

Barloworld Limited
(Incorporated in the Republic of South Africa)
Registration number 1918/000095/06
Ordinary share code: BAW
ISIN: ZAE000026639
Preference share code: BAWP
ISIN: ZAE000026647
("Barloworld" or "the Company")

THE PROPOSED UNBUNDLING AND SEPARATE LISTING OF FREEWORLD COATINGS LIMITED (PREVIOUSLY THE COATINGS DIVISION OF BARLOWORLD) ("COATINGS")

1. Introduction

Following deliberations by the Barloworld board, as well as shareholder engagement, it was announced on 18 December 2006 that the Barloworld board would continue to review the Barloworld structure and, in addition to the unbundling of Pretoria Portland Cement Company Limited ("PPC"), further unbundlings or disposals would follow in the future. In this regard, in the announcement dated 31 July 2007, following the announcements dated 18 December 2006, 25 January 2007 and 27 March 2007, published on the Securities Exchange News Service ("SENS"), Barloworld confirmed its intention to dispose of its interest in Coatings through a distribution of the ordinary shares of Coatings held by Barloworld to the Barloworld ordinary shareholders.

2. Rationale for the unbundling

The unbundling will have a number of benefits, including:

- unlocking the value gap between Barloworld's intrinsic value and its market value; and
- the creation of a more focused Barloworld Group.

3. The unbundling

Subject to the fulfilment of the conditions precedent as set out in paragraph 4 below, 203 843 388 Coatings ordinary shares ("the Coatings distribution shares"), constituting all of the ordinary shares held by Barloworld in Coatings, will be distributed to Barloworld ordinary shareholders recorded in the register at the close of business on 7 December 2007 ("the Record Date"), in the entitlement ratio of one Coatings ordinary share for every one Barloworld ordinary share held by a Barloworld ordinary shareholder ("the entitlement ratio"). The distribution will be undertaken in terms of section 90 of the Companies Act, No. 61 of 1973 as amended and in accordance with section 46 of the Income Tax Act, No. 58 of 1962, as amended.

4. Conditions precedent

The unbundling is subject to the fulfilment of the following conditions precedent:

- the passing by the Barloworld ordinary shareholders at the general meeting of the ordinary resolutions necessary to implement the unbundling to be held at 12h00 on Friday, 23 November 2007;
- the granting of an exemption, by the US Securities and Exchange Commission to Coatings, from the registration and reporting requirements of section 12(g) of the US Securities Exchange Act of 1934, as amended, in reliance with Rule 12g3-2(b) thereunder; and
- the approval by the JSE Limited ("JSE") of the listing of the Coatings ordinary shares on the JSE on the listing date, being Monday, 3 December 2007.

5. Salient dates and times

The salient dates and times of the unbundling and listing of Coatings distribution shares are as follows:

2007

Last day for lodging of forms of proxy for the general meeting by 12:00 on	Wednesday, 21 November
General meeting of Barloworld shareholders at 12:00 on	Friday, 23 November
Results of the general meeting released on SENS on	Friday, 23 November
Results of the general meeting published in the press on	Monday, 26 November
Last day to trade in Barloworld ordinary shares on the JSE to participate in the unbundling on	Friday, 30 November
Barloworld ordinary shares trade ex the entitlement to the Coatings distribution shares on	Monday, 3 December
Coatings ordinary shares commence trading under the JSE share code FWD and ISIN ZAE000109450 on	Monday, 3 December
Record date to participate in the unbundling on	Friday, 7 December

Share certificates in respect of the ordinary shares of Coatings will be posted by registered post to certificated Barloworld ordinary

shareholders, at the risk of the certificated Barloworld ordinary shareholders concerned, and dematerialised Barloworld ordinary shareholders will have their accounts at the CSDP or broker updated with the ordinary shares of Coatings on Monday, 10 December

Notes:

1. The abovementioned times and dates are South African times and dates and are subject to change. Any such change will be released on SENS and published in the press.
2. Barloworld ordinary shareholders may not dematerialise or re-materialise their Barloworld ordinary shares between Monday, 3 December 2007 and Friday, 7 December 2007, both days inclusive.

6 Pro forma financial effects of the unbundling

The illustrative pro forma financial effects set out below have been prepared to assist Barloworld ordinary shareholders to assess the impact of the unbundling on the earnings per share ("EPS"), headline earnings per share ("HEPS") and net asset value ("NAV") and tangible net asset value ("TNAV") per Barloworld ordinary share. The material assumptions are set out in the notes following the table, and include the payment of an indebtedness to Barloworld of an inter-company amount of R900 million. Due to the nature of the pro forma financial effects, they may not fairly present the Barloworld Group's financial position after the unbundling, nor the effect on the Barloworld Group's future earnings. The pro forma financial effects are the responsibility of the Barloworld board and are provided for illustrative purposes only.

Impact on Barloworld

	Barloworld after the unbundling of PPC (cents)	Barloworld after the unbundling of Coatings (cents)	change %
EPS	325 ¹	274 ²	(16)
HEPS	404 ¹	352 ²	(13)
NAV per Barloworld ordinary share	5 081 ³	5 096 ⁴	0
TNAV per Barloworld	3 886 ³	3 951 ⁴	2

ordinary
share

Impact on Barloworld ordinary shareholders

	Barloworld after the unbundling of PPC (cents)	Barloworld after the unbundling of Coatings (cents)	Coatings earnings/ value per Barloworld share	Barloworld after the unbundling combined (cents)	change %
EPS	325 ¹	274 ²	55 ⁵	329	1
HEPS	404 ¹	352 ²	55 ⁵	407	1
NAV per Barloworld ordinary share	5 081 ³	5 096 ⁴	271 ⁶	5 367	6
TNAV per Barloworld ordinary share	3 886 ³	3 951 ⁴	221 ⁶	4 172	7

Notes:

1. The EPS and HEPS, as set out in the "Barloworld after the unbundling of PPC" column of the table, have been extracted from the PPC unbundling circular, are based on the results of the Barloworld Group for the six months ended 31 March 2007 and have been calculated based on a weighted average of 201 686 000 Barloworld ordinary shares in issue for the period to 31 March 2007.
2. The EPS and HEPS, as set out in the "Barloworld after the unbundling of Coatings" column of the table, have been calculated on the earnings of Barloworld excluding Coatings, based on a weighted average of 201 686 000 Barloworld ordinary shares in issue for the period to 31 March 2007.
3. The NAV and TNAV per Barloworld ordinary share, as set out in the "Barloworld after the unbundling of PPC" column of the table, have been extracted from the PPC unbundling circular and calculated based on 203 345 000 Barloworld ordinary shares in issue at 31 March 2007.

4. The NAV and TNAV per Barloworld ordinary share, as set out in the "Barloworld after the unbundling of Coatings" column of the table, have been calculated on the Balance Sheet of Barloworld excluding Coatings, based on 203 345 000 Barloworld ordinary shares in issue at 31 March 2007.
5. The EPS and HEPS, as set out in the "Coatings earnings/ value per Barloworld share" column of the table, have been calculated on the reviewed earnings of Coatings for the six months to 31 March 2007, based on a weighted average of 201 686 000 Coatings shares and the entitlement ratio.
6. The NAV and TNAV, as set out in the "Coatings earnings/ value per Barloworld share" column of the table, have been calculated on the reviewed balance sheet of Coatings at 31 March 2007, based on 203 345 000 Coatings shares and the entitlement ratio.

7. Directors` opinion and recommendation

The directors are of the opinion that the unbundling has a sound business rationale and will be to the benefit of Barloworld ordinary shareholders and recommend that Barloworld ordinary shareholders entitled to vote at the general meeting vote in favor of the resolutions necessary to implement the unbundling.

The directors intend to vote their respective shares in Barloworld in favor of the resolutions required to implement the unbundling.

8. General meeting

The general meeting of Barloworld shareholders will be held at the registered office of Barloworld, 180 Katherine Street, Sandton, at 12:00 on Friday, 23 November 2007 to consider and, if deemed fit, pass, with or without modification, the resolutions required in order to implement the unbundling.

9. Circular to shareholders

A circular, including the notice convening the general meeting, together with the Coatings pre-listing statement, which documents contain full details of the unbundling, is being posted to Barloworld shareholders today, 8 November 2007.

Copies of these documents will be available for inspection at the registered office of Barloworld, 180 Katherine Street, Sandton, during normal office hours from the date of issue of this circular up to and including the date of the general meeting.

8 November 2007

Investment bank and transactional sponsor
Standard Bank

Sponsor
JP Morgan