70	-	(20)
Interest of minority shareholders	(1)	-	-
Net exceptional (losses)/ profits - continuing operations	(121)	16	96
- discontinued operations (net of taxation)	(38)	-	(2)
Net exceptional (losses) / profits	(159)	16	94
7. TAXATION			
Taxation per income statement	521	435	1 186
Prior year taxation	(2)	(2)	20
Taxation on exceptional items	70	-	(20)
Taxation on profit before STC, prior year taxation and exceptional items	589	433	1 186
STC on normal dividends paid	(151)	(116)	(159)
STC on special dividend	(125)	-	-
Secondary taxation on companies	(276)	(116)	(159)
Profit before exceptional items	1 904	1 499	3 962
Dividends received	(3)	(5)	(16)
Profit before exceptional items and dividends received	1 901	1 494	3 946
Effective taxation rate excluding exceptional items, prior year taxation and dividends received (%)			
- excluding STC	31.0%	29.0%	30.1%
- including STC	45.5%	36.7%	34.1%
8. INTEREST OF ALL SHAREHOLDERS			
Balance at the beginning of the year	14 360	12 130	12 130
Net (loss)/ income recognised directly in equity	(345)	(327)	1 837
Net profit for the period	965	905	2 746
Reclassifications and other reserve movements	(31)	24	46
Purchase of minority shareholding in subsidiary	-	-	(34)
Buy-back of shares	-	-	(1 160)
Dividends on ordinary shares	(2 213)	(933)	(1 295)
Shares issued in current year	114	64	90
Interest of shareholders at the end of the year	12 850	11 863	14 360

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Six months ended 31 March 2007		Six months ended 31 March 2006		Year ended 30 September 2006	
	Market value/ Directors' valuation	Book value	Market value/ Directors' valuation	Book value	Market value/ Directors' valuation	Book value
R million	Reviewed		Reviewed Restated		Audited	
9. INVESTMENT IN ASSOCIATES AND JOINT VENTURES						
Joint ventures	497	252	351	172	440	198
Unlisted associates	294	214	298	169	306	217
	791	466	649	341	746	415
Loans and advances		409		211		334
		875		552		749
10. LONG-TERM FINANCIAL ASSETS						
Listed investments	10	10	8	8	10	10
Unlisted investments	35	35	36	36	37	37
Investment in Portland Holdings Limited	260	260	295	295	291	291
	305	305	339	339	338	338
Other long-term financial assets		310		274		259
		615		613		597

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

R million	Six months ended 31 March 2007 Reviewed	31 March 2006 Reviewed Restated	Year ended 30 September 2006 Audited
11. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE			
The Scientific segment has been classified as a disposal group held for sale. The disposal of Steel Tube was concluded on 1 December 2006.			
Results from discontinued operations are as follows:			
Revenue	1 282	1 544	3 377
Operating profit	112	49	175
Fair value adjustments on financial instruments	-	3	(6)
Finance costs	(12)	(7)	(34)
Income from investments	1	0	6
Profit before exceptional items	101	45	141
Exceptional items	(2)	(1)	(3)
Profit before taxation	99	44	138
Taxation	(32)	(13)	(45)
Profit after taxation	67	31	93
Income from associates and joint ventures	-	2	4
Net profit of discontinued operation before impairment loss	67	33	97
Impairment loss on write-down to fair value less costs to sell	(39)	(163)	(185)
Taxation on impairment loss	-	40	29
Impairment loss after taxation	(39)	(123)	(156)
Profit/ (loss) from discontinued operations per income statement	28	(90)	(59)
The cash flows from the discontinued operations are as follows:			
Cash flows from operating activities	51	51	255
Cash flows from investing activities	(28)	(18)	(153)
Cash flows from financing activities	20	(49)	(113)
The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:			
Property, plant and equipment and intangibles	1 110	229	567
Investment in associates	-	9	5
Inventories	1 122	273	353
Trade and other current receivables	842	293	328
Deferred tax assets	66	-	-
Cash and cash equivalents	4	5	27
Finance lease receivables	-	-	1 467
Assets of disposal group held for sale before impairment loss	3 144	809	2 747
Impairment loss on write-down to fair value less costs to sell	(36)	(123)	(156)
Assets of disposal group held for sale after impairment loss	3 108	686	2 591
Vehicles and equipment removed from rental fleets to be sold	228	169	249
Assets classified as held for sale	3 336	855	2 840
Interest-bearing liabilities	(31)	-	(642)
Trade and other payables	(534)	(218)	(419)
Total liabilities associated with assets classified as held for sale	(565)	(218)	(1 061)
Net assets classified as held for sale	2 771	637	1 779
Per business segment:			
Continuing operations			
Equipment	28	20	23
Industrial distribution	982	18	1 159
Motor	172	131	187
Cement	-	-	20
Corporate and other	279	-	22
Total continuing operations	1 461	169	1 411
Discontinued operations			
Scientific	1 180	-	-
Steel Tube*	130	468	368
Total group	2 771	637	1 779

* The current balance represents property not yet transferred at balance sheet date.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

R million	Six months ended		Year ended
	31 March 2007 Reviewed	31 March 2006 Reviewed Restated	30 September 2006 Audited
12. ACQUISITION OF SUBSIDIARIES, INVESTMENTS AND INTANGIBLES			
Inventories acquired	-	52	57
Receivables acquired	-	164	226
Payables, taxation and deferred taxation acquired	-	(184)	(230)
Borrowings net of cash	-	(379)	(512)
Property, plant and equipment, non-current assets, goodwill and minority shareholders	-	490	744
Net assets acquired	-	143	285
Goodwill arising on acquisitions	-	119	238
Net cash cost of subsidiaries acquired	-	262	523
Investments and intangibles acquired	113	-	291
Cash amounts paid to acquire subsidiaries and investments	113	262	814
13. NET INVESTMENT IN RENTAL ASSETS AND CAR HIRE VEHICLES			
Rental assets	511	459	832
Additions	994	719	1 821
Proceeds on disposals	(483)	(260)	(989)
Car hire vehicles	267	340	1 260
Additions	1 720	1 174	3 663
Proceeds on disposals	(1 453)	(834)	(2 403)
14. COMMITMENTS			
Capital commitments to be incurred	3 002	2 364	3 105
Contracted	1 404	1 521	2 106
Approved but not yet contracted	1 598	843	999
Operating lease commitments	1 868	1 579	2 509
15. CONTINGENT LIABILITIES			
Guarantees, claims and other contingent liabilities	671	503	622
Buy-back and repurchase commitments*	1 158	958	1 250
Share of buy-back and repurchase commitments of joint ventures	-	16	-

*The related assets are estimated to have a value at least equal to the repurchase commitments.

16. PORTLAND HOLDINGS LIMITED (PORTHOLD)

The results of Porthold, a wholly owned Zimbabwean subsidiary have in terms of the exclusions contained in the revised IAS 27 Consolidated and Separate Financial Statements, not been consolidated into the group results as at 31 March 2007.

Significant constraints impacting on the normal operation of Porthold, has resulted in the board concluding that management does not have the ability to exercise effective control over the business and as a result, the results of Porthold have continued to be excluded from the group results in the current period. Severe restrictions are placed on our ability to access foreign currency and remit funds and as a result the investment continues to be accounted for on a fair value investment basis with dividends only being recognised to the extent they are received.

17. 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 has been no significant transactions during the six months with associate companies, joint ventures and other related parties.

18. SUBSEQUENT EVENTS

A sale agreement for the disposal of the Melles Griot business has been concluded subsequent to 31 March 2007. The business will be sold for a premium over tangible net asset value. Completion of the deal is subject to certain suspensive conditions.

The sale of the DitchWitch of Georgia business has been concluded and paid for subsequent to 31 March 2007. The sale price includes a premium over tangible net asset value.

These transactions are not expected to have a significant impact on current year earnings or net asset value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. COMPARATIVE INFORMATION

Comparative information has been restated for the treatment of the Scientific segment as a discontinued operation, for the effects of the change in accounting policy in terms of IAS 19 Employee Benefits and the requirements of the South African Institute of Chartered Accountants Circular 9/2006 Transactions giving rise to adjustment to Revenue/Purchases.

The aggregate effect of the above changes on the annual financial statements for the period ended 31 March 2006:

R million	Previously stated	Reclassification of discontinued operation	Other restatements	Restated
Income statement				
Revenue	19 462	(748)	(51)	18 663
Operating profit	1 748	(37)	18	1 729
Fair value adjustments on financial instruments	(69)	-	-	(69)
Finance costs	(245)	3	-	(242)
Income from investments	81	-	-	81
Profit before exceptional items	1 515	(34)	18	1 499
Exceptional items	20	(4)	-	16
Profit before taxation	1 535	(38)	18	1 515
Taxation	(558)	12	(5)	(551)
Profit after taxation	977	(26)	13	964
Income from associates and joint ventures	31	-	-	31
Net profit from continuing operations	1 008	(26)	13	995
Loss from discontinued operations	(116)	26	-	(90)
Net profit for the period	892	-	13	905
Attributable to:				
Minority shareholders	160	-	-	160
Barloworld Limited shareholders	732	-	13	745
	892	-	13	905
Earnings per share (cents) - basic	349.6	-	6.2	355.8
Earnings per share (cents) - diluted	342.5	-	6.1	348.6
Balance Sheet				
Long-term financial assets	781	-	(168)	613
Deferred taxation assets	527	-	241	768
Inventories	4 686	-	(28)	4 658
Trade and other receivables	6 045	-	(45)	6 000
Assets classified as held for sale	857	-	(2)	855
Other reserves	1 239	-	(61)	1 178
Retained income	9 182	-	(525)	8 657
Interest of all shareholders	12 449	-	(586)	11 863
Other non-interest-bearing liabilities	268	-	631	899
Trade and other payables	4 900	-	(45)	4 855
Liabilities directly associated with assets classified as held for sale	220	-	(2)	218

The aggregate effect of the above changes on the annual financial statements for the year ended 30 September 2006:

R million	Previously stated	Reclassification of discontinued operation	Other restatements	Reclassified
Income statement				
Revenue	42 693	(1 602)	-	41 091
Operating profit	4 133	(80)	-	4 053
Fair value adjustments on financial instruments	235	-	-	235
Finance costs	(605)	9	-	(596)
Income from investments	273	(3)	-	270
Profit before exceptional items	4 036	(74)	-	3 962
Exceptional items	120	(4)	-	116
Profit before taxation	4 156	(78)	-	4 078
Taxation	(1 370)	25	-	(1 345)
Profit after taxation	2 786	(53)	-	2 733
Income from associates and joint ventures	72	-	-	72
Net profit from continuing operations	2 858	(53)	-	2 805
Loss from discontinued operations	(112)	53	-	(59)
Net profit for the period	2 746	-	-	2 746
Attributable to:				
Minority shareholders	389	-	-	389
Barloworld Limited shareholders	2 357	-	-	2 357
	2 746	-	-	2 746
Earnings per share (cents) - basic	1138.9	-	-	1138.9
Earnings per share (cents) - diluted	1117.1	-	-	1117.1

The restatement has not affected the balance sheet as at 30 September 2006.
The restatements have not impacted on cash flows.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. AUDITOR'S REVIEW

Deloitte & Touche has reviewed these interim results. The unmodified review opinion is available for inspection at the company's registered office.

SEGMENTAL SUMMARY

R million	Revenue			Operating profit/ (loss)			Fair value adjustments on financial instruments			Operating profit/ (loss) including fair value adjustments			Net operating assets/ (liabilities)	
	6 months ended		Year ended	6 months ended		Year ended	6 months ended		Year ended	6 months ended		Year ended	31 Mar 07	30 Sep 06
	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	31 Mar 06	30 Sep 06	31 Mar 07	30 Sep 06
	Reviewed	Reviewed	Audited	Reviewed	Reviewed	Audited	Reviewed	Reviewed	Audited	Reviewed	Reviewed	Audited	Reviewed	Audited
		Restated			Restated			Restated			Restated			
Equipment	7 595	5 324	11 627	628	445	978	2	(38)	141	630	407	1 119	5 857	5 672
Industrial distribution	4 015	2 975	7 045	75	32	146	-	-	-	75	32	146	2 256	2 142
Motor	7 655	6 448	13 570	352	261	615	(2)	(10)	21	350	251	636	7 200	6 898
Cement	2 588	2 183	4 863	987	856	1 903	(4)	(1)	2	983	855	1 905	2 933	2 565
Coatings	1 735	1 425	2 971	183	139	274	(5)	(4)	9	178	135	283	1 151	1 038
Logistics	701	273	963	36	18	47	0	0	0	36	18	47	572	481
Corporate and other	35	35	52	(104)	(22)	90	(3)	(16)	62	(107)	(38)	152	(1 204)	(176)
Total continuing operations	24 324	18 663	41 091	2 157	1 729	4 053	(12)	(69)	235	2 145	1 660	4 288	18 765	18 620
Discontinued operations - Scientific	934	748	1 602	74	37	80	-	-	-	74	37	80	1 185	1 259
-Steel tube	348	796	1 775	38	12	95	-	3	(6)	38	15	89	130	368
	25 606	20 207	44 468	2 269	1 778	4 228	(12)	(66)	229	2 257	1 712	4 457	20 080	20 247

Addresses

Registered office and business address

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About Barloworld

Barloworld is repositioning itself as a focused distribution company with an offering that includes integrated product support as well as rental and logistics solutions. The core divisions of the group comprise Equipment (earthmoving and power systems), Motor (car rental, fleet services and motor retail), Materials Handling (forklift truck distribution and fleet management) 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, Mercedes, Chrysler, BMW, General Motors, Ford, Toyota, Volkswagen, Audi, Nissan, Renault, Volvo and others.

Barloworld has a proven track record of effectively managing 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 play a leading role in empowerment and transformation.

The company was founded in 1902 and currently has operations in thirty-one countries around the world with approximately half of our twenty five thousand people in South Africa.