



Barloworld

Leading brands

Barloworld Limited

Audited results for the year ended
30 September 2004

BARLOWORLD IS A DIVERSIFIED INDUSTRIAL COMPANY

with 25 000 people in 33 countries

who provide business solutions

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

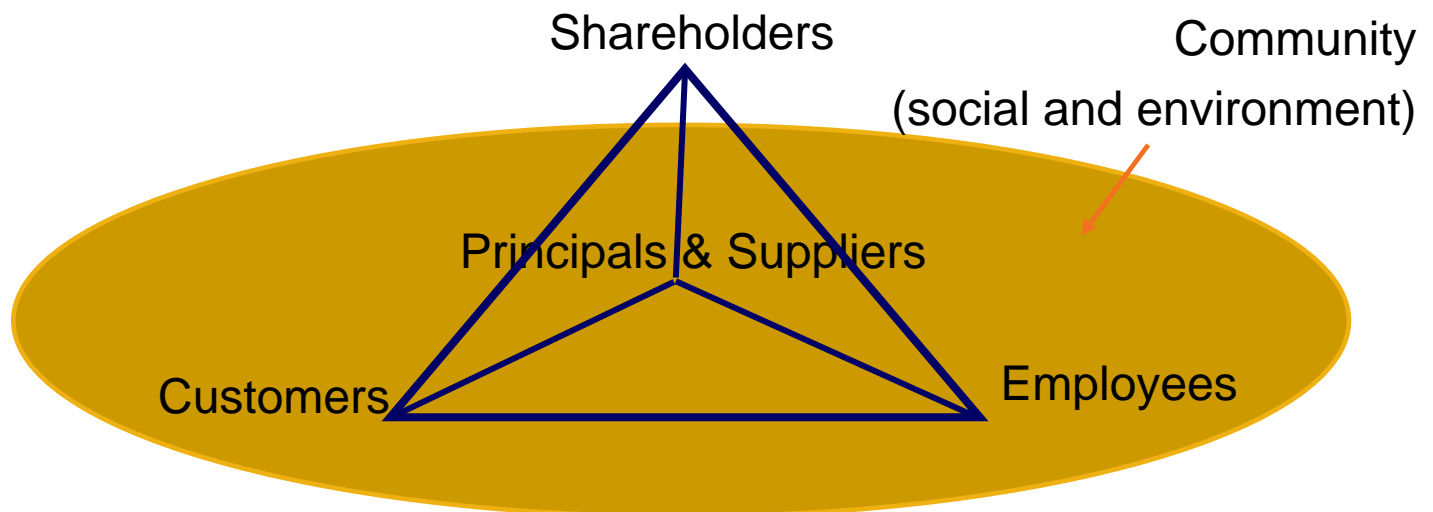
to make our customers' businesses excel



STRATEGY TO CREATE SUSTAINABLE VALUE

Value Based Management

- Improve existing operations
- Organic expansion
- Incremental acquisition (and disposal)



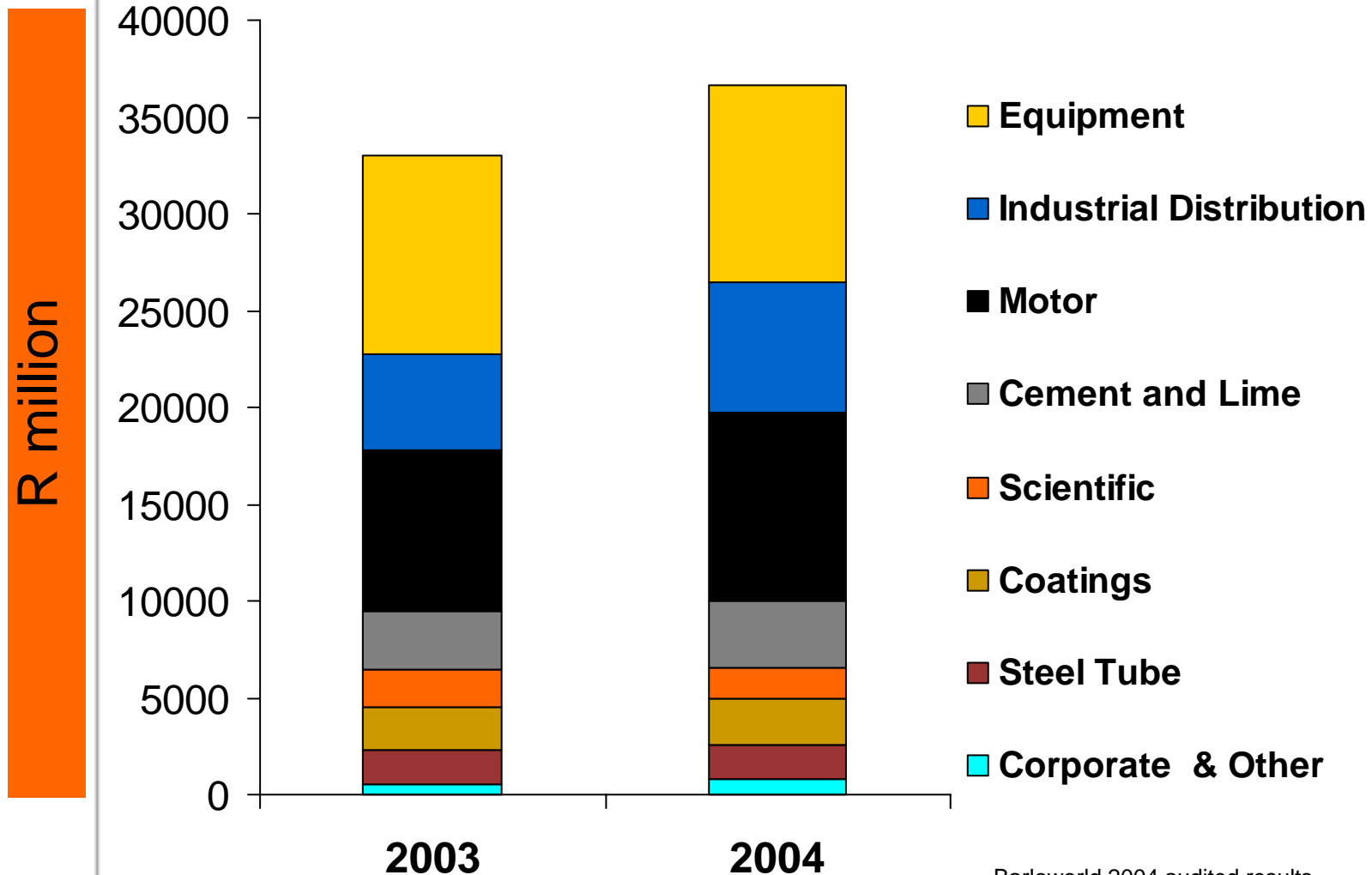
In May 2004 we said:

“The outlook for the full year is excellent”

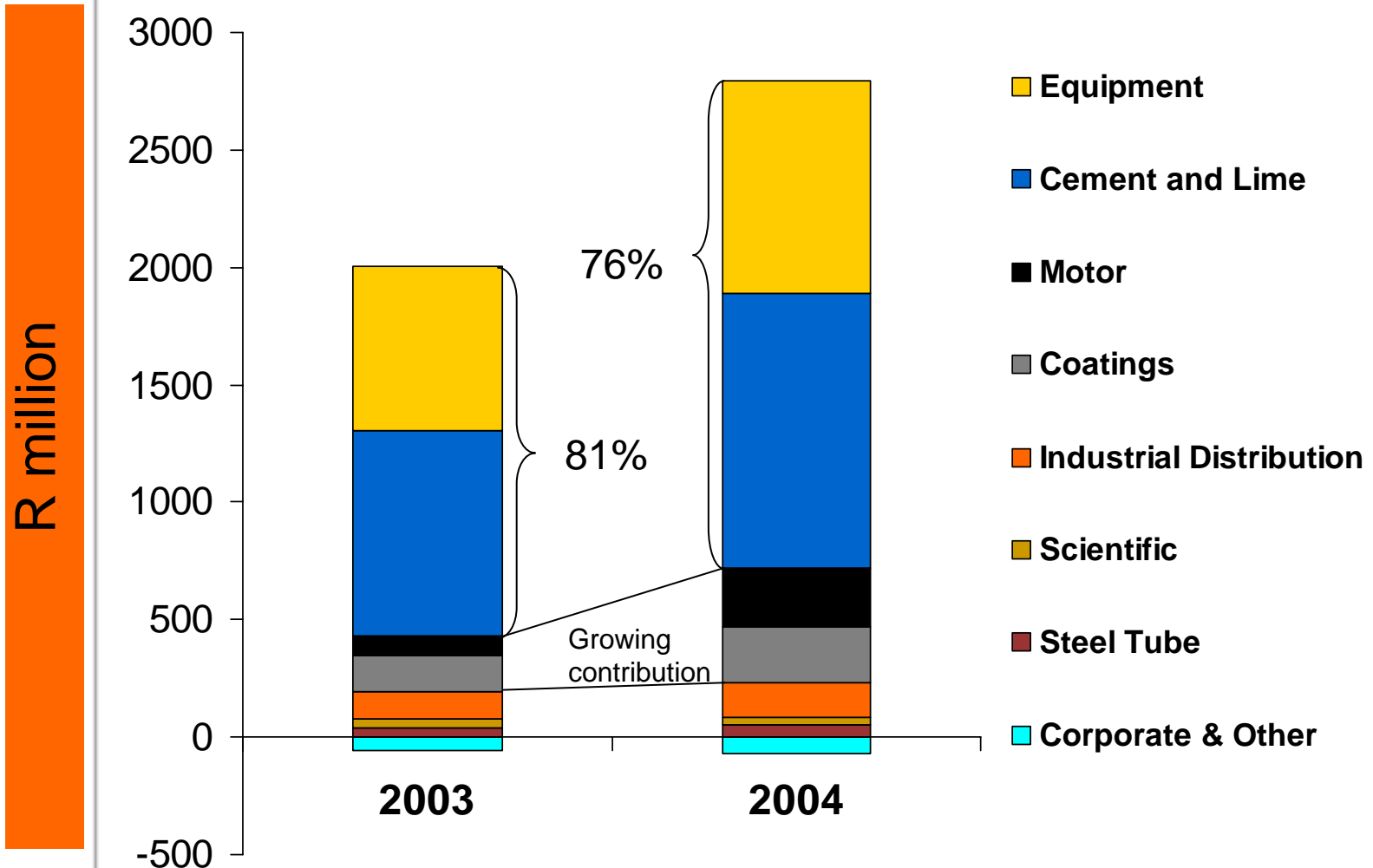
FY04 EXCELLENT RESULTS

- +6%** • Revenues R 36 673 million
- +21%** • Operating profit R 2 836 million
 - Operating margin 7.7% (2003: 6.8%)
 - Southern Africa 75% of operating profits (2003: 69%)
- +21%** • Operating cash flows R4 251 million
- +45%** • HEPS 857 cents
 - RONA (trading) 22.2% (2003: 18.6%)
 - CFROI 8.9% (2003: 8.1%)

REVENUE UP 11% IN CONSTANT CURRENCY TERMS



SEGMENT RESULTS UP 40% IN CONSTANT CURRENCY TERMS



2004 CORPORATE ACTIVITY

R1 555 million
invested in
acquisitions

R2 501 million
proceeds
from
disposals

Bought

- **Avis Southern Africa**
- **2.2 million PPC shares**
– (now 71.6% owned)
- **Netherlands Hyster dealership**
- **Coatings colourant businesses**

Growing

- **Caterpillar territory in Russia**
- **PPC earmarked for capital expansion**

Sold

- **SA Equipment leasing book**
- **Melles Griot UK**
- **Henry Cooke**
- **4 motor dealerships outright/into jv's**
- **Bulgaria Caterpillar**

FY 04 OPERATIONAL HIGHLIGHTS: VBM DELIVERS

Expansion

- Avis integration on track
- Russian Caterpillar territory now larger than USA

Consolidation

- Cement & Equipment remain engine rooms of profit

Recovery

- Upturn in Melles Griot and Industrial Distribution

New business streams

- Valencia energy plant being commissioned

Innovation

- Remote service systems (Handling UK)

Finance

- First corporate bond issue

EMPOWERMENT: GOOD PROGRESS ON SCORECARDS

Assessment

- EmpowerLogic rating of all SA operations completed

Direct Empowerment

- More equity deals completed
 - Motor, Cement & Lime, Coatings and Steel Tube
- Others in the pipeline in
 - Equipment and Logistics

Human Resources Development

- Employment equity programme achieving targets
- Skills development programmes rated excellent

Indirect Empowerment

- SA-wide procurement initiative launched
- CSI programme active

Clive Thomson

Finance director

EARLY ADOPTION OF IFRS CHANGES IN 2004

**Proactive
approach to
new and
revised IFRS**

- **13 new or revised International Financial Reporting Standards early adopted in 2004**
- **No material impacts other than IAS21 requiring restatement of foreign goodwill at closing rates. No HEPS effect.**
- **In terms of IAS14, “Rest of Africa” geographic segment not separately reported as now below 10% threshold**
- **In terms of IAS1, HEPS no longer disclosed on face of income statement**

FY 04 INCOME STATEMENT HIGHLIGHTS

**VBM
delivers
improved
profits,
margins
and returns**

R million	FY 04	FY 03	% Change
Revenue	36 673	34 603	6
Operating profit	2 836	2 342	21
Financial instrument adjustments	(107)	(334)	
Finance costs	(468)	(531)	
Exceptional Items	40	81	
Taxation	891	604	
Headline EPS (cents)	857	593	45
Total dividend (cents)	380	290	31

RAND APPRECIATION IMPACT ON TRANSLATION NOT SIGNIFICANT

Translation of offshore profits impacts HEPS by approx. 19 cents (2.2%)

Average rate	FY 04	FY 03	Rand appreciation
US\$	6.6	8.04	18%
Euro	8.05	8.67	7%
GBP	11.84	12.82	8%

FY 04 INCOME STATEMENT

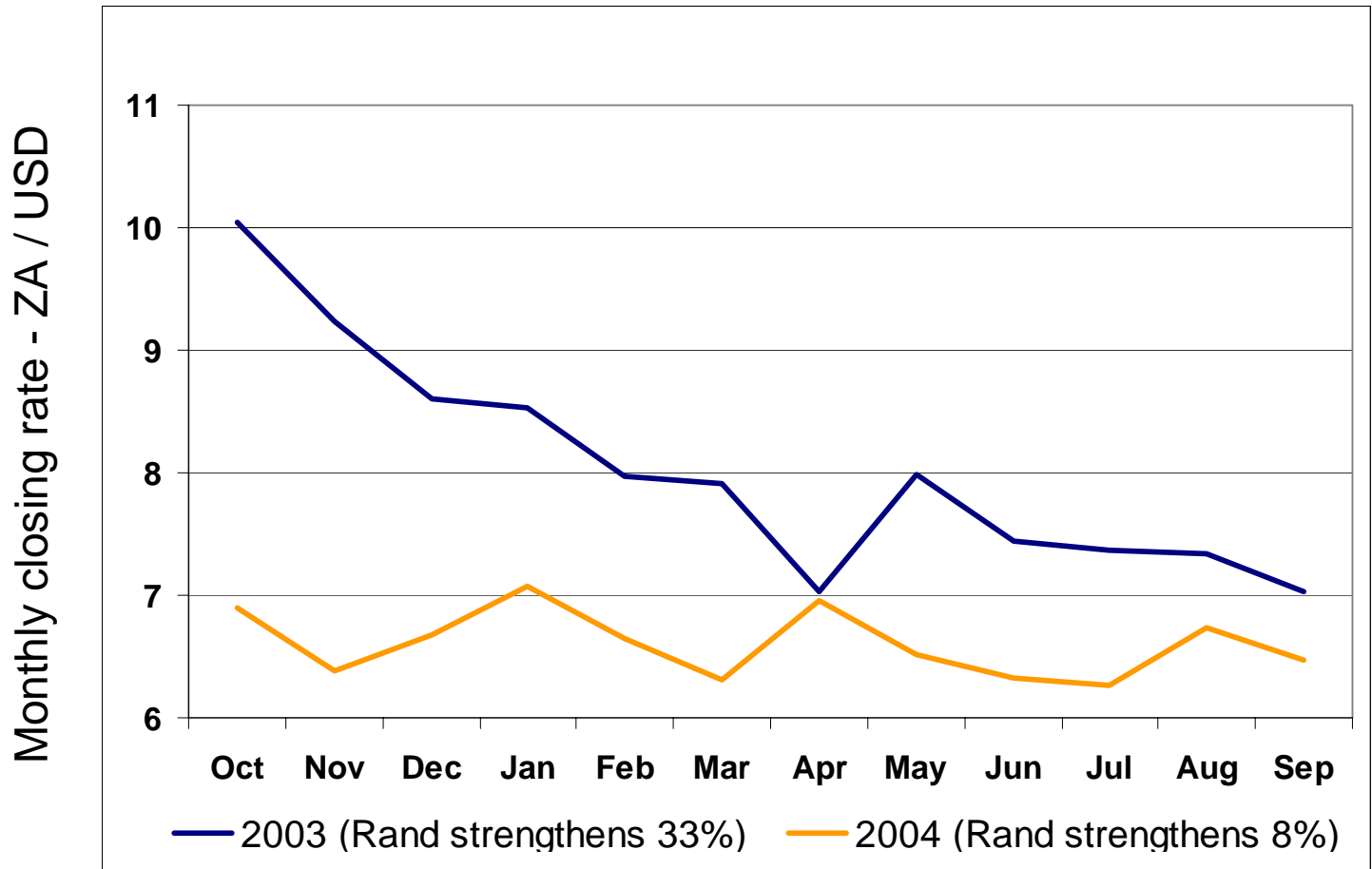
IAS 21/39 IMPACT

Net financial instrument adjustments positive R45m at PBT level (2003: R116m negative)

R million	FY 04	FY 03
Equipment Southern Africa	(121)	(332)
Other Operations	14	(2)
Financial instrument adjustments	(107)	(334)
Recoupment at operating profit level	152	218
Impact on profit before tax	45	(116)

FY 04 FINANCIAL INSTRUMENT ADJUSTMENTS IMPACTED BY R:\$

**Lower negative
fair value
adjustments in
Equipment
Southern
Africa driven
by less steep
rand
appreciation
against USD in
2004**



EXCEPTIONAL ITEMS

Exceptional profits total R40m (2003: R81m)

R million	FY 04	FY 03
Profit on disposal of properties, investments and subsidiaries	108	123
Reversal of pension fund closure provision	100	
Realisation of translation reserves on liquidation of subsidiary	(57)	
Impairment of assets	(108)	(45)
Attributable exceptional items of associates/other	(3)	3
Total exceptional profits before tax	40	81

TAXATION RATE ANALYSIS

Effective tax rate declines slightly to 30.8%.

R Million	FY 04	FY 03
Taxation per income statement	891	604
Prior year tax excluding exceptionals	6	33
Tax on exceptionals	(24)	11
STC	(52)	(58)
Taxation before STC & exceptionals	821	590
Profit before exceptionals and goodwill	2 668	1 864
Effective tax rate (%)	30.8	31.7

FY04: BALANCE SHEET HIGHLIGHTS

Balance sheet remains strong post Avis transaction.

Fitch rating of AA- (zaf)

- Total assets grew R4 086 million to R27 842 million
 - post Avis acquisition
- Total interest-bearing borrowings increased only R1 567 million to R7 710 million, despite:
 - R2 025 million Avis debt consolidated at March 04
 - R1 085 million cash portion of Avis purchase consideration
- Maturity profile of borrowings lengthened
 - following successful issue of R1.5 billion 7 year bond
 - 50% swapped to floating rates at 3mth Jibar plus 55bps
- Equipment finance book sold
 - R1 478 million received in Sept 04
- Increase in share capital
 - Avis acquisition
 - Redemption of offshore convertible bond

SEGMENTATION FOR GEARING ANALYSIS

Gearing ratios for different segments reassessed following Avis transaction.

Gearing Segmentation

Trading

manufacturing / dealership operations

Leasing

long-term leasing solutions including pure asset finance and long-term rentals with maintenance (+ Avis Fleet Services)

Car Rental

short-term hire of vehicles
(+ Avis Rent A Car)

REVISED GEARING TARGETS AND ACTUALS POST AVIS

Group debt to equity reduces to 65% from 95% at half year.

Debt to equity (%)	Trading	Leasing	Car Rental	Total group
Target range	20 – 40	600 - 800	200 - 300	
31 Mar 04	34	614	264	95
30 Sept 04	21	598	300	65

CASH FLOW HIGHLIGHTS

**Strong
operating
cash
generation
evidence of
high earnings
quality**

- Cash generated from operations + 21% to R4 251
- Dividends paid R871m (2003: R940m)
- Net cash applied to investing activities R2 124 m (2003: R1 812 m) includes:

R million	FY 04	FY 03
Acquisitions of subs and investments	(1 555)	(294)
Fleet and rental assets investment	(1 425)	(1 039)
Proceeds on disposal of lease books	1 478	881
Proceeds on disposal of subs, investments and properties	1 023	586

FINANCIAL RETURN TARGETS

**VBM focus
delivers
improvements
in CFROI and
other return
metrics**

Metric	FY 04		FY 03
	Target	Actual	
CFROI (real)	> 8	8.9	8.1
RONA (trading)	> 20	22.2	18.6
ROE (excl exceptionals)	> 15	14.4	9.9
Operating Margin	> 7	7.7	6.8

OTHER KEY METRICS

Metric	Target	FY 04	FY 03
Interest cover-Group (times)	> 4	5.2	3.1
Interest cover- Trading (times)	> 5	7.3	4.1
Dividend cover (times)*	2 - 2.5	2.3	2.0
Working capital days	<35	28	34

Interest cover increases

High payout ratio maintained

*Calculated on HEPS

IFRS CHANGES: FUTURE ISSUES

Impact of early adopting new IFRS being considered. Only effective for FY06.

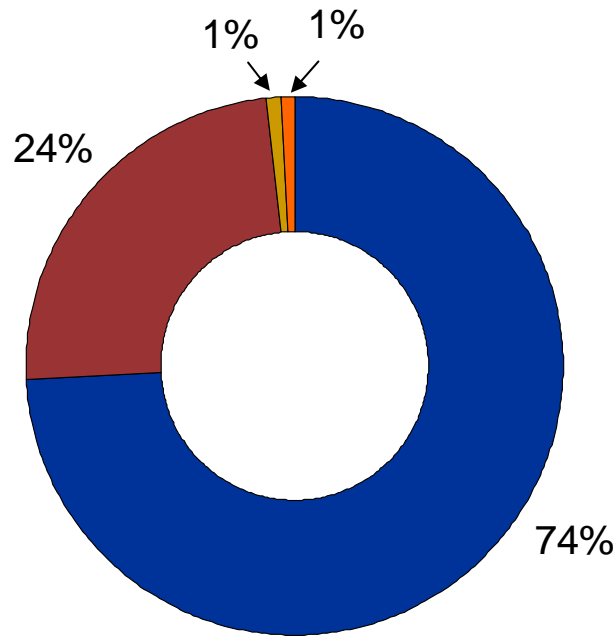
- **IFRS2: Share based compensation**
 - Current year impact calculated at R14m pre tax (2003: R5 million) based on preliminary assumptions.
- **IFRS3: Business combinations**
 - Goodwill will no longer be amortised but subject to annual impairment test.
- **IAS16 (revised): Property, Plant and equipment**
 - Components approach to depreciation and asset lives and residuals to be reassessed annually.

Operations review

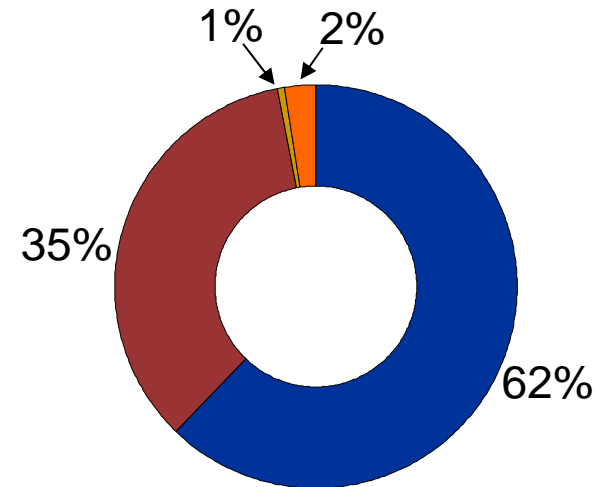
Tony Phillips

SOUTHERN AFRICA MAKES GREATER CONTRIBUTION

Constant Currency segment result
(operating profit less fair value adjustment)



2004: R2 729 million



2003: R1 947 million

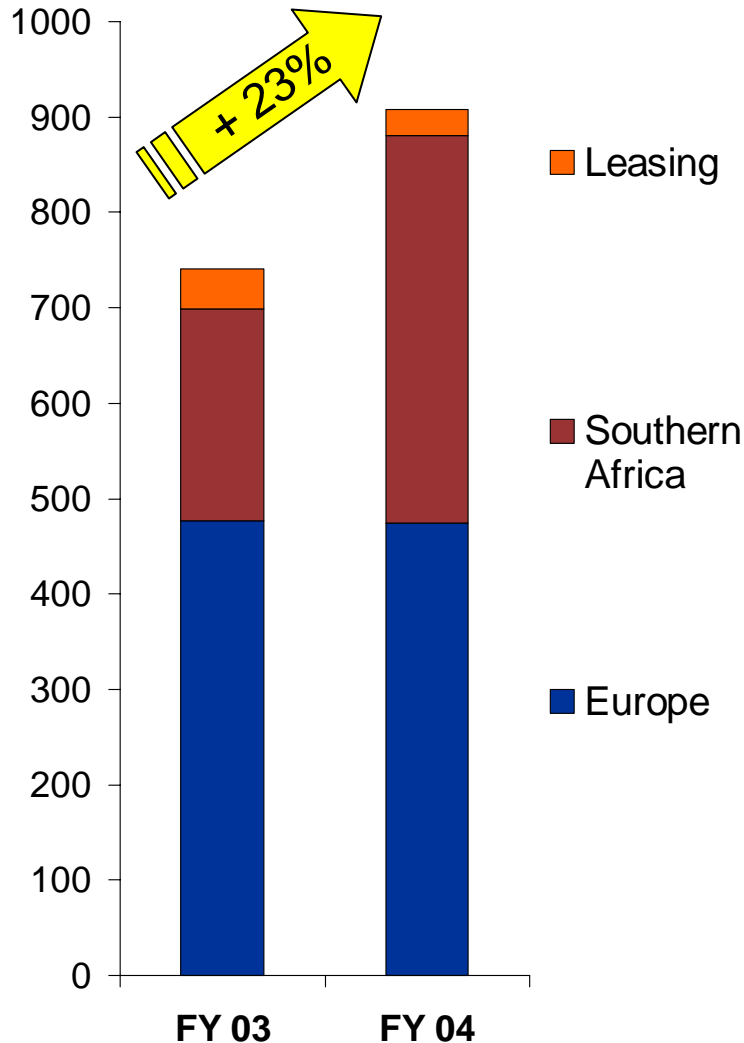
■ Southern Africa ■ Europe ■ North America ■ Australia/ Asia

EQUIPMENT: PROFIT ENGINE HUMS

Spain continues to deliver

Africa demand mixed with construction strong and mining under pressure

Segment result constant currency Rm



Margin*	FY 04	FY 03
Europe	9.3	9.5
Africa	10.7	10.7

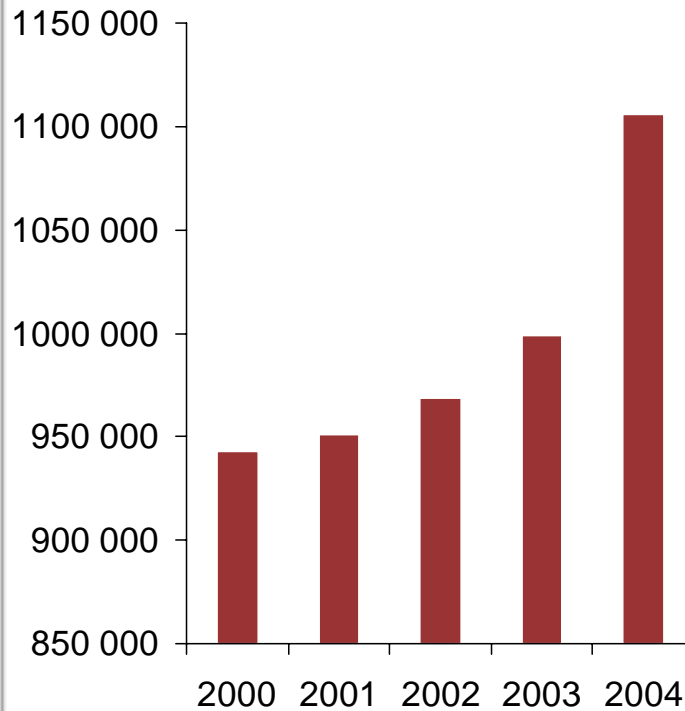
RONA**	FY 04	FY 03
Europe	28.3	33.7
Africa	30.3	28.3

*Trading operating margin

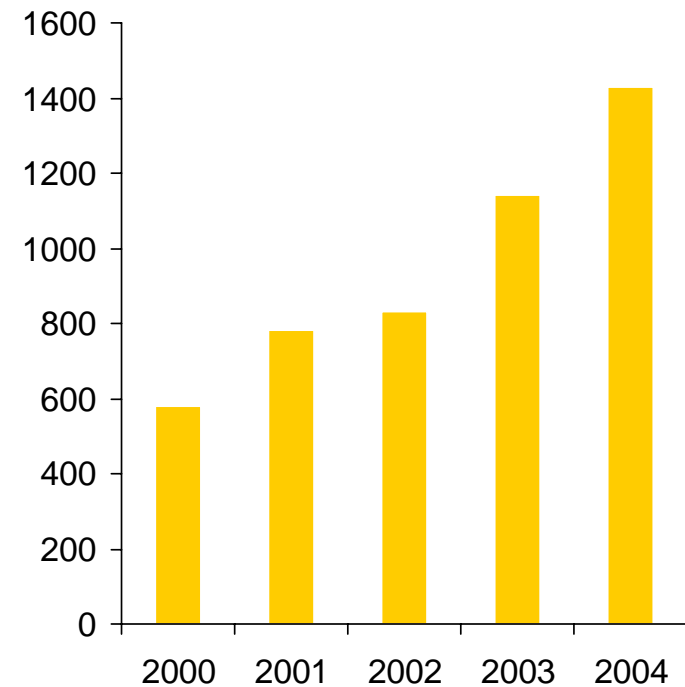
** Trading only

EQUIPMENT: SOUTHERN AFRICAN MARKET POSITIVE

Growing our market share



■ Productive service hours



■ New machine sales (Units)

100 YEARS “ON TRACK”

Market leadership



Investing in new businesses in Spain

- First Biomass Plant
- Rentals

Leading through technology and innovation in Africa

- Smart Partnerships
- Remote mining
- ACERT “green” engine technology

Adding territory

SIBERIAN DEALERSHIP AREA NOW GREATER THAN USA

Smart
Partnership
with
Colorado-
based Cat
dealer

Quantum
increase in
business
planned over
next 3 years

**Vostochnaya
Technica**

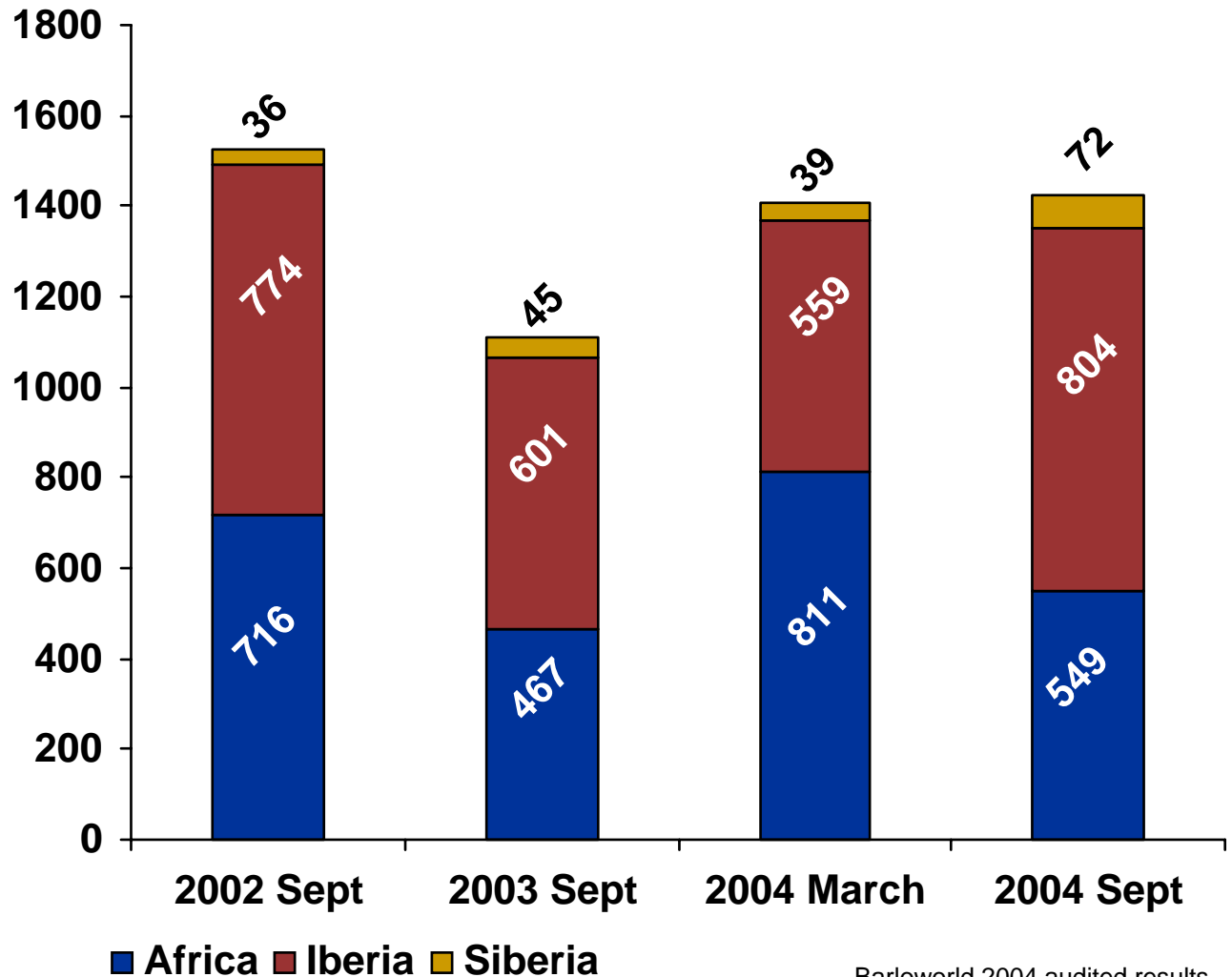


EQUIPMENT: STRONG ORDER BOOK

**30 Sept 04
book:**

- Strong in Spain
- Solid in Africa but reflects rand strength
- Good growth in Russia even pre-JV
- 2005: positive outlook

R million actual at period end

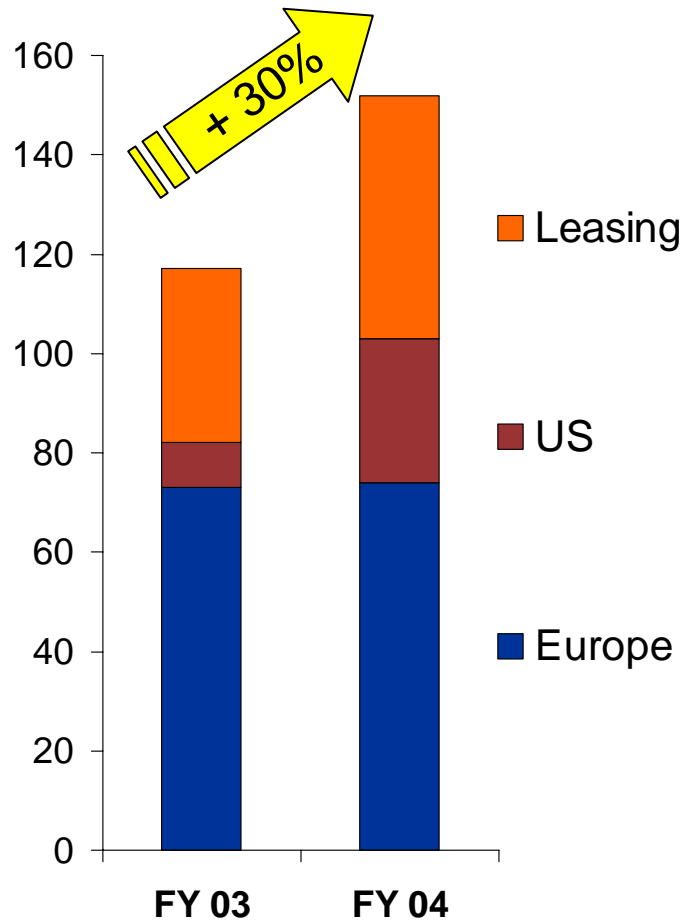


INDUSTRIAL DISTRIBUTION: MOVING UP

Handling US
& UK growing

Freightliner
has turned
the corner
but one-off
costs impact
result

Segment result constant currency Rm



Margin*	FY 04	FY 03
Europe	4.1	3.9
US	1.2	1.1

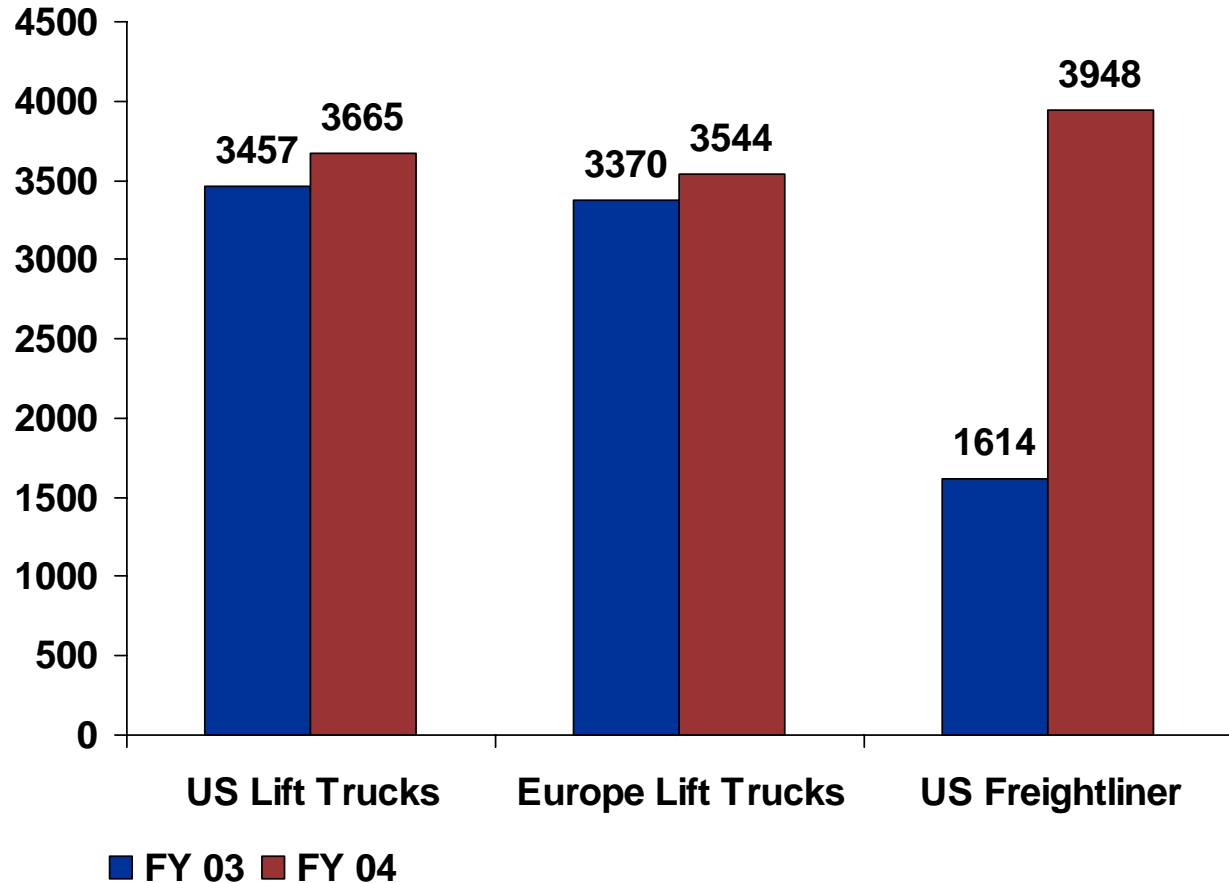
RONA**	FY 04	FY 03
Europe	17.5	15.1
US	3.3	1.0

*Trading operating margin

** Trading only

INDUSTRIAL DISTRIBUTION: IMPROVED DEMAND FOR OUR PRODUCTS

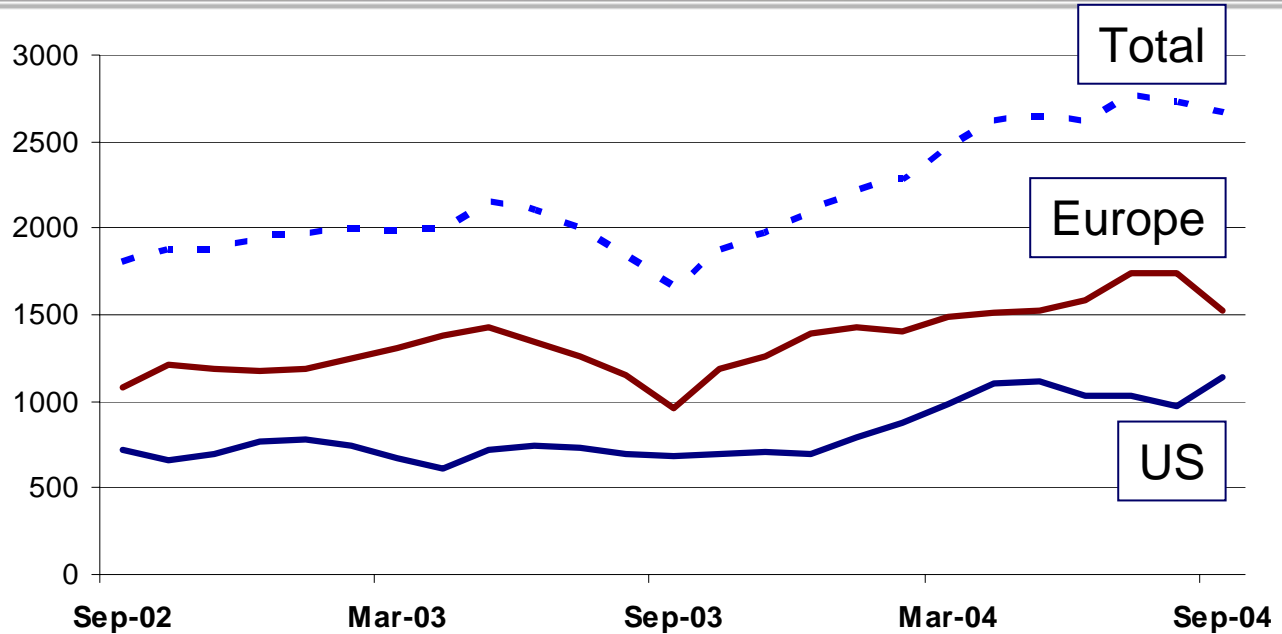
Unit deliveries



INDUSTRIAL DISTRIBUTION: STRONG ORDER BOOKS

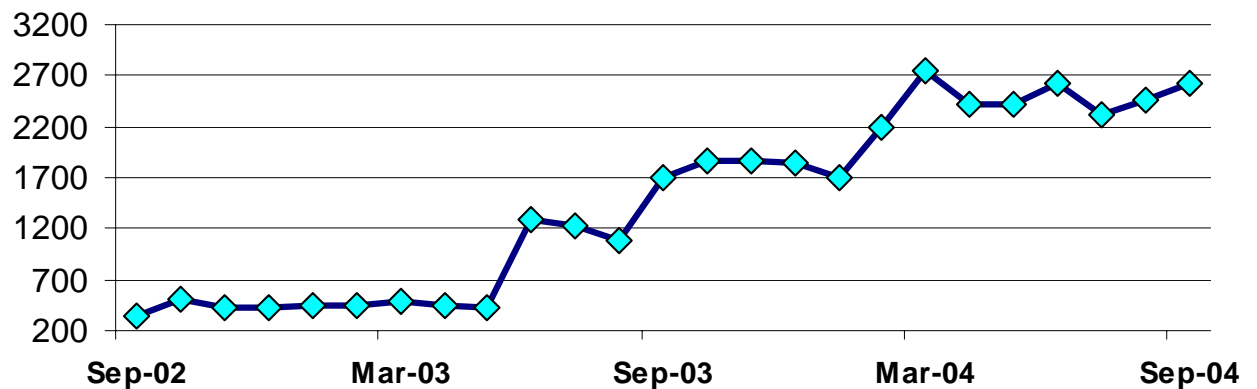
Handling US & UK will continue to grow and improve efficiencies

Lift trucks open order book



Freightliner margin improving

Freightliner open order book



OPERATIONS REVIEW: MOTOR

**17 years with
the company**

**Numerous
industry
awards**

**Responsible
for:**

- **1/4 total
employees**

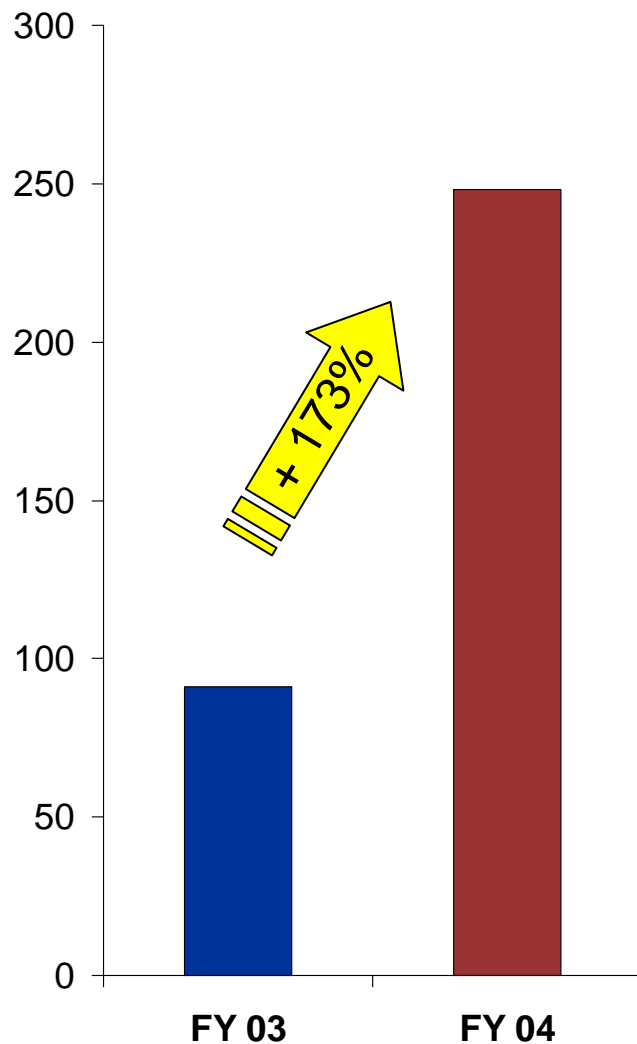
- **> 1/3 total
revenues**

Martin Laubscher, CEO Barloworld Motor

BAcc, BCompt (Hons), CTA, MCom Business Management

MOTOR: LEVERAGING AVIS

Segment result constant currency Rm



Margin*	FY 04	FY 03
Europe	16.3	
Africa	2.6	1.1

RONA**	FY 04	FY 03
Europe	7.1	
Africa	8.9	7.5

* Trading operating margin

** Trading only

MOTOR: POST AVIS ACQUISITION

**Management
team in place**

**Strong
balance of
Avis & Motor**

Chief Operating Officer

Motor Franchises Southern Africa

- South Africa
- Botswana
- Namibia

Car Rental

- Avis SA
 - Zeda
- Avis Scan

Fleet Services

- Avis Fleet Ser.
 - Car Mall

Other

- Subaru
- Panel
- Australia

Group Functions

- Finance
- HR
- Strategy
- IS
- Marketing

MOTOR: OVERALL SEGMENT PERFORMANCE

Rm's	Revenue		Segment Result		Net Operating Assets	
	2004	2003	2004	2003	2004	2003
- Sthn. Africa	7,501	6,954	100	65	561	995
- Australia	1,331	1,393	(2)	17	337	379
Trading	8,832	8,347	<u>98</u>	82	898	1,374
- Sthn. Africa	295	75	51	10	1,190	8
Leasing	295	75	<u>51</u>	10	1,190	8
- Sthn Africa	369		59		1,956	
- Europe	246		40		1,119	
Car Rental	615		<u>99</u>		3,075	
TOTAL	9,742	8,422	248	92	5,163	1,382
Share of Associate			<u>59</u>	76		

MOTOR: RETAIL SEGMENT RESULT

**Strong like-
for-like growth**

Rm's	Year Ended	
	2004	2003
Southern Africa	100	65
Australia	(2)	17
Sub Total (reported)	98	82
Dealerships Sold		(2)
Dealerships in JV's		(22)
Total (adjusted)	98	58

MOTOR: LEASING SEGMENT RESULT*

R m's	2004	2003
Avis Fleet Services	52	56
Barloworld Leasing		10
Exchange Rate Effect	(1)	
Total	51*	

*After interest income and interest expense components

Orange number is comparable period before acquisition

MOTOR: CAR RENTAL SEGMENT RESULT*

R m's	2004	2003
Southern Africa	88	86
Europe	50	52
Exchange Rate Effect	(5)	
Acquisition Goodwill	(28)	
Continuing Goodwill	(6)	
Total	99*	

* Profit after interest is a better indicator of financial performance for Car Rental business

Orange numbers are comparable period before acquisition

Barloworld 2004 audited results

MOTOR: SHARE OF ASSOCIATES

**Empowerment
strategy
creates
immediate
shareholder
value**

Rm's	2004	2003
Avis	33	59
NMI - DSM	20	6
Auric Auto	1	
Merc of Melbourne	5	11
Total	59	76

MOTOR: OPERATING MARGIN

YTD Sept 04	Apr – Sept 04
3,0%	4,5%

MOTOR: RETAIL TOTAL UNIT SALES (INCL. ASSOC.)

Units	2004	Growth	2003
Southern Africa	60,348	19%	50,675
Australia	9,042	(3%)	9,276
Total	69,390	16%	59,951

MOTOR: RETAIL UNIT SALES (INCL. ASSOC.)

**Outperforming
the market**

**Leveraging
Avis synergies**

	FY04	FY03
N	36,590	30,564
UR	17,956	16,934
UW	14,844	12,453
	69,390	59,951

N = retail
 UR = used retail
 UW = used wholesale

Unit sales	2004	Growth	2003
New			
Southern Africa	31,962	24%	25,843
- Continuing	31,962	32%	24,268
- Discontinued			1,575
Australia	4,628	(2%)	4,721
Used Retail			
Southern Africa	15,949	7%	14,917
- Continuing	15,949	16%	13,803
- Discontinued			1,114
Australia	2,007	0%	2,017
Used Wholesale			
Southern Africa	12,437	25%	9,915
- Continuing	12,437	37%	9,087
- Discontinued			828
Australia	2,407	(5%)	2,538

MOTOR: RETAIL SERVICE HOURS (INCL. ASSOC.)

Hours (000'S)	2004	Growth	2003
Southern Africa	1,028	9%	940
- Continuing	1,028	18%	872
- Discontinued			68
Australia	112	8%	104
Total	1,140	9%	1,044

MOTOR: RETAIL PARTS REVENUE (INCL. ASSOC.)

Revenue (Rm's)	2004	Growth	2003
Southern Africa	1,105	1%	1,095
- Continuing	1,105	13%	978
- Discontinued			116
Australia	84	7%	78
Total	1,189	1%	1,173

MOTOR: AVIS RENT-A-CAR RENTAL FLEET SIZE

Units	2004	2003
Southern Africa	10,757	10,698
Scandinavia	5,807	4,833
Total	16,564	15,531

MOTOR: AVIS RENT-A-CAR RENTAL DAYS (INCL. ASSOC.)

Rental Days (000's)	2004	Growth	2003
Southern Africa	3,249	2%	3,171
- Half 1	1,783	2%	1,741
- Half 2	1,466	3%	1,430
Scandinavia	1,362	12%	1,217
- Half 1	605	10%	550
- Half 2	757	13%	667
Total	4,611	5%	4,388

MOTOR: AVIS RENT-A-CAR

KEY INDICATORS

Key Indicators	Growth
Rate Per Day (incl assoc.)	
- Southern Africa (R's)	+6%
- Scandinavia (Kr's)	+2%
Rental Fleet Utilisation (incl assoc.)	
- Southern Africa	+1%
- Scandinavia	+2%
People Productivity (incl assoc.) (Rental transactions per person)	
- Southern Africa	+5%
- Scandinavia	+5%

MOTOR: AVIS FLEET SERVICES FLEETS

Units	2004	Growth	2003
Financed Fleet	15,567	3%	15,044
Under Maintenance	18,699	16%	16,140
Total	34,266	10%	31,184

MOTOR: THE WAY FORWARD

- Integration going well
- Realising synergies
- Scandinavian opportunities
- Address under-performing business units
- Solutions Offering
- Positive Outlook

Operations review continued

Tony Phillips

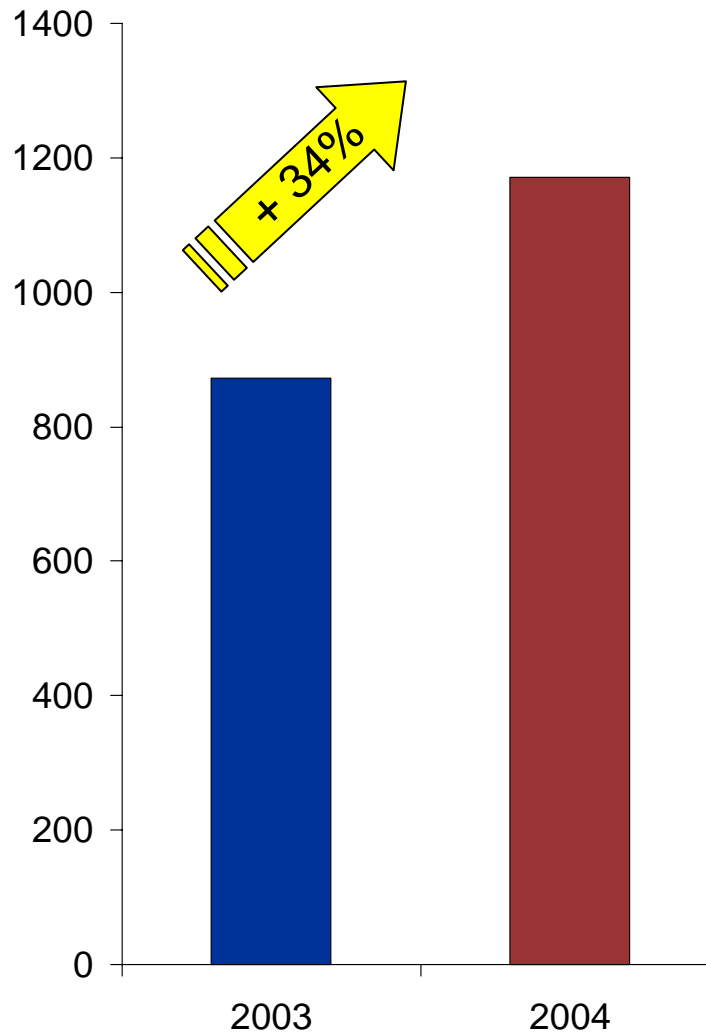
CEMENT & LIME: KILNS MAKING CEMENT AND PROFITS

Cement demand +14%

Lime demand 2% down

Strong cost control

Segment result constant currency Rm



Margin*	FY 04	FY 03
	34	29

RONA	FY 04	FY 03
	55	41

*Operating margin

CEMENT: MAKING A “SIMPLE BUSINESS” WORLD CLASS

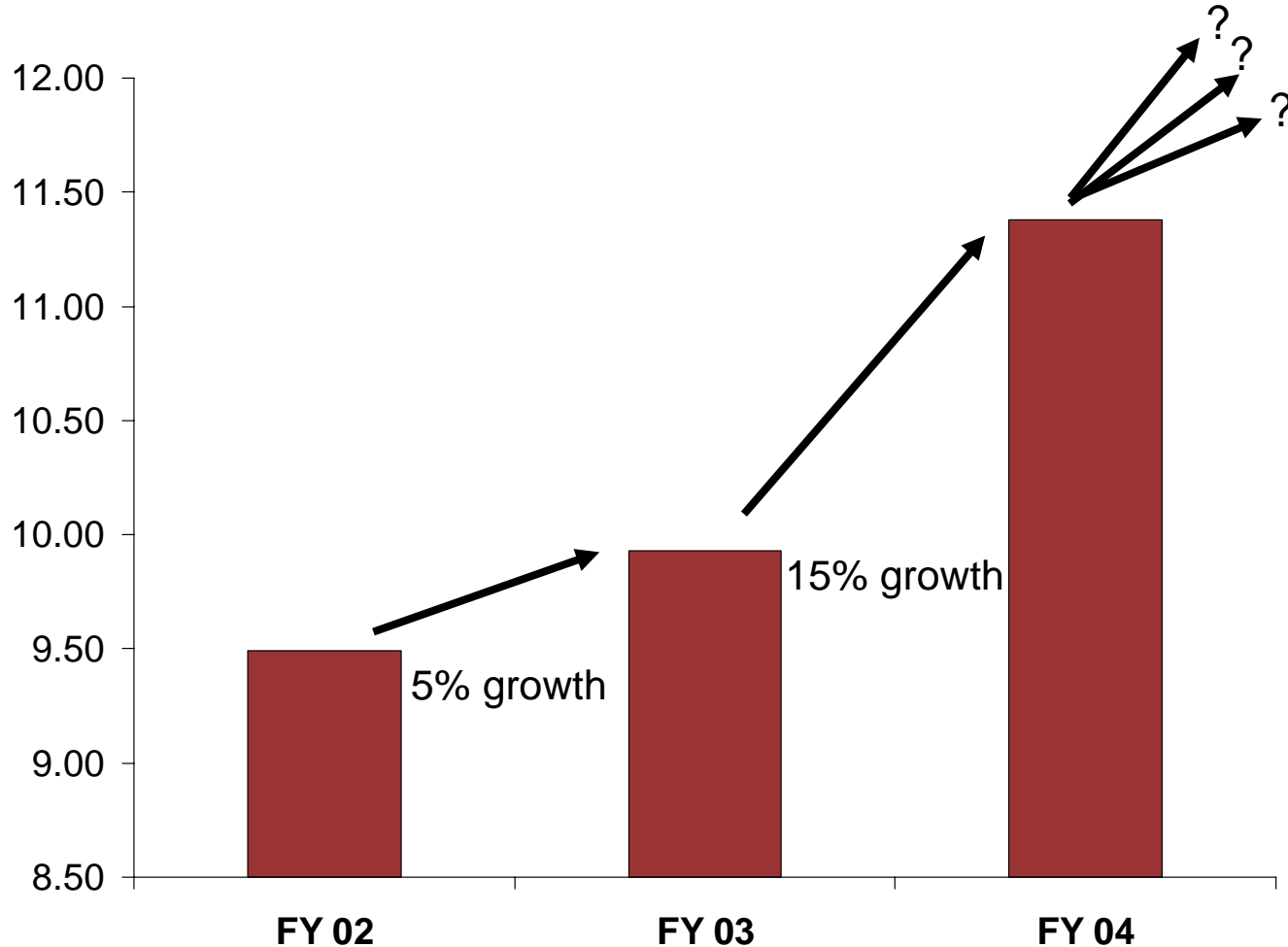
- **All factories NOSA 5-Star platinum accredited**
- **HIV/AIDS work on voluntary counselling & testing considered “country best practice”**
- **Older kilns at Slurry brought on-line after 7 years to meet projected demand**
- **Equipment run times at all time highs**
- **Factory employees submitted nearly 6000 value-added suggestions**
 - average of 4 per employee
 - nearly 2000 implemented
- **“Best company to work for”**
 - No.1 Industrial
 - No.2 overall

CEMENT: SA DEMAND GROWING STRONGLY

**2005:
outlook +ve**

**Capacity
expansion
begins 2006**

SA total market cement demand
(million tons)



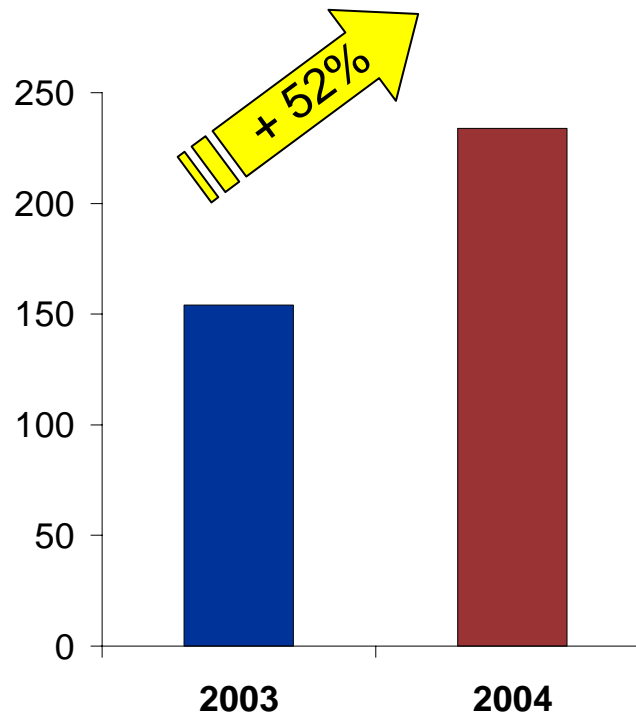
COATINGS: RECORD YEAR

**Premium
brand
leadership in
Africa**

**Q3 04
slowdown in
Australia**

**2005:
• China
expansion
• Profit
outlook +ve**

Segment result constant currency Rm



Margin*	FY 04	FY 03
Africa	15.8	10.5
Australia	2.1	3.2

RONA	FY 04	FY 03
Africa	57.6	35.0
Australia	8.4	12.7

*Operating margin

SCIENTIFIC: MANAGEMENT DRIVES TURNAROUND

**US\$7 m
turnaround in
Melles Griot
(MG)**

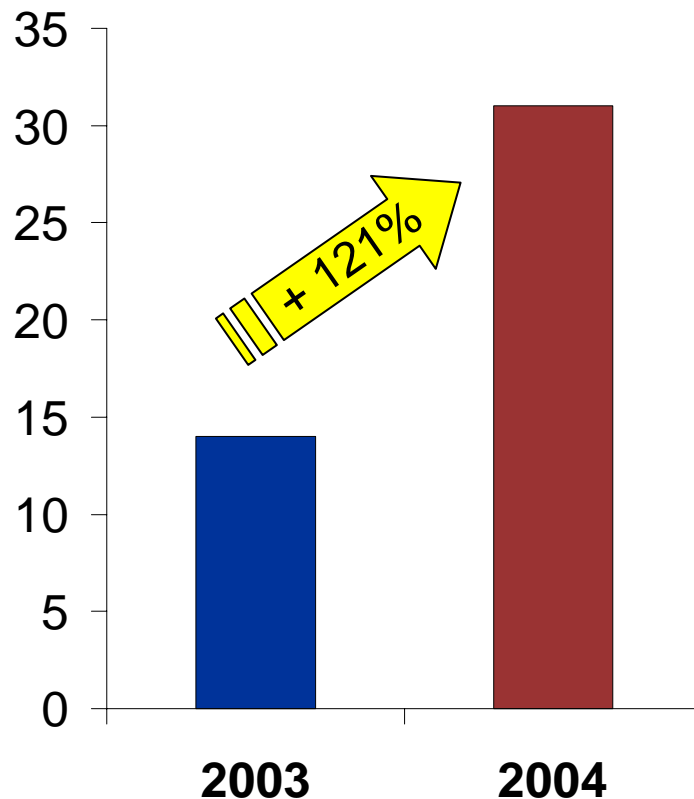
**Loss making
MG UK sold**

**Laboratory
profits down:**

- distributor de-stocking
- raw material costs up

**2005:
MG profitable
Laboratory
profit growth**

Segment result constant currency Rm



Margin*	FY 04	FY 03
Europe	4.0	3.2
Asia	3.1	

RONA	FY 04	FY 03
Europe	4.2	5.6
Asia	3.1	

*Operating margin

STEEL TUBE: SECTORAL UPSWING

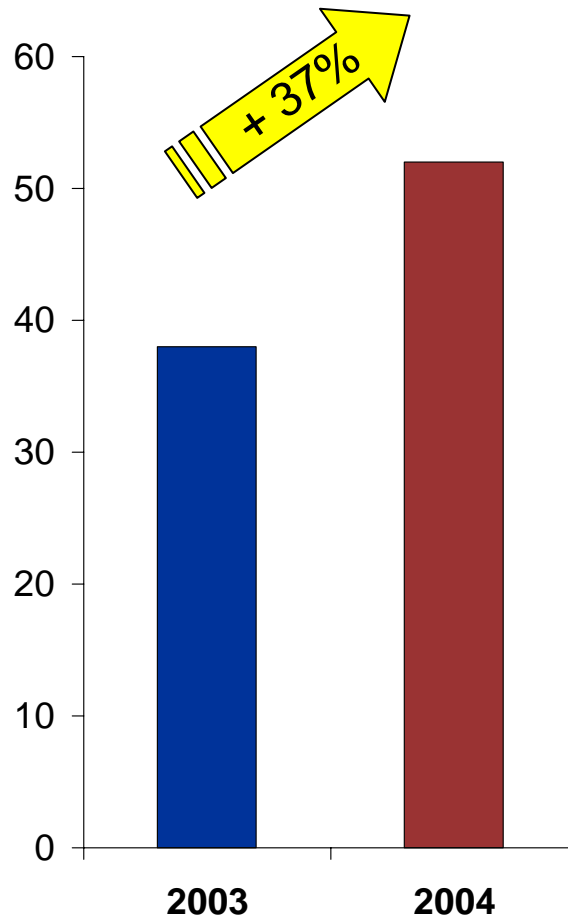
SA demand up on rising GFCF

Benefit of high steel prices

Export margins impacted by rand

2005: outlook +ve

Segment result Rm



Margin*	FY 04	FY 03
	2.9	2.2

RONA	FY 04	FY 03
	10.8	7.5

*Segment result margin

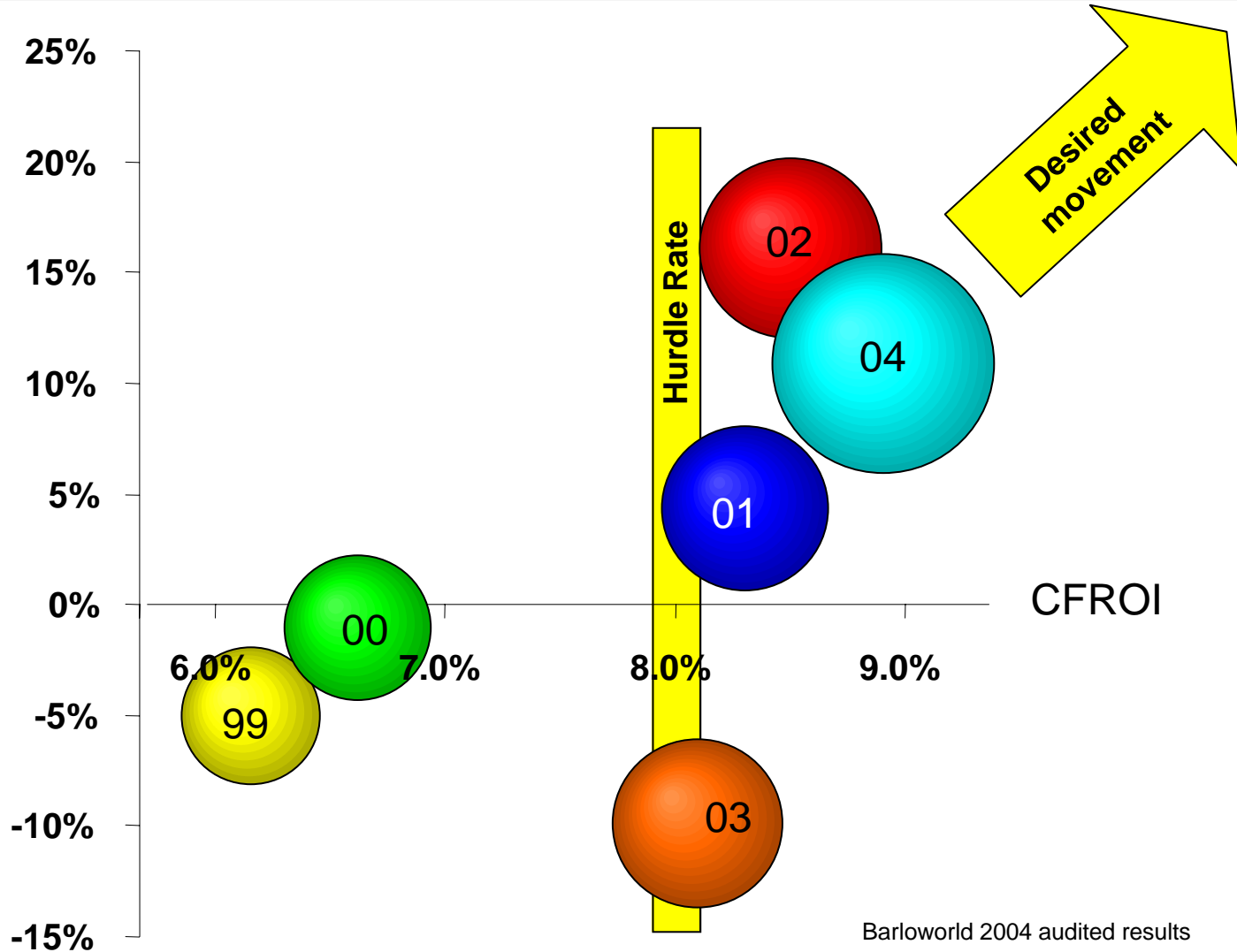
CORPORATE & OTHER: GOOD PROGRESS

- **Logistics Spain***
 - R27 million operating profit (2003: R7 million)
- **Logistics SA**
 - Continued investment for growth
 - Success in securing long term contracts
 - R15 million operating profit before goodwill (2003: R13 million)
- **R70 million UK pension fund deficit contribution**
 - Partial offset by favourable fair value adjustments

* Constant currency data

2004 CFROI SCORE: A BIGGER BUBBLE MOVING UP

Real growth in assets (%)

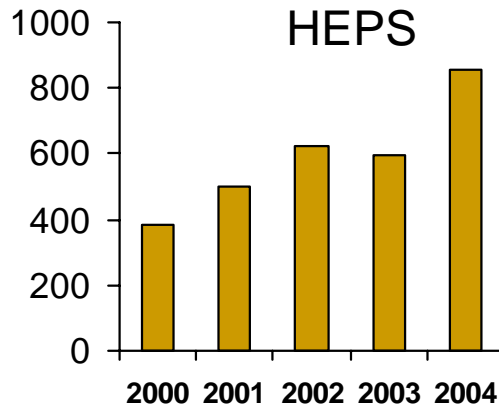


CONSISTENT STRATEGY

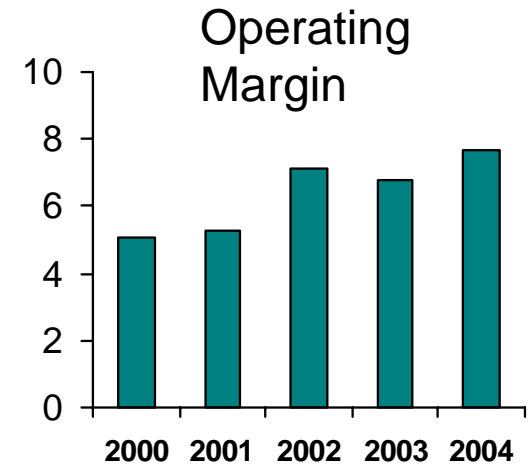
- Improve existing operations
 - CFROI hurdle 8% real through the cycle
 - Margins and returns will increase further
- Organic expansion
 - New products, services and business solutions
 - New territories
- Incremental acquisitions and disposals
 - To complement existing operations
 - In what we know, understand and can globalise

THIS STRATEGY HAS DELIVERED FINANCIAL PERFORMANCE

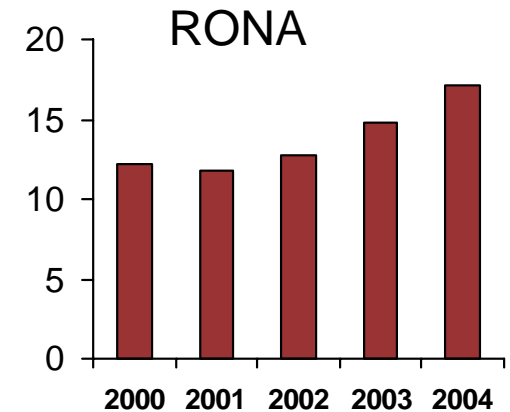
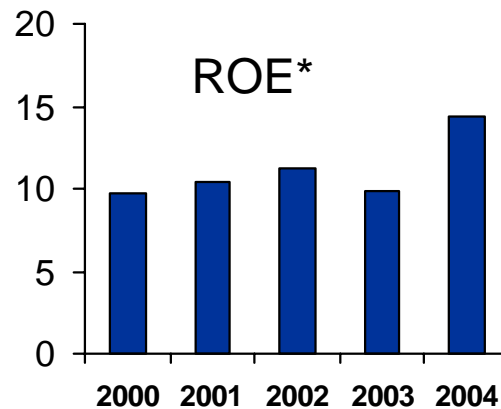
Improving profits



Improving margins

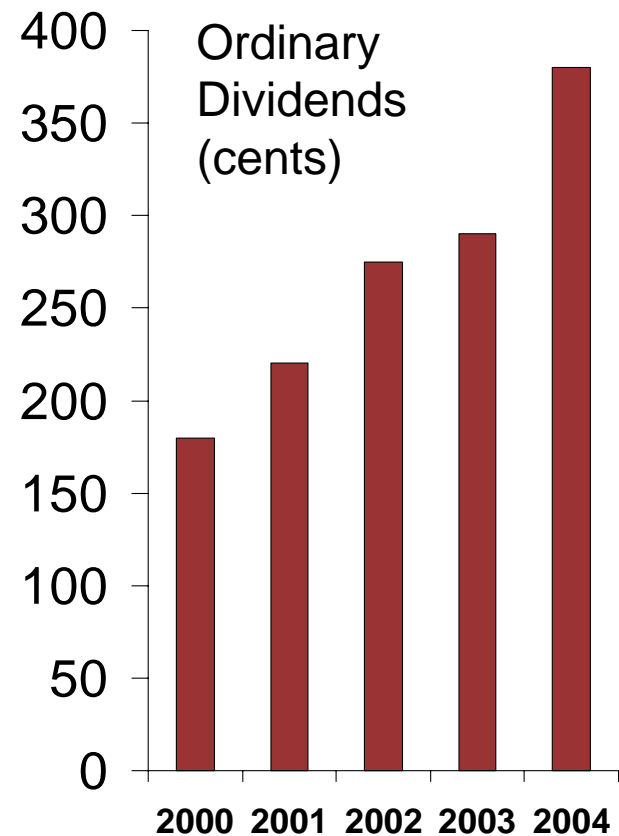
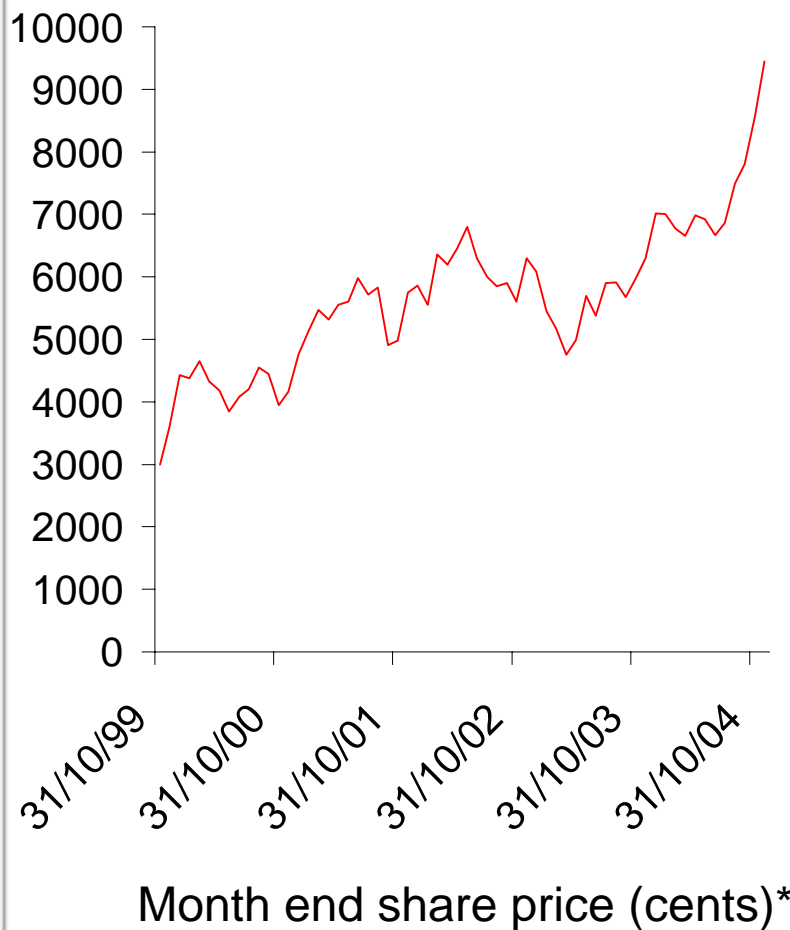


Improving returns



*ROE excludes exceptional items

... AND SHAREHOLDER VALUE



* Final figure is 15 Nov 2004

OUTLOOK: EXCELLENT

“The future outlook is positive and we are well on track to achieve our medium term goal of doubling the value of our company in the 4 years to September 2006.

In 2005 we will continue to focus on growing profits and returns in all our businesses and, supported by modestly favourable economic conditions in the territories in which we operate, we look forward to being able to report another year of progress.”



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BREAKDOWN OF IAS21/39 IMPACT

Pre IAS 21/39	IAS 21/39	Total	Unrealised	Realised
<u>Inventory</u> Recorded at FEC blend rate	Spot rate at transaction date	(17)	(26)	9
<u>Operating profit</u> Inventory expensed at FEC rate	Inventory expensed at spot	(152)		(152)
<u>Trade creditors / debtors</u> Recorded at FEC blend rate	Recorded at month end spot	160		160
<u>Forward exchange contracts</u> Held at historical cost-nil	Marked-to-market	(100)	(8)	(92)
<u>Foreign currency bank accounts</u> Stated at month end spot	Stated at month end spot	(3)	(1)	(2)
Other monetary items		5	(20)	25
Total negative fair value adjustments		(107)	(55)	(52)
Recouped at operating profit level		152		
Net income statement benefit before tax		45		