



Barloworld
Leading brands

AVIS
SOUTHERN AFRICA LIMITED

Barloworld Limited

offer to acquire

Avis Southern Africa Limited

20 November 2003



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Agenda

- **Background and offer details**
 - **Tony Phillips, CEO Barloworld**
- The Avis perspective
 - Glenn van Heerden, Chairman Avis Southern Africa
- Barloworld: motor strategy
 - Martin Laubscher, CEO Barloworld Motor
- Concluding remarks
 - Tony Phillips



At our results presentation last week ...

- We described Barloworld Motor as

“a business in transition”

- noted we had raised our stake in **Avis** to 34.7%...

... and sold our SA Motor leasing book for R881m



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And we concluded that our 2x4x4 growth goals were on track

- Further VBM-driven “quality of business” improvements
- **Expand existing and new business solutions and *Smart Partnerships***
- **Acquisitions**
 - “More of the same” in new geographies
 - **Add complementary brands**



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This deal has its roots in 2000



June 2000:

24% of Avis acquired in “enabling alliance”

Car Rental

- Used vehicles
- Panel shops
- Niche vehicle sales
- P.D.I.



Car rental

40% market share

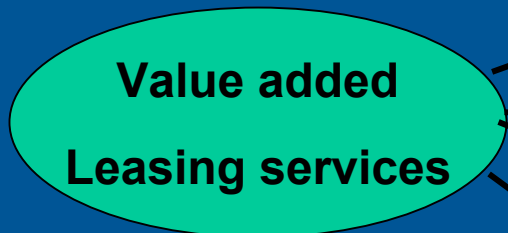
Dest Man

Incentive tour operator



RCI

163 000 members



Fleet services

Accident man

Corporate and Govt. fleets

Master drive

Crash services

Fleet services

- Fleet sales/maintenance
- Opportunity to consolidate finance



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2003 - the next move

- In our strategic planning work during 2002 and 2003 we re-defined our long term value-creation strategy in our motor business
- This ultimately led to our offer for Avis



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The offer details: overview of the scheme of arrangement

- Values Avis at R2.2 billion
- 970 cents cash + 0.05 Barloworld shares per Avis share
 - ✓ 12.70 per Avis share at a R60 Barloworld share price
 - ✓ 22% premium on yesterday's Avis close
 - ✓ 40% premium on 30 day average pre Avis cautionary
- Barloworld issues 5 589 755 shares (R335m) and invests R1.085 billion in cash funded from borrowings



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The offer details: key conditions

- 75% approval of Avis shareholders (excl Barloworld)
- JSE, SRP, SARB and Competition Commission approval
- High Court sanctioning the scheme
- Barloworld shareholders approve Barloworld share issue



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The offer details: financial impact on Barloworld

- Increases NAV
- Headline earnings accretive
- Avis exceeds our 8% CFROI hurdle



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The offer details: next steps

+/- 18 December 2003

- Salient dates announcement
- Circular to Avis shareholders
- Circular to Barloworld shareholders

End January 2004

- Avis shareholders meet to approve scheme
- Barloworld shareholders meet to approve share issue
- Barloworld AGM



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The Avis perspective

- Comprehensive announcement made
- Offer carefully considered by independent committee of Avis board
- Board considers offer fair and reasonable
- Premium to market value: Board recommends shareholders accept



The Avis perspective

- Avis and Barloworld strong believers in brands & customer relationships
- Similar cultural & business philosophies
- Barloworld supports Avis's vision & seven key strategies
- Barloworld supports Avis management & growth objectives
- Synergies already developed: more to be explored
- Avis team welcomes Barloworld's support



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Barloworld Motor today

- Southern Africa
 - 53 dealerships (SA, Botswana, Namibia)
 - Fleet services
 - Panel shops
 - Short term truck hire
 - Subaru distributor
- Australia
 - 5 dealerships
 - 4 in Melbourne, 1 in Sydney



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Building a value strategy: Project EAR

- Empowerment
- Avis
- Restructuring



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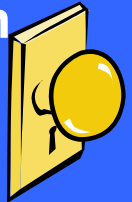


Building a value strategy: the concept

The “Shop Front”
is how
Barloworld Motor
will represent itself in the market.

**This is the first
point of contact
for all
Customers -
“Call-Centre
Concept”**

Barloworld Motor
We provide a range of
motor vehicle solutions
to individuals, fleets and
other operators in
southern Africa
and
Australia





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Building a value strategy

Behind the “Shop Front” are the range of offerings/solutions

Barloworld Motor is the “Shop Front” ...

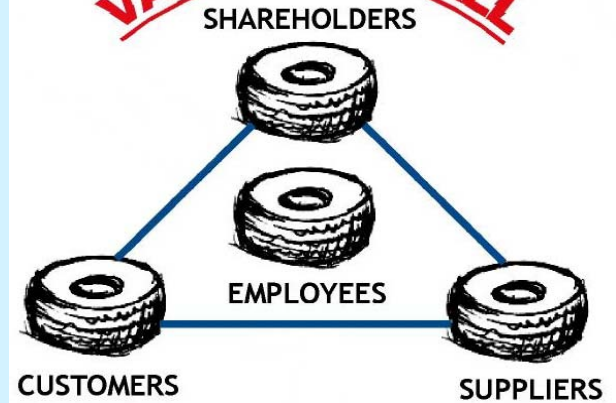
...through which customers access our range of offerings / solutions

... which evolve with market & customer requirements

“Integrated Solutions” will be provided by AVIS Fleet Services

Barloworld Motor – Shop Front – “Call Centre”

VALUE FOR ALL



AVIS Fleet Services
“Integrated Solutions”

AVIS Rent-A-Car

Motor
Retail

Fitment

Others

Tyres

Panel

Alt. Service

Alt. Parts

Alt. Used

Commercial

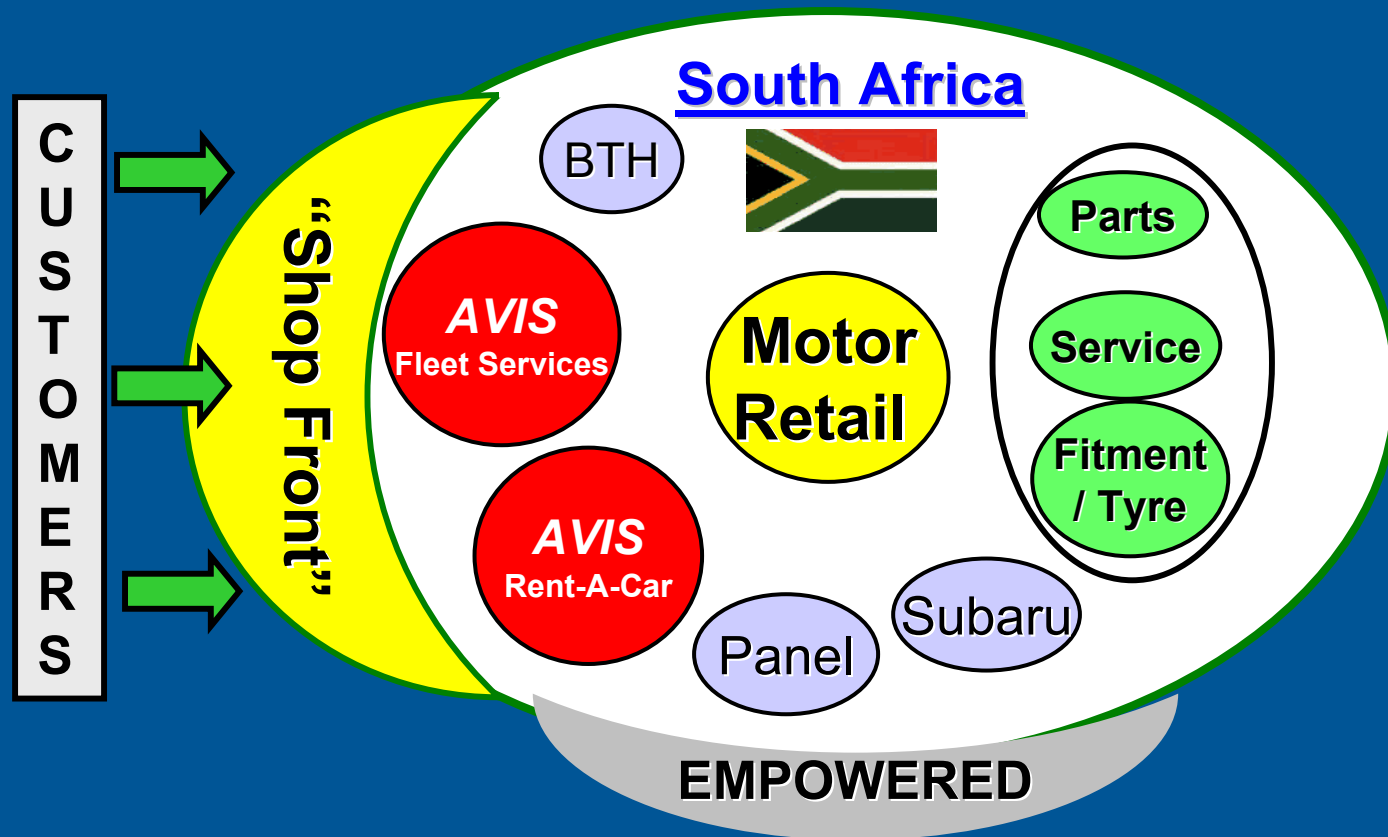


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Building a value strategy: EAR in action South Africa





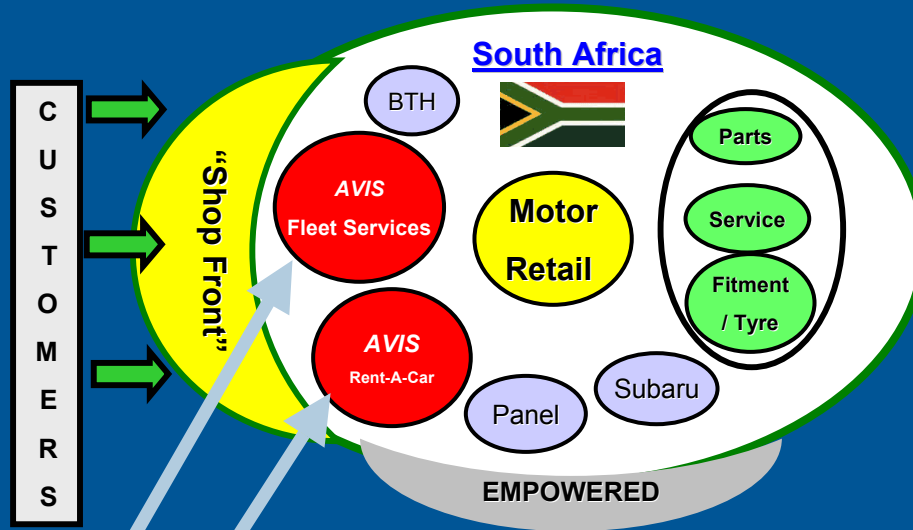
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Building a value strategy: a springboard for international growth



Commercial

- USA Freightliner
- UK Trucking

International Passenger

- USA Luxury
- UK Luxury

Grow Offshore
Scandinavia +

Australia



•Grow passenger retail

- Stage 2
- Non-Retail
- Move to "Shop Front"

Africa

Botswana



- Non-retail

Namibia



- More retail
- Non-retail

Others:

- Add territories



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