



Barloworld
Leading brands

Barloworld Limited

Deutsche Bank Conference
23-24 June 2005

BARLOWORLD IS A DIVERSIFIED INDUSTRIAL COMPANY

with

Over 25 000 people in 31 countries

who

provide business solutions

through leading industrial brands, supported by relationships and attention to detail

to make

our customers' businesses excel



OUTLOOK: POSITIVE

“The outlook is favourable and we look forward to reporting continued strength in the southern African and Iberian regions and improving contributions from our operations in the US and UK.”

Barloworld CEO’s Statement
Interim Results, May 2005

“Overall we remain positive regarding the financial year to September 2005 ”

Barloworld Chairman’s Statement
AGM, January 2005

STRATEGIC FOCUS UNCHANGED

2x4x4

**More of the
same in new
geographies**

**Expand existing
and new
business
solutions and
Smart
Partnerships**

**Add
complementary
brands**

VBM-driven “quality of business” improvements ongoing

Customers

Shareholders

Employees

Community

**VBM is behind
everything we
do**

Improving existing operations: the key is the way we do business

Value Based Management

- **Long-term committed employees working within one global system of Employee Value Creation**
- **Strong ethics and values**
- **Market leadership built on industry expertise**
- **Integrated business systems & finance**
- **Integrated strategic planning**
- **Strong understanding of our capabilities**

90/10

Organic expansion: adding geography & building new businesses

Value Based Management

- **Return on Management Effort (ROME)**
 - Rule of thumb +R100 million operating profit potential

Some of the potentially significant new businesses we are growing:

- **Equipment (Russia)**
- **Logistics (SA & Spain)**
- **Power plants (Spain)**
- **Integrated motor solutions (SA)**

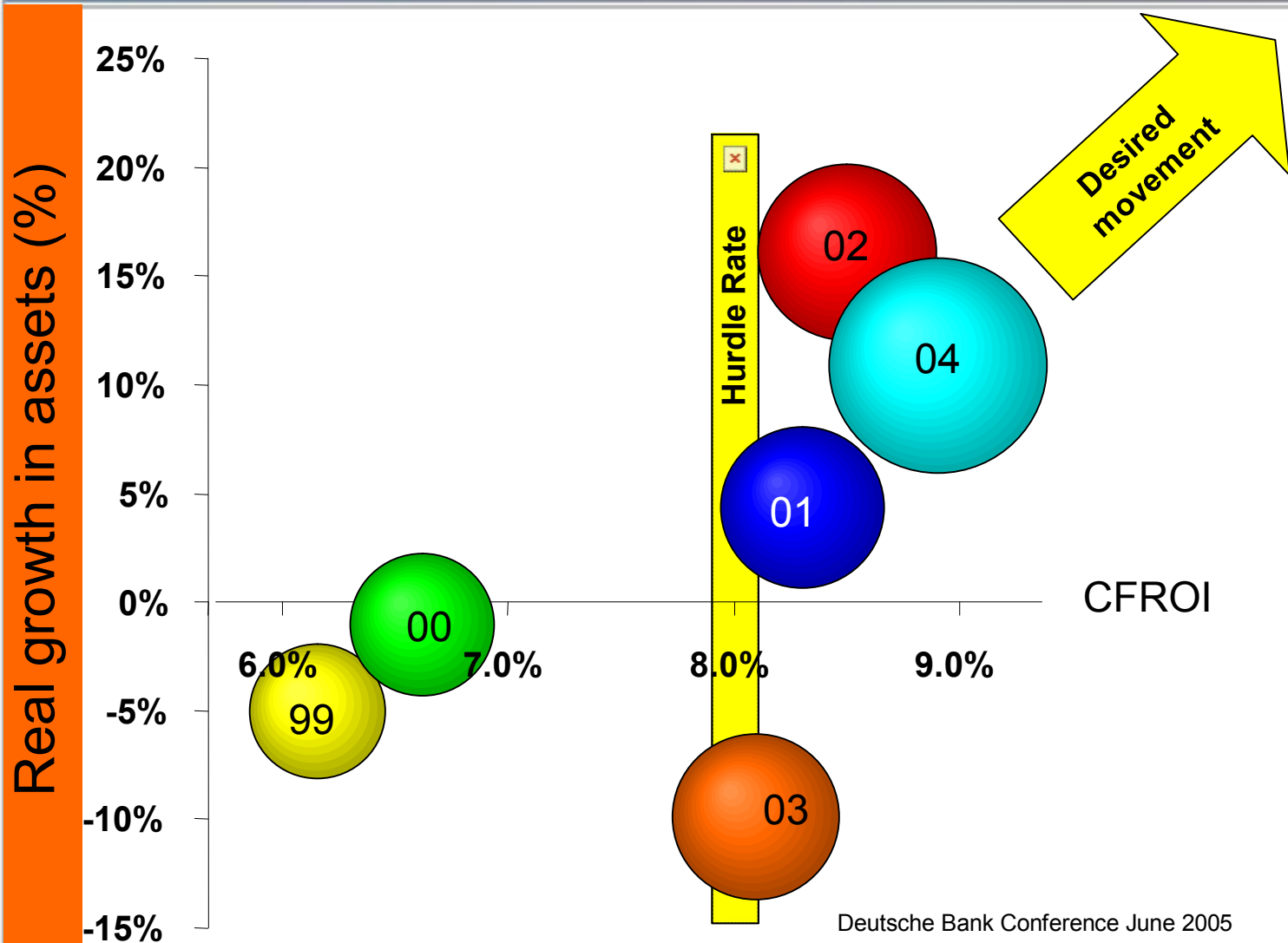
And others are in the pipeline.....

- **Coatings (China)**
- **Motor (Australia)**
- **Handling (Europe)**
- **Motor (Scandinavia)**

Our CFROI/CVA goal: a bigger bubble moving up and right

Financial focus on Cash Value Added (CVA) – the size of the bubble

And raising Cash Flow Return on Investment (CFROI)



Incremental acquisitions (and disposals): past 5 years

**We are
fixers of
businesses,
not traders**

**But we sell
when a
business
doesn't make
sense in our
future**

Acquisitions R4.0 billion including:

- **Avis Southern Africa**
- **PPC shares**
- **Freightliner dealerships**

Disposals R6.6 billion including:

- **12 million Dimension Data shares**
- **Comparex shareholding**
- **Motor leasing book**
- **Equipment leasing book**

1H'05 CORPORATE ACTIVITY

**R124 million
invested in
acquisitions**

Bought

- **CMS Lift Trucks Northern Ireland**
- **Hamilton Brush**
 - Premium paint brushes

**R184 million
proceeds from
disposals**

Growing

- **PPC – Jupiter factory to be recommissioned**
- **Valencia co-generation plant moving to full output**
- **Progress in Chinese coatings venture**
- **Siberian Caterpillar dealership territory**

Sold

- **33% holding in Slagment**
- **30% of Umndeni Circon**
 - BEE transaction

Restructuring

- **Scientific**
- **Truck Center**
- **Motor Australia**

EXCELLENT OPERATING RESULT

+7%

- Rand revenues R 18 792 million



+25%

- Operating profit R 1 545 million



- Operating margin 8.2% (1H'04: 7.0%)



- HEPS 372 cents

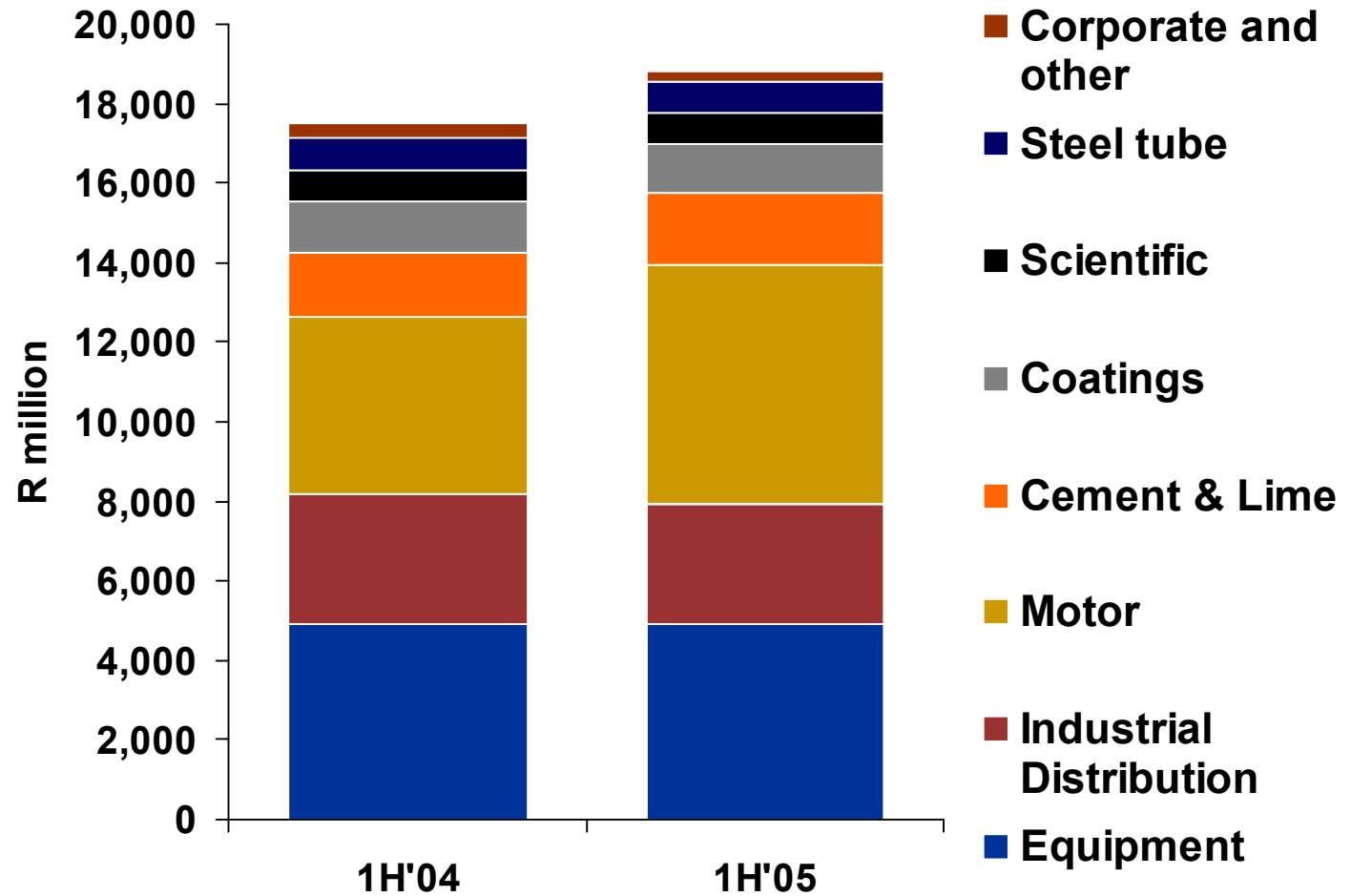


+13%

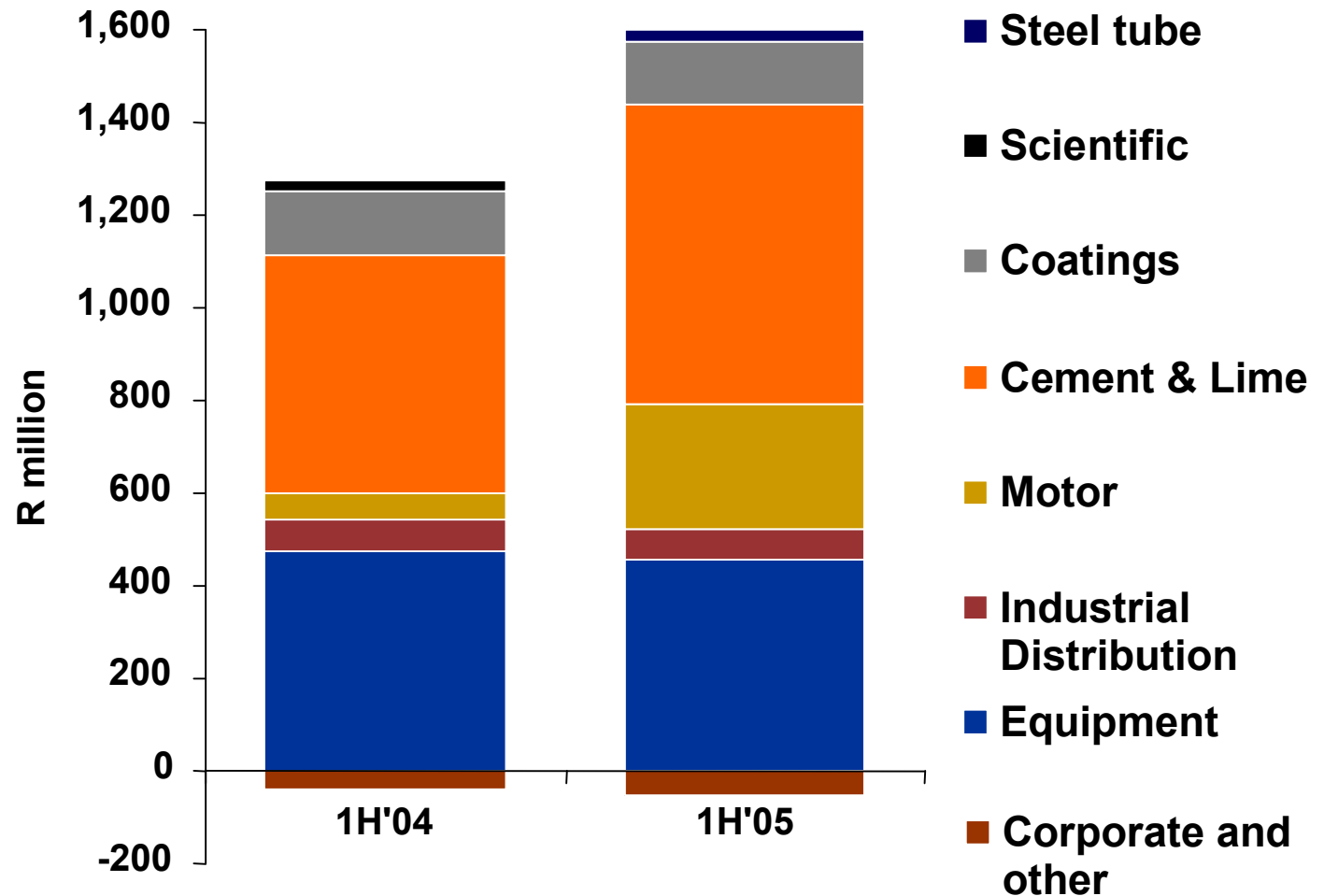
- Dividend 130 cents (1H'04: 115 cents)



REVENUE UP 7%



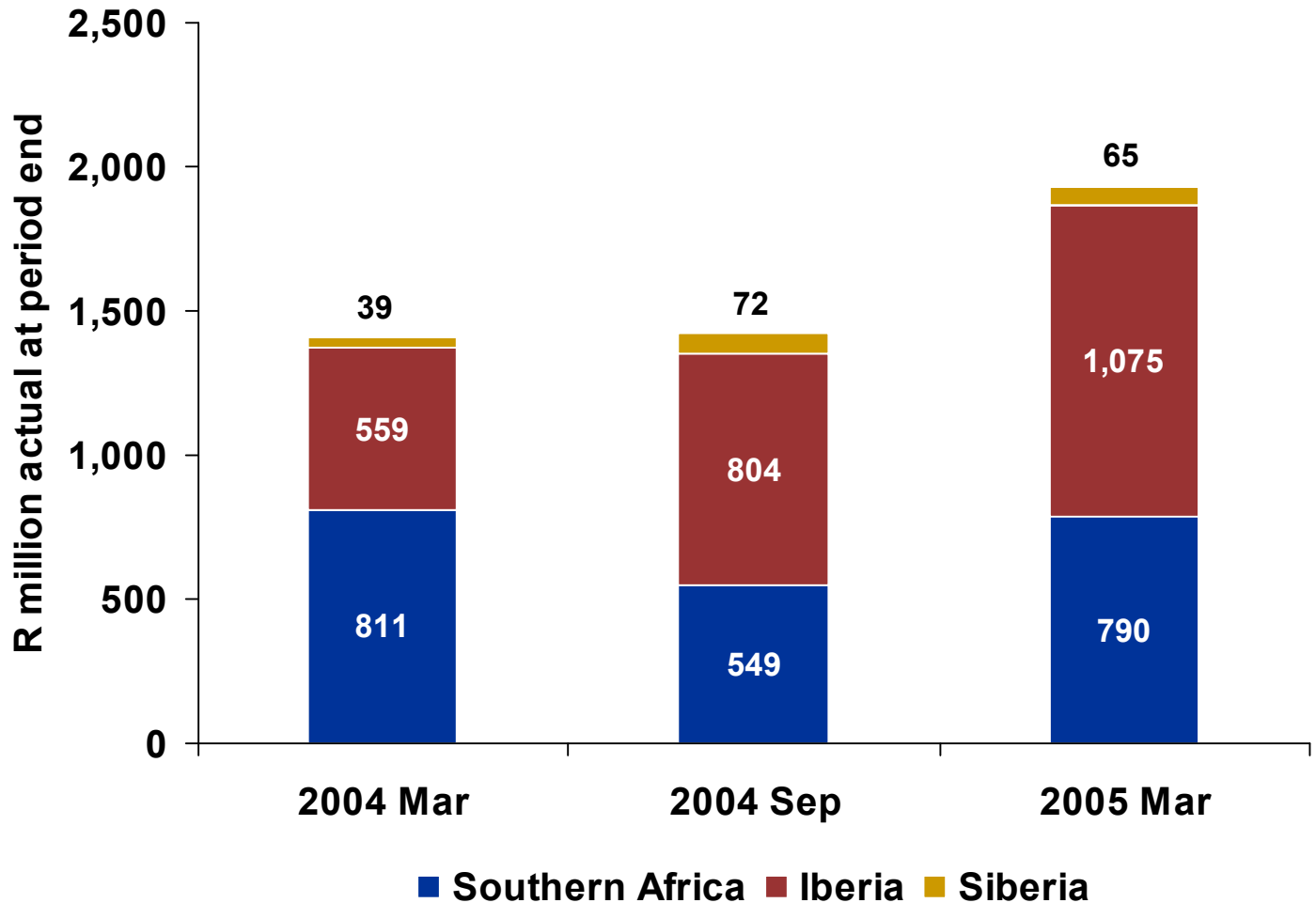
OPERATING PROFIT BEFORE GOODWILL UP 25%



EQUIPMENT: STRONG ORDER BOOK

**31 Mar 05
order
book:**

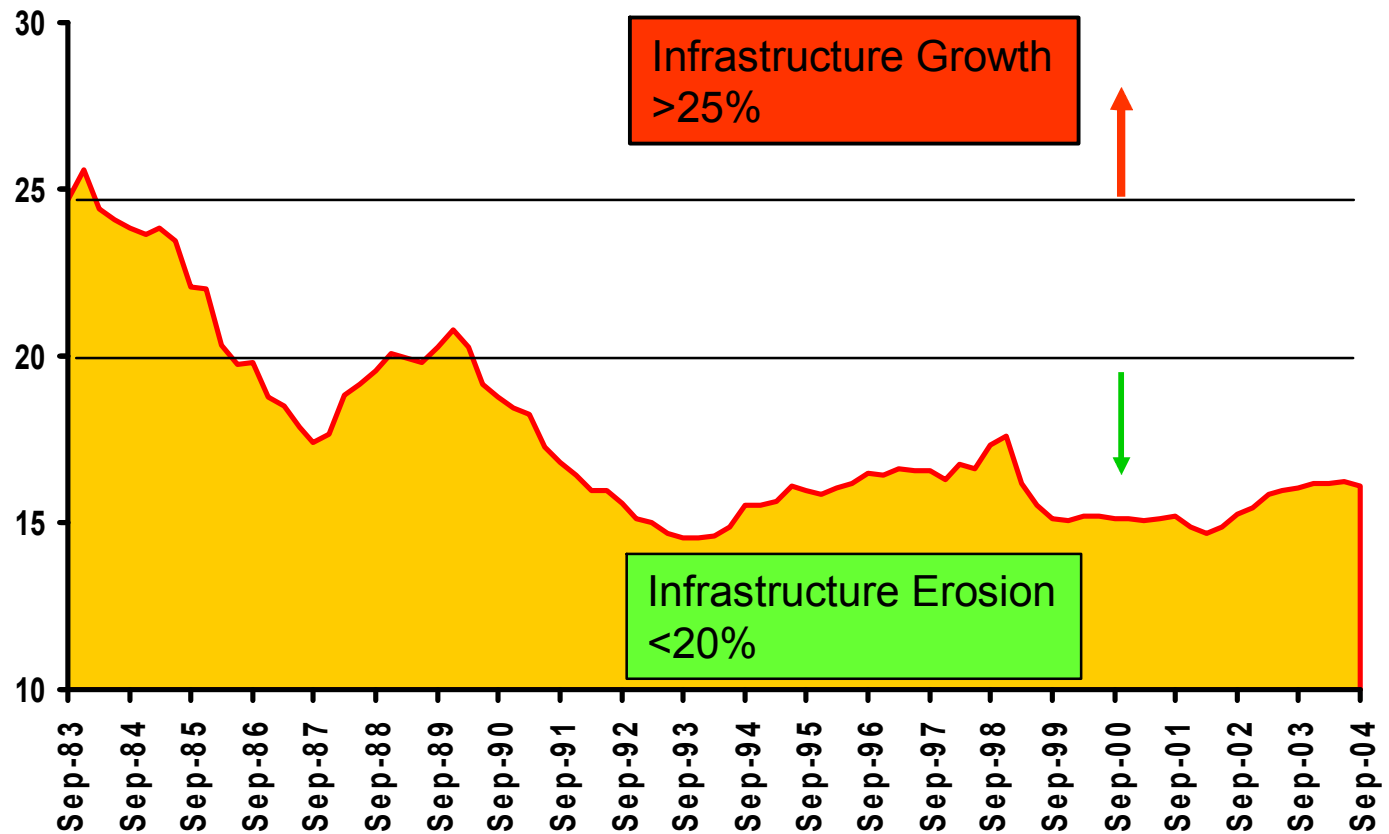
- Strong in Spain
- Strong in Southern Africa
- Global demand and raw material shortages extend lead times for Caterpillar



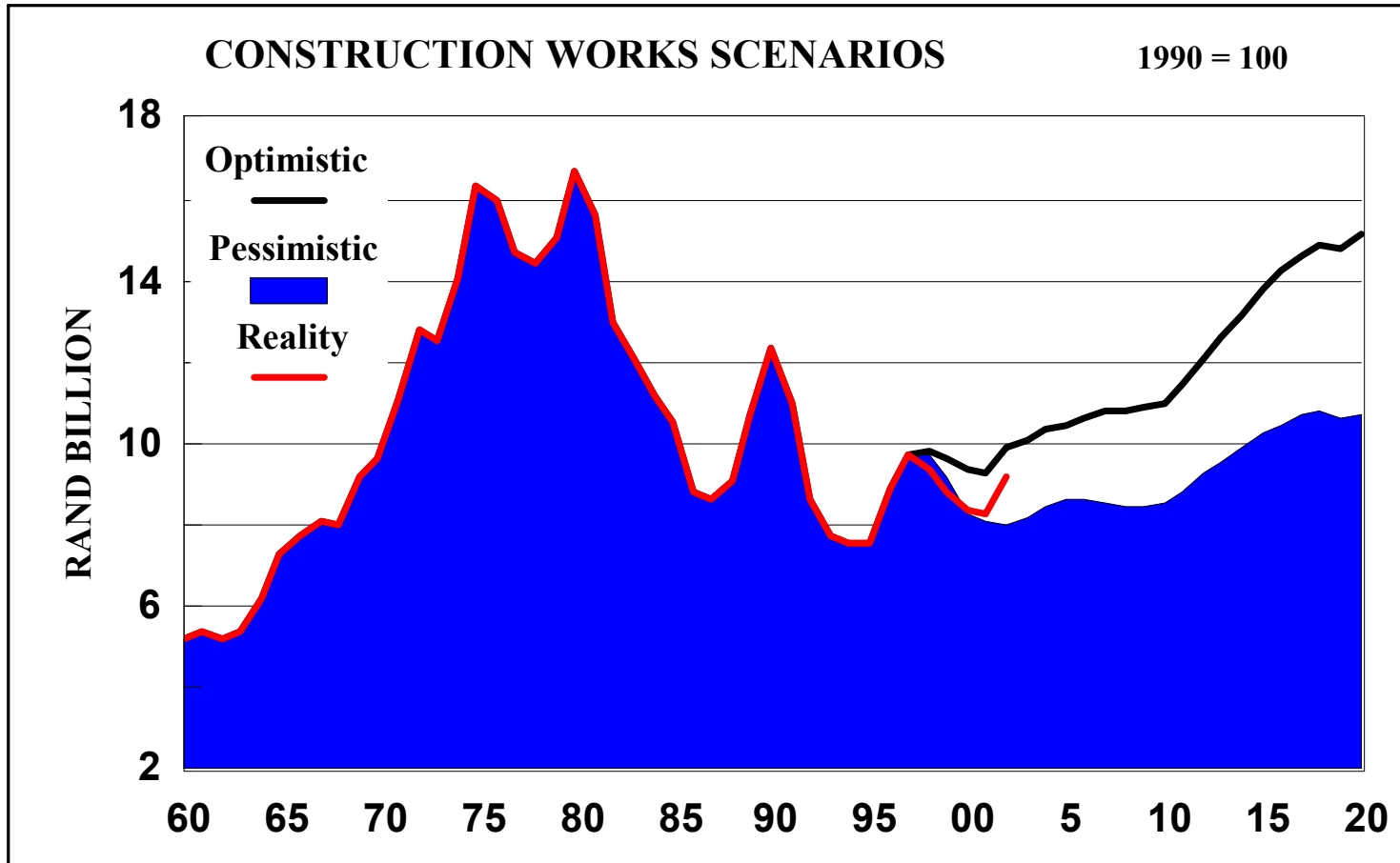
SOUTH AFRICA: GDFI as % of GDP

South African spending on GDFI still below required levels.

Government has committed to increased spending on infrastructure – timing still uncertain

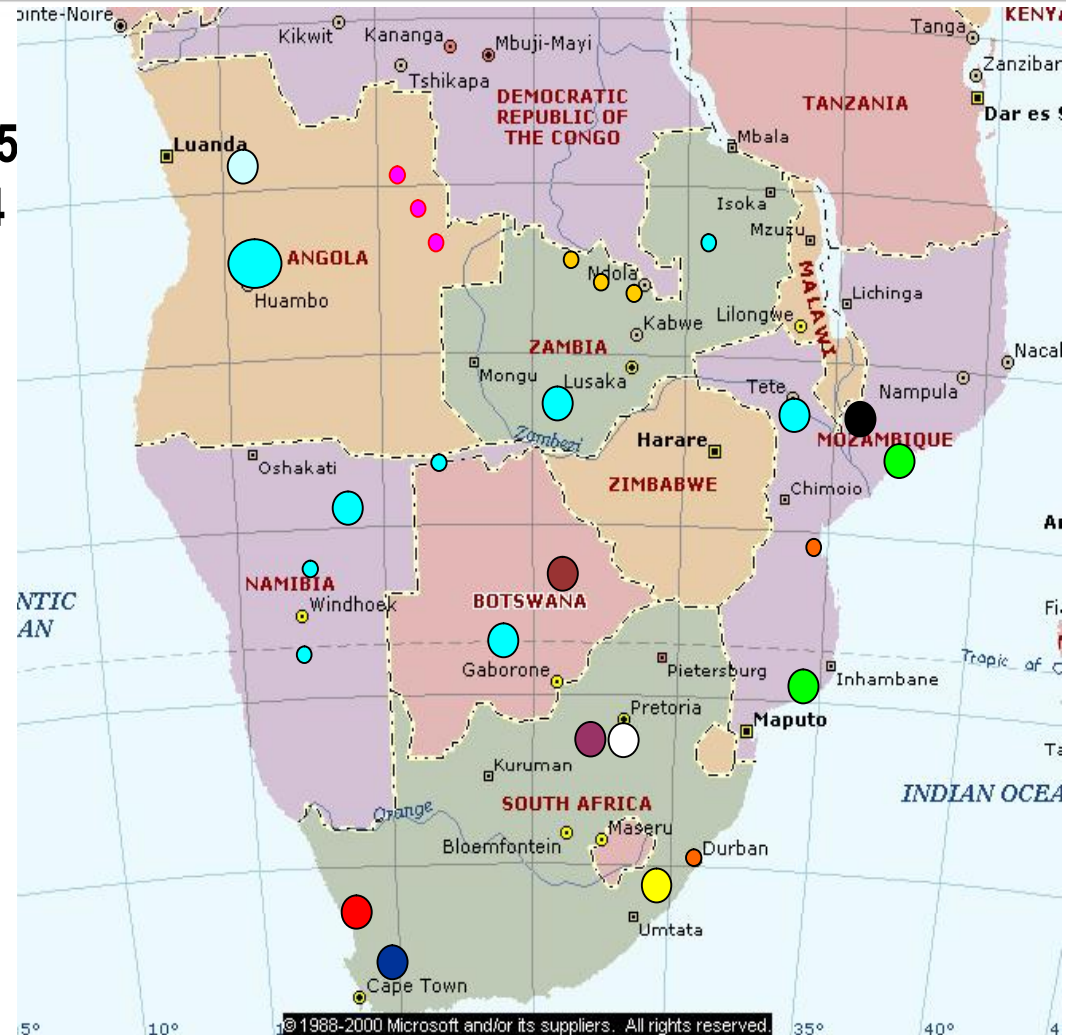


INDUSTRY ANALYSIS: SAFCEC long range view of construction activity



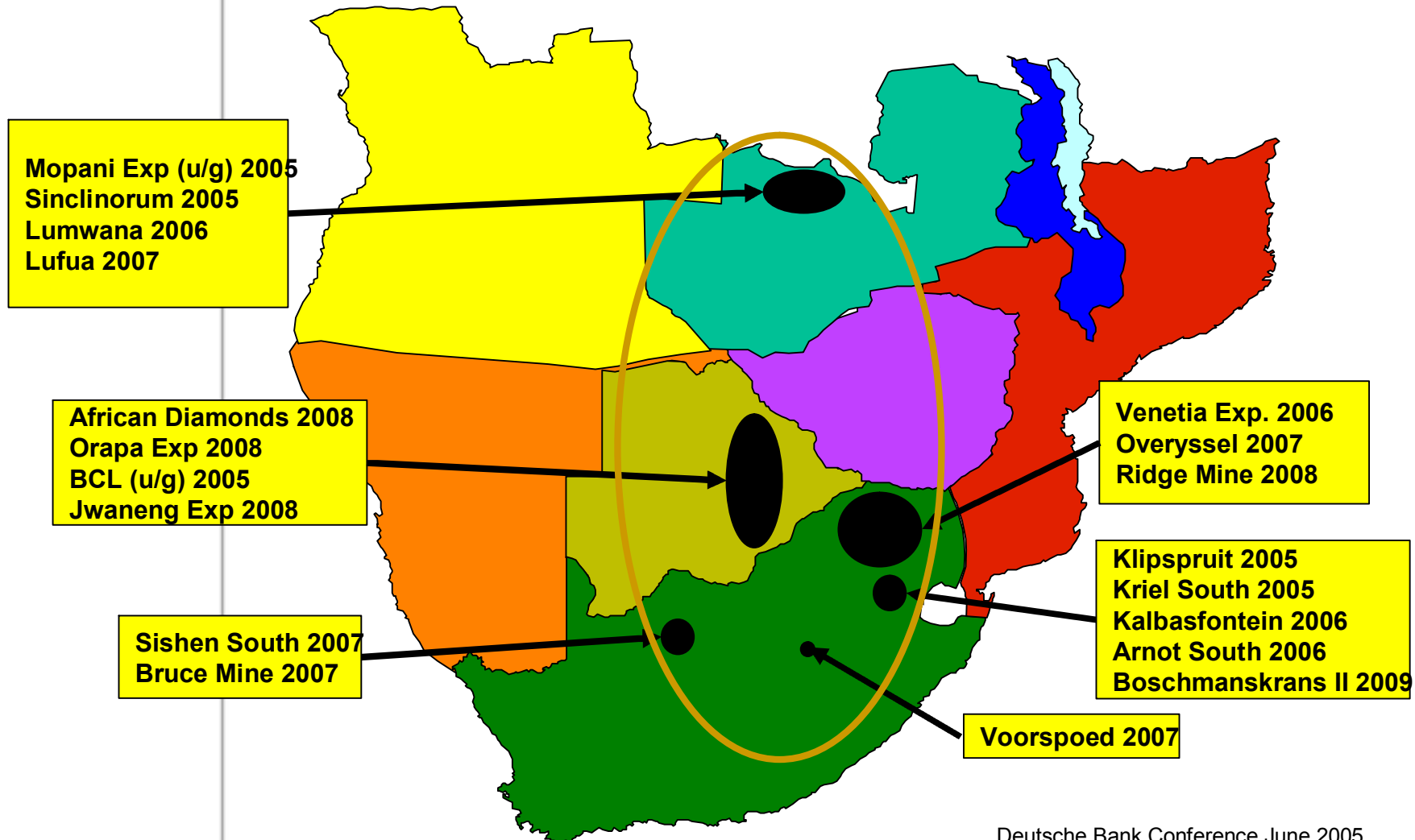
MAIN CONSTRUCTION PROJECTS

- Gautrans Rail Network – 2005
- Berg River Water Scheme – 2004/5
- Diamond Field Expansions – 2004
- Dube Port Expansion – 2005
- Gauteng Road Network – 2006
- Major Road Projects – 2005
- Iron ore mine Angola - 2006
- Nelson Mandela Highway
- West Coast South Coast Pipeline
- Sand Projects – 2005/6
- Port Developments – 2004/5
- Moatize Coal Fields – 2007/8
- Copper mines
- Water Piping Project
- 2010 World Cup infrastructure



© 1988-2000 Microsoft and/or its suppliers. All rights reserved.

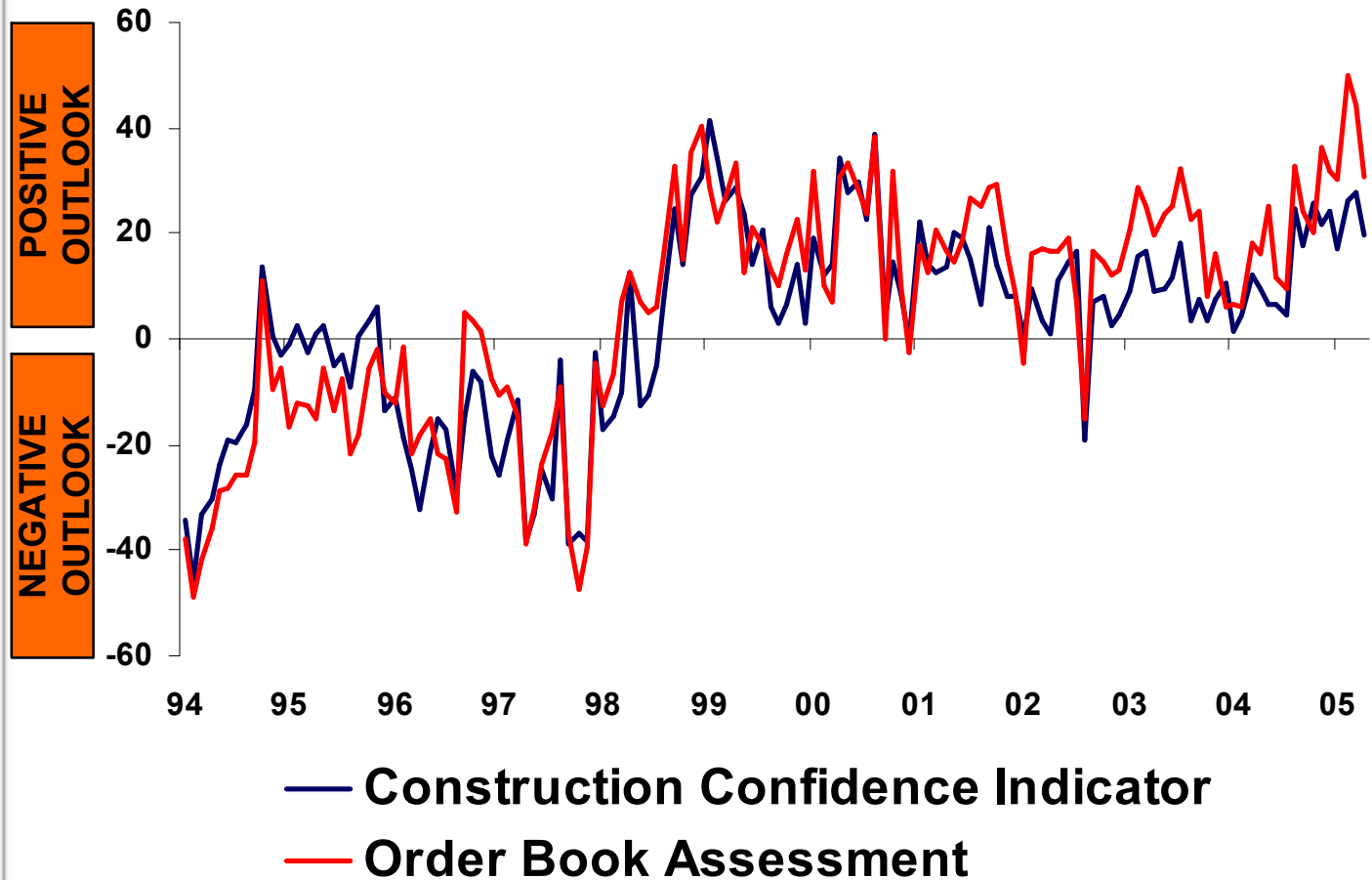
NEW MINING PROJECTS



SPAIN – CONSTRUCTION SECTOR OUTLOOK

**Confidence
levels remain
high in Spain**

**Public
infrastructure
spend to
continue after
EU cohesion
funds end**



Source: European Commission

Deutsche Bank Conference June 2005



2010 - HIGHWAY NETWORK





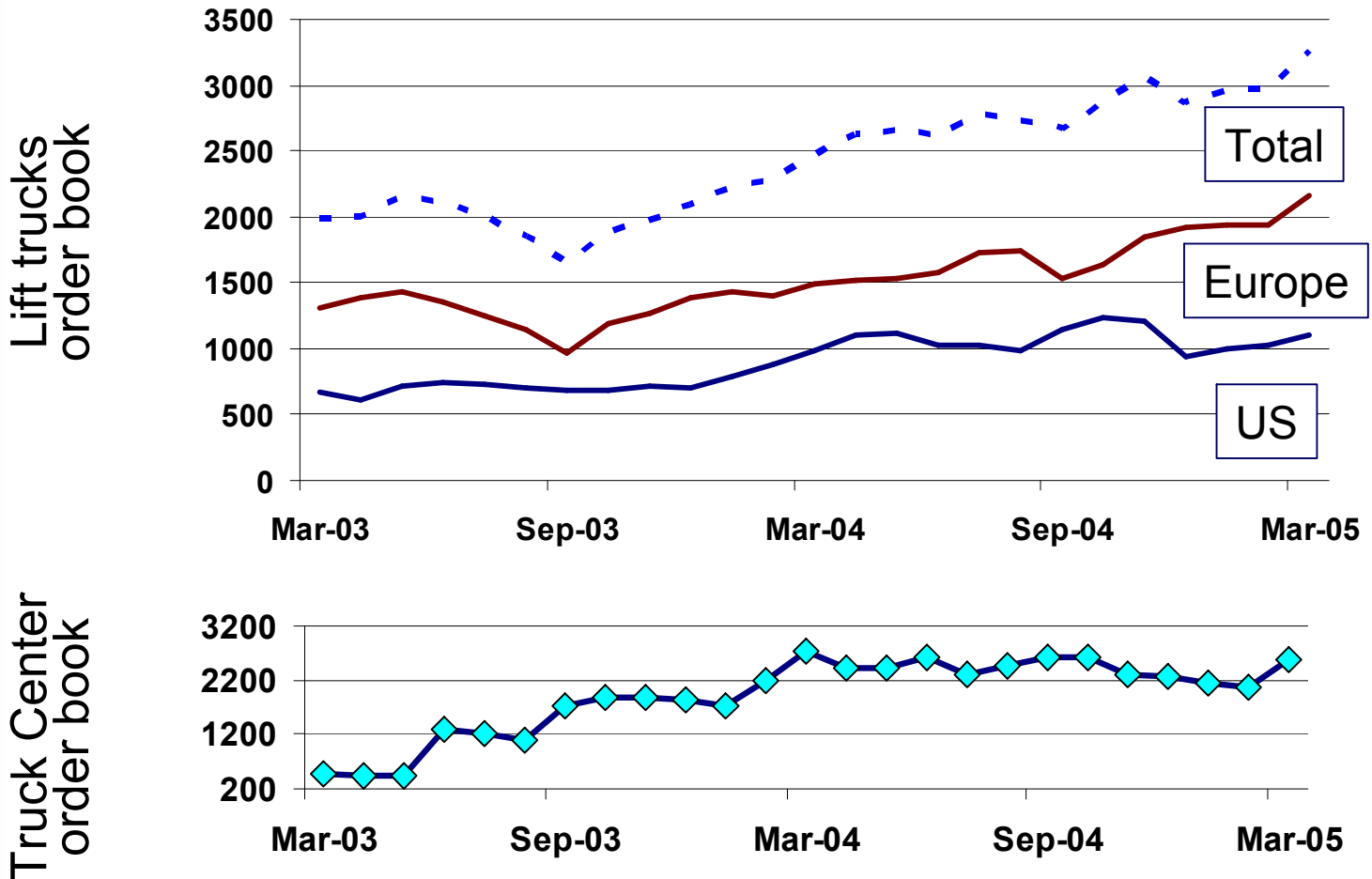
2010 – HIGH SPEED RAIL NETWORK



INDUSTRIAL DISTRIBUTION: STRONG ORDER BOOKS

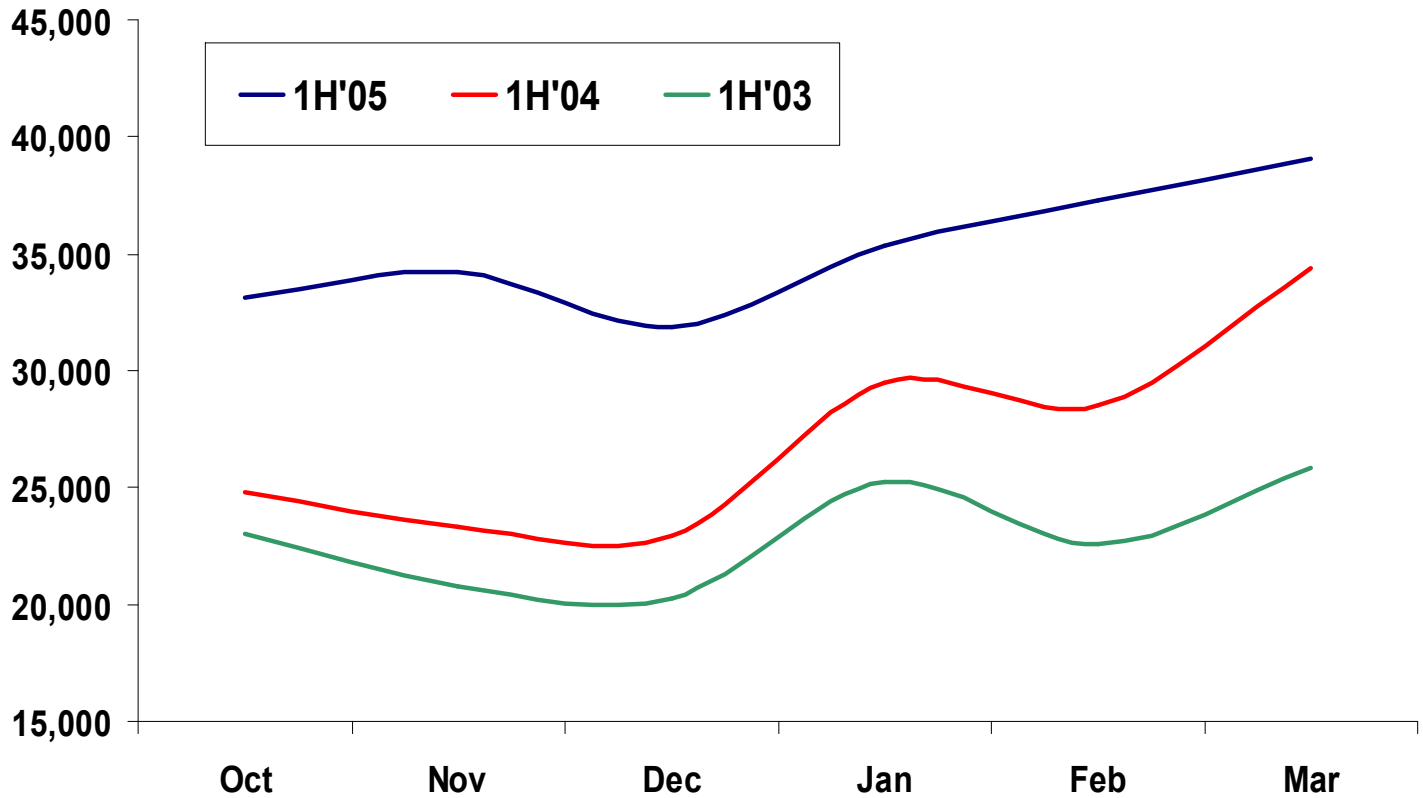
Increase in order books towards the end March

Truck Center order book remains at high levels



MOTOR: SOUTH AFRICAN MARKET

Dealer Sales	YTD March
1H'05	210,829
1H'04	163,491
1H'03	137,668



MOTOR: AVIS RENT-A-CAR

Rate per day
in southern
Africa
affected by
interest
rates....

.....but more
than offset by
improved
utilisation and
productivity

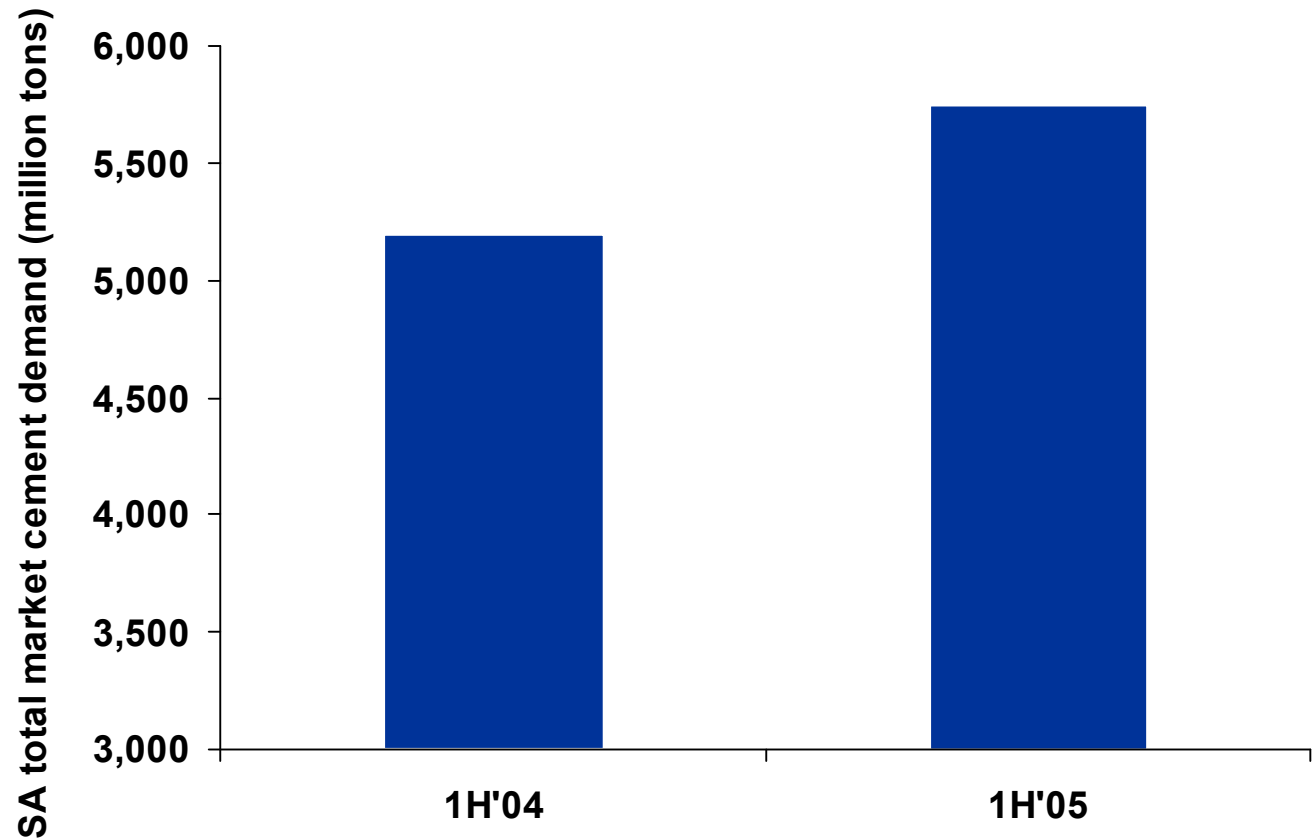


Key Indicators	Growth
Rate Per Day	
- Southern Africa	-4%
- Scandinavia	+1%
Rental Days	
- Southern Africa	+3%
- Scandinavia	+10%
Rental Fleet Utilisation	
- Southern Africa	+5%
- Scandinavia	-1%
People Productivity (Rental transactions per person/month)	
- Southern Africa	+5%
- Scandinavia	-2%

CEMENT: SA DEMAND GROWING STRONGLY

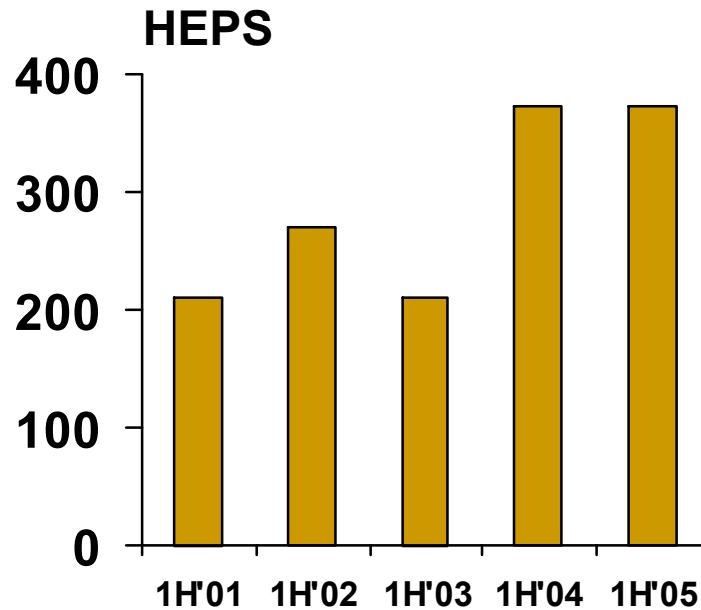
**2005 outlook:
8-10% cement
demand growth
for 2005**

**Increased
impetus of
spend on
infrastructural
projects**

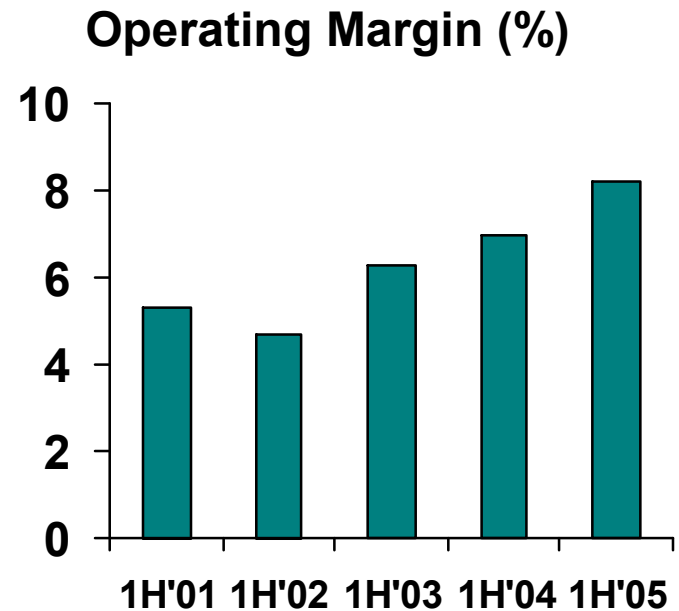


VBM STRATEGY HAS DELIVERED FINANCIAL PERFORMANCE...

Improving profits

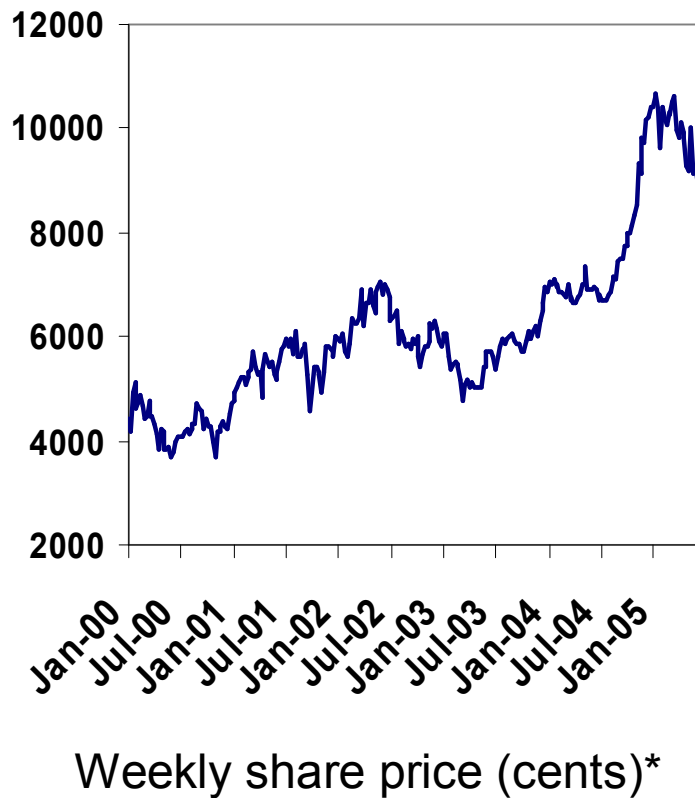


Improving margins

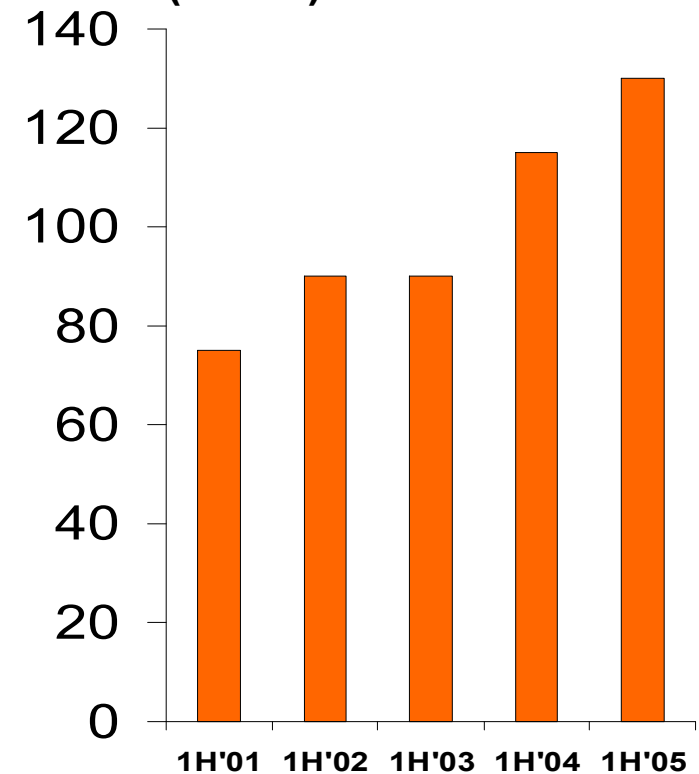


... AND SHAREHOLDER VALUE

**Dividend up 13%
to 130 cents**



Ordinary Dividends (cents)



* Final figure is 21 June 2005



Barloworld

Leading brands

Appendix

Incremental acquisitions over last 5 years

Equipment

- Finaltair
- Energyst
- Circon

Industrial Distribution

- Barton, Texarkana & North West Arkansas Freightliner
- Sterling dealership (Tennessee)
- Netherlands Hyster
- N Ireland Hyster

Cement & Lime

- Mooiplaas Dolomite
- Porthold (Zimbabwe)
- PPC shares
- Kgale Quarries (Botswana)
- Readymix (Botswana)

Motor

- Avis Southern Africa
- SA retail dealerships

Coatings

- ICC
- White Knight (Australia)
- Sonnex Paints (Namibia)
- Hamilton Brush

Scientific

- Protean Laboratory Group (UK)
- LPM Lasers

Logistics

- Optimus
- Supply Chain Solutions
- ZA Trans

Disposals over past 5 years

**We are
fixers of
businesses,
not traders**

**But we sell
when a
business
doesn't
make sense
in our
future**

2000

- 12 million Dimension Data shares
- Comparex shareholding
- Technical Optics
- Logical Botswana

2002

- Natal Portland Cement
- Ash Resources
- Stemcor
- Motor dealerships (Australia)
- Plascon International (UK)
- Robor Stuart & Lloyds

2003

- Motor Leasing Book
- Motor retail dealerships
- Schenectady Joint Venture

2004

- Equipment Leasing Book
- Melles Griot UK
- Henry Cooke (UK)
- Motor Dealerships
- Bulgarian Caterpillar dealership

2005

- Slagment
- Umndeni Circon (30%)

HY 05 INCOME STATEMENT HIGHLIGHTS

Operating margins and returns improve, bolstered by Avis

R million	1H'05	1H'04	% Ch
Revenue	18 792	17 532	7
Operating profit before goodwill	1 545	1 235	25
Financial instrument adjustments	(45)	(57)	
Finance costs	(213)	(184)	
Profit before exceptionals	1 358	1 042	30
Exceptional Items	15	159	
Taxation incl STC	(505)	(427)	
Headline earnings	768	735	4
Headline EPS (cents)	372.4	373.8	0
Interim dividend (cents)	130	115	13

1H'05 INCOME STATEMENT

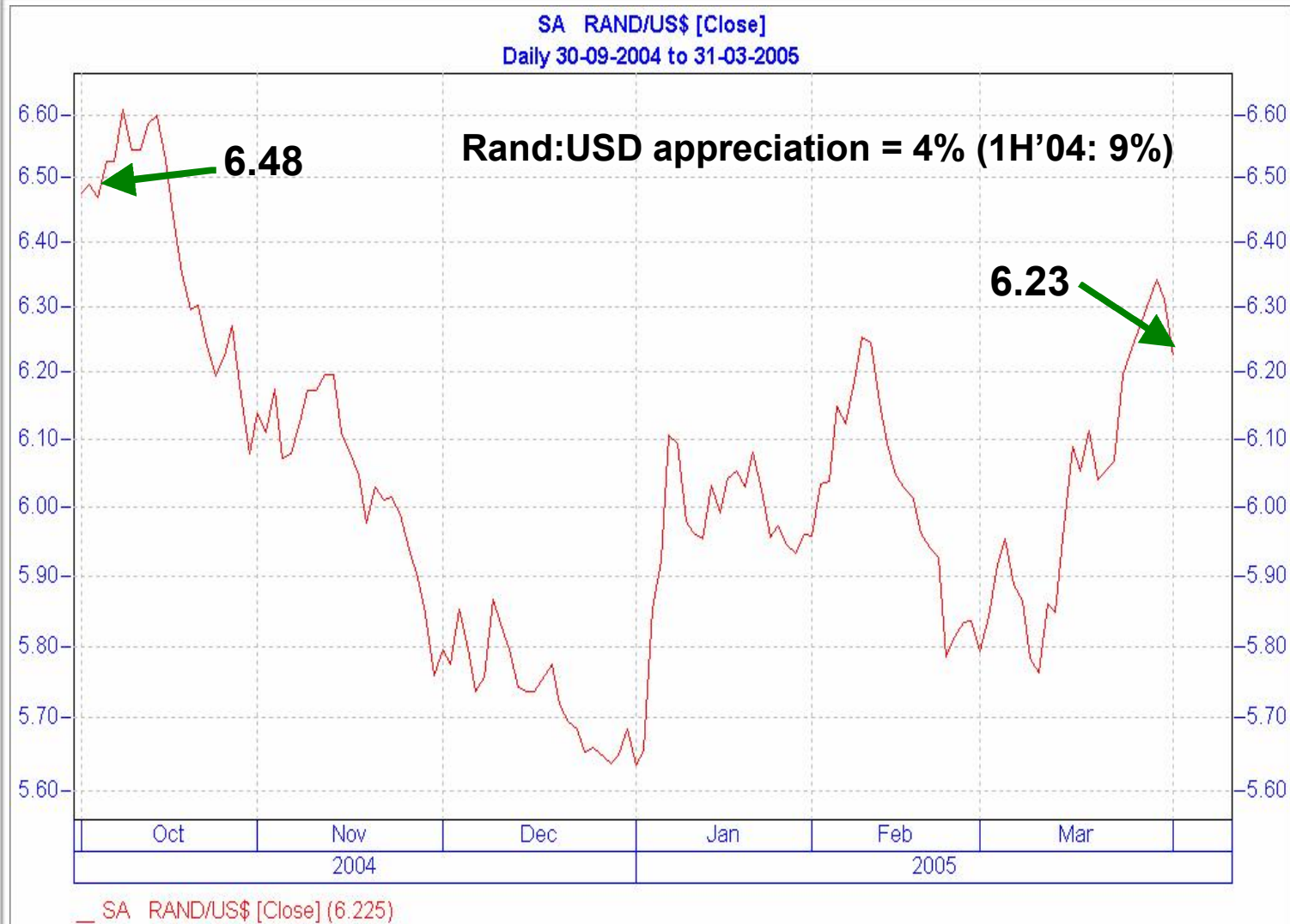
IAS 21/39 IMPACT

Negative financial instrument adjustments recouped at operating level

R million	1H'05	1H'04
Equipment Southern Africa	(42)	(77)
Other Operations	(3)	20
Financial instrument adjustments	(45)	(57)
Recoupment at operating profit level	78	84
Impact on profit before tax	33	27

1H'05 FINANCIAL INSTRUMENT ADJUSTMENTS IMPACTED BY R:\$

Lower Rand appreciation against dollar reduces negative fair value adjustments



EXCEPTIONAL ITEMS

**Exceptional
profits R15m
(1H'04: R159m)**

R million	1H'05	1H'04
Profit on disposal of properties, investments and subsidiaries	24	64
Reversal of pension fund closure provision		100
Impairment of assets	(9)	(5)
Total exceptional profits before tax	15	159

HEPS IMPACTED BY PRIOR YEAR PENSION WRITE BACK AND STC

HEPS
impacted by
non-operational
items

Cents per Share	1H'05	1H'04	% Ch
HEPS as reported	372	374	0
Pension impact		(36)	
STC impact	21		
	393	338	16
Weighted average shares in issue-basic (000)	206 249	196 628	5

TAXATION RATE ANALYSIS

R Million	1H'05	1H'04
Taxation per income statement	401	367
Prior year tax excluding exceptionals	(2)	
Tax on exceptionals	(2)	(27)
Taxation before STC & exceptionals	397	340
Profit before exceptionals and goodwill	1 358	1 097
Effective tax rate (%) - excl STC	29.2%	31.0%
STC on dividends paid	104	60

Lower effective tax rate before STC

Higher STC on PPC special dividends

RAND APPRECIATION IMPACT ON HEPS

Translation of offshore profits reduces HEPS by about 5 cents (1%)

Average rate	1H'05	1H'04	Rand appreciation (%)
US\$	5.94	6.66	10.9
Euro	7.79	8.15	4.3
GBP	11.47	11.96	4.1

GEARING RATIOS AND TARGETS

Gearing ratios remain within target ranges

Debt to equity (%)	Trading	Leasing	Car Rental	Total group
Target range	20 – 40	600 - 800	200 - 300	
30 Sept 04	21	598	300	65
31 Mar 05	29	707	224	70

HY05: BALANCE SHEET HIGHLIGHTS

Balance sheet remains healthy

- Balance sheet remains strong with little exchange rate impact
- Total assets increased by R315 million to R28 143 million from Sept 2004
- On-balance sheet repurchase commitments of R480m reclassified as contingent liabilities under IAS 37
- Total interest-bearing borrowings increased R777 million to R8 487 million

CASH FLOW HIGHLIGHTS

**Strong
operating
cash
generation
continues**

- Operating cash generations remains strong at R1 466m (1H'04: R1 472m)
- Working capital increase of R948m (1H'04: R504m) due to higher activity levels and increased equipment inventory to cover stronger forward order books
- Dividends paid R883m (1H'04: R596m)
- Cash applied to investing activities of R1 324m (1H'04: R2 255m) includes:

R million	1H'05	1H'04
Acquisitions of subs and investments	(254)	(1 525)
Fleet and rental assets investment	(441)	(315)
Proceeds on disposal of subs, investments and properties	184	184