

Notes to the consolidated annual financial statements *for the year ended 30 September[#]*

Continuing operations												
R million	Consolidated*			Eliminations			Equipment			Automotive Trading		
	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
1. Business and geographical segments**												
Revenue												
Southern Africa	29 166	22 332	17 993				11 930	8 568	5 581	11 622	9 948	9 307
Europe	12 965	10 643	7 947				8 459	7 422	5 415			
North America	1 850	4 334	4 793									
Australia and Asia	2 849	2 448	1 719							2 849	2 448	1 719
	46 830	39 757	32 452				20 389	15 990	10 996	14 471	12 396	11 026
Inter-segment revenue ***				(1 259)	(1 608)	(1 600)	407	389	199	74	51	(44)
	46 830	39 757	32 452	(1 259)	(1 608)	(1 600)	20 796	16 379	11 195	14 545	12 447	10 982
Segment result												
Operating profit												
Southern Africa	1 967	1 522	1 007				1 523	918	478	143	184	210
Europe	586	643	687				534	612	474			
North America	36	64	90									
Australia and Asia	62	48	23							62	48	23
Operating profit/(loss)	2 651	2 277	1 807				2 057	1 530	952	205	232	233
Fair value adjustments on financial instruments	(80)	295	224				49	(5)	121	10	(13)	13
Total segment result	2 571	2 572	2 031				2 106	1 525	1 073	215	219	246
By geographical region												
Southern Africa	1 879	1 819	1 230				1 570	913	599	153	171	223
Europe	594	641	688				536	612	474			
North America	36	64	90									
Australia and Asia	62	48	23							62	48	23
Total segment result	2 571	2 572	2 031				2 106	1 525	1 073	215	219	246
Income from associates and joint ventures	72	53	54				62	36	27	8	20	27
Segment result including associate income	2 643	2 625	2 085				2 168	1 561	1 100	223	239	273
Finance costs	(889)	(631)	(435)									
Income from investments	195	164	139									
Exceptional items	(17)	(74)	116									
	1 932	2 084	1 905									
Taxation	(675)	(697)	(556)									
Net profit	1 257	1 387	1 349									
Non cash expenses per segment												
Depreciation	1 833	1 487	1 451				488	406	352	64	46	37
Amortisation of intangibles	52	54	49				21	23	21	4	3	2
Impairment losses	47	262	23				19	158	22	3		

[#] All relevant comparatives in the notes to the group financial statements have been reclassified as per note 35.

* The consolidated total excludes discontinued operations for income statement items but includes it for balance sheet and cash flow items.

** The geographical segments are determined by the location of assets.

*** Inter segment revenue is priced on an arm's length basis.

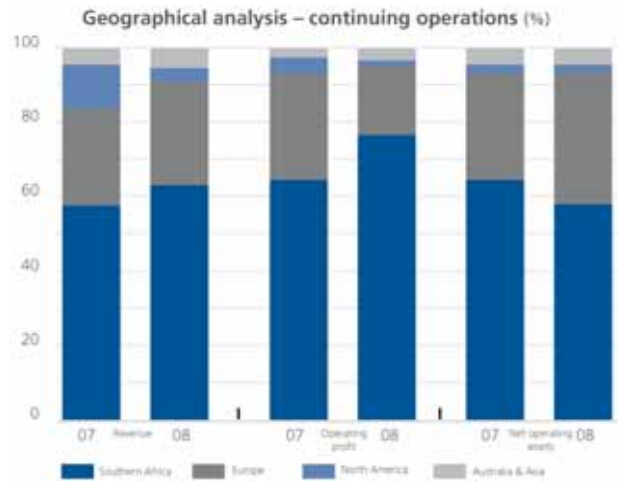
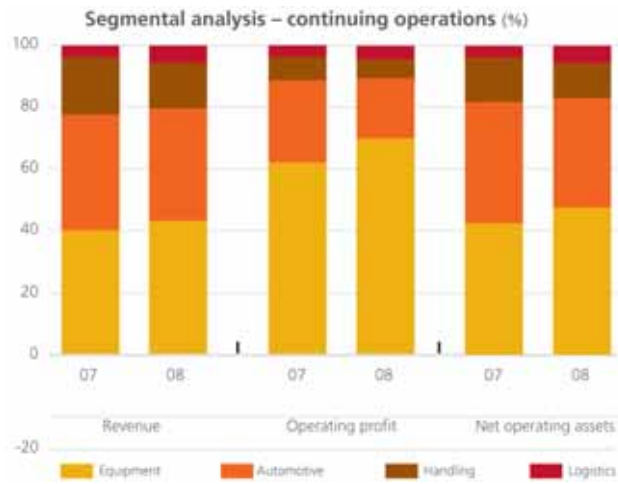
^ The Logistics acquisitions made during 2008 in the Middle East and Asia have been included under Europe.

Continuing operations

	Automotive			Leasing			Trading			Handling			Leasing			Logistics [^]			Corporate and other		
	Car rental Southern Africa																				
	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006			
	1 586	1 209	1 108	948	701	631	1 027	765	631				1 970	1 088	683	83	53	52			
							3 193	2 690	1 995	75	160	257	1 238	371	280						
							1 849	4 330	4 697	1	4	96									
	1 586	1 209	1 108	948	701	631	6 069	7 785	7 323	76	164	353	3 208	1 459	963	83	53	52			
	9	3	2				91						400	747	980	278	410	458			
	1 595	1 212	1 110	948	701	631	6 160	7 785	7 323	76	164	353	3 608	2 206	1 943	361	463	510			
	250	325	250	85	76	63	124	54	26				105	76	37	(263)	(111)	(57)			
							8	55	23	4	14	33	30	19	28	10	(57)	129			
							40	72	115	(4)	(8)	(25)									
	250	325	250	85	76	63	172	181	164		6	8	135	95	65	(253)	(168)	72			
	(7)	7	6	1	(1)	2	(25)	(4)	20				1			(109)	311	62			
	243	332	256	86	75	65	147	177	184		6	8	136	95	65	(362)	143	134			
	243	332	256	86	75	65	99	50	46				105	76	37	(377)	202	4			
							8	55	23	4	14	33	31	19	28	15	(59)	130			
							40	72	115	(4)	(8)	(25)									
	243	332	256	86	75	65	147	177	184		6	8	136	95	65	(362)	143	134			
				(2)	(3)		3									1					
	243	332	256	84	72	65	150	177	184		6	8	136	95	65	(361)	143	134			
	454	271	289	413	344	297	312	299	262	31	43	132	53	47	48	18	31	34			
	1			1	1	1	8	10	13				15	14	4	2	3	8			
							6	68					2			17	36	1			

Notes to the consolidated annual financial statements *(continued)*
for the year ended 30 September

R million		Discontinued operations														
		Automotive			Cement			Coatings			Scientific			Steel Tube		
		2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
1. Business and geographical segments																
Revenue																
Southern Africa					4 016	4 863	517	2 347	2 024						348	1 775
Europe		1 174	1 134	805							193	1 191	1 027			
North America										16	388	429				
Australia and Asia							957	947			121	146				
Inter-segment revenue		1 174	1 134	805	4 016	4 863	517	3 304	2 971	209	1 700	1 602		348	1 775	
								8	5							
		1 174	1 134	805	4 016	4 863	517	3 312	2 976	209	1 700	1 602		348	1 775	
Segment result																
Operating profit																
Southern Africa					1 527	1 903	78	383	331						32	95
Europe		(10)	81	69						14	104	62				
North America										(1)	(4)	10				
Australia and Asia								(33)	(57)		4	8				
Operating profit/(loss)		(10)	81	69	1 527	1 903	78	350	274	13	104	80		32	95	
Fair value adjustments on financial instruments		(2)			13	2	(1)	(8)	9						(6)	
Total segment result		(12)	81	69	1 540	1 905	77	342	283	13	104	80		32	89	
By geographical region																
Southern Africa					1 540	1 905	77	375	340						32	89
Europe		(12)	81	69						14	104	62				
North America										(1)	(4)	10				
Australia and Asia								(33)	(57)		4	8				
Total segment result		(12)	81	69	1 540	1 905	77	342	283	13	104	80		32	89	
Income from associates and joint ventures					5		5	15	18					1	4	
Segment result including associate income		(12)	81	69	1 545	1 905	82	357	301	13	104	80		33	93	
Non-cash expenses per segment																
Depreciation		274	231	193	138	165	8	53	56	6	47	46		5	18	
Amortisation of intangibles			3	2	3	4	3	7	7		3	3				
Impairment losses		335	101													



Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

R million	Continuing operations								
	Consolidated*			Equipment			Automotive Trading		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
1. Business and geographical segments									
Assets									
Property, plant and equipment	8 056	6 847	8 299	2 590	2 005	1 766	1 534	918	695
Goodwill	2 421	2 046	3 005	239	220	232	244	120	59
Intangible assets	205	274	323	68	3	46	14	15	7
Investment in associates and joint ventures	1 095	928	749	822	523	553	7	114	74
Long-term finance lease receivables	436	619	566			1			
Long-term financial assets	568	686	597	17	14	8	1	5	5
Vehicle rental fleet	1 934	3 902	3 441						
Inventories	7 495	5 869	5 907	4 955	3 184	2 111	1 746	1 717	1 458
Trade and other receivables	6 854	6 185	7 026	3 817	2 932	2 504	490	343	342
Assets classified as held for sale	3 156	1 447	2 840	55	30	21	185		
Segment assets	32 220	28 803	32 753	12 563	8 911	7 242	4 221	3 232	2 640
By geographical region									
Southern Africa	18 267	15 817	16 424	6 444	3 847	2 701	3 127	2 370	1 868
Europe	11 888	11 124	12 425	6 119	5 064	4 541			
North America	971	990	2 445						
Australia and Asia	1 094	872	1 459				1 094	862	772
Total segment assets	32 220	28 803	32 753	12 563	8 911	7 242	4 221	3 232	2 640
Taxation	11	32	17						
Deferred taxation assets	488	619	750						
Cash and cash equivalents	1 238	1 201	2 134						
Consolidated total assets	33 957	30 655	35 654						
Liabilities									
Interest-bearing liabilities (Leasing)	2 016	2 068	2 671						
Long-term non-interest bearing including provisions	964	1 649	1 575	162	157	125	57	104	66
Trade and other payables incl provisions	8 066	7 454	7 199	3 251	2 747	1 911	1 215	1 022	888
Liabilities directly associated with assets classified as held for sale [†]	1 996	210	1 061				116		
Segment liabilities	13 042	11 381	12 506	3 413	2 904	2 036	1 388	1 126	954
By geographical region									
Southern Africa	7 822	6 698	5 815	2 266	1 577	863	1 277	1 007	848
Europe	4 756	4 191	5 327	1 147	1 327	1 173			
North America	353	371	966						
Australia and Asia	111	121	398				111	119	106
Total segment liabilities	13 042	11 381	12 506	3 413	2 904	2 036	1 388	1 126	954
Interest-bearing liabilities (excluding Leasing and Held for sale amounts)	7 272	6 998	7 213						
Deferred taxation liabilities	266	610	870						
Taxation	344	445	705						
Consolidated total liabilities	20 924	19 434	21 294						
Capital additions									
Southern Africa	5 269	4 436	3 691	923	503	411	275	179	121
Europe	2 820	2 852	2 046	523	630	298			
North America	118	169	222						
Australia and Asia	138	96	134				138	74	123
	8 345	7 553	6 093	1 446	1 133	709	413	253	244

* The consolidated total excludes discontinued operations for income statement items but includes it for balance sheet and cash flow items.

† Includes interest bearing liabilities in Car rental Scandinavia of R1 280 million.

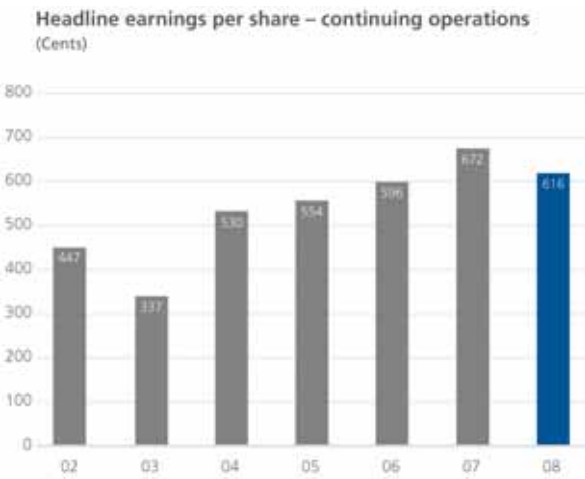
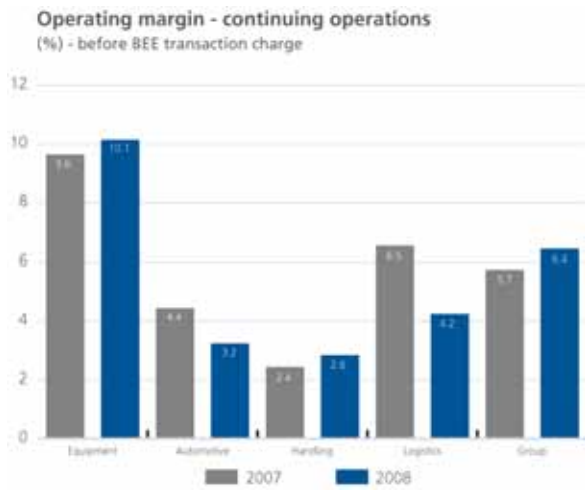
Continuing operations

Automotive			Leasing			Trading			Leasing			Logistics			Corporate and other		
Car rental Southern Africa																	
2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
283	173	98	1 895	1 605	1 461	1 018	1 124	1 222	68	108	143	366	207	238	302	336	480
784	784	907	282	282	80	187	179	328				685	127	115			133
3			2	2	1	17	89	83				76	52	52	25	24	27
2			225	190	10	26						2			11	13	29
42	2	1	85	66	62				339	544	494				12	8	8
1 934	1 968	1 494			42	53	12	34	109	104	7	16	3	3	330	529	93
6	(6)	(10)	1		1	786	602	1 140	(17)			7	5	4	11	5	6
513	359	327	176	134	142	773	796	950	114	120	203	1 065	617	531	(94)	(33)	(96)
138	167	86	54	54	51	26	66	41	16	51	1 716		5			50	
3 705	3 447	2 903	2 720	2 333	1 850	2 886	2 868	3 798	629	927	2 563	2 217	1 016	943	597	932	680
3 705	3 447	2 903	2 720	2 333	1 850	662	768	720				1 030	822	793	579	893	447
						1 272	1 215	1 154	610	905	2 433	1 187	194	150	18	39	233
						952	885	1 924	19	22	130						
3 705	3 447	2 903	2 720	2 333	1 850	2 886	2 868	3 798	629	927	2 563	2 217	1 016	943	597	932	680
			1 672	1 456	1 129				344	612	1 542						
12	31	11	334	267	223	106	58	80	185	172	88	15	4	2	93	810	843
844	596	492	348	264	222	1 247	1 074	1 402	24	36	44	917	545	458	220	296	15
											597						
856	627	503	2 354	1 987	1 574	1 353	1 132	1 482	553	820	2 271	932	549	460	313	1 106	858
856	627	503	2 354	1 987	1 574	403	298	254				600	422	360	66	260	(44)
						636	528	484	514	767	2 124	332	127	100	247	846	902
						314	306	744	39	53	147						
856	627	503	2 354	1 987	1 574	1 353	1 132	1 482	553	820	2 271	932	549	460	313	1 106	858
2 403	1 912	1 734	1 220	977	831	269			11			84	31	56	72	41	17
						216	129	38		106	87	21	11	4			
						118	164	163			52						
2 403	1 912	1 734	1 220	977	831	603	293	201	11	106	139	105	42	60	72	41	17

Notes to the consolidated annual financial statements *(continued)*
for the year ended 30 September

R million		Discontinued operations														
		Automotive			Cement			Coatings			Scientific			Steel Tube		
		Car rental Scandinavia			2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
1. Business and geographical segments																
Assets																
Property, plant and equipment		54	78			1 414		317	362			342				
Goodwill		301	400			382		33	43			326				
Intangible assets		8	9			14		81	74			10				
Investment in associates and joint ventures		2						85	83							
Long-term finance lease receivables								1	1							
Long-term financial assets						388		17	13			3				
Vehicle rental fleet		1 934	1 947													
Inventories			3			224		362	498			472				
Trade and other receivables		476	426			702		441	566			429				
Assets classified as held for sale	2 682	52	50			130			30			972			715	
Segment assets	2 682	2 827	2 913			3 254		1 337	1 670			972	1 582		715	
By geographical region																
Southern Africa						3 254		1 337	1 173						715	
Europe	2 682	2 827	2 913									879	1 001			
North America												83	391			
Australia and Asia								497				10	190			
Total segment assets	2 682	2 827	2 913			3 254		1 337	1 670			972	1 582		715	
Long-term non-interest bearing		2				107		44	14			16				
Trade and other payables including provisions		398	377			473		476	610			307				
Liabilities directly associated with assets classified as held for sale [#]	1 880					109			8			210			347	
Segment liabilities	1 880	400	377			689		520	632			210	323		347	
By geographical region																
Southern Africa						689		520	421						347	
Europe	1 880	400	377									196	167			
North America												12	75			
Australia and Asia								211				2	81			
Total segment liabilities	1 880	400	377			689		520	632			210	323		347	
Capital additions																
Southern Africa						671	389	23	116	101					6	31
Europe	2 045	1 961	1 602							4	15	17				
North America											5	7				
Australia and Asia								12	9		10	2				
	2 045	1 961	1 602			671	389	23	128	110	4	30	26		6	31

[#] Includes interest bearing liabilities in Car rental Scandinavia of R1 280 million.



Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

1. Business and geographical segments

1.1 Segmentation for purpose of gearing and interest cover targets[^]

These schedules are provided to assist users to gain a better understanding of how the group segments its balance sheet and income statement in order to set appropriate gearing and interest cover targets. For this purpose three broad segments have been defined namely:

- Trading (manufacturing and dealership businesses)
- Leasing (long-term leasing solutions including fleet services)
- Car rental (short-term car hire)

In view of the nature of the Leasing and Car rental businesses, these operations are more highly geared and in this respect are different from the rest of the group. Short-term equipment rental businesses with a net book value of rental assets amounting to R2 337 million (2007: R2 166 million; 2006: R2 252 million) are included as part of the Trading operations.

	Total Group			Trading			Leasing ^f			Car rental		
	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm
Consolidated balance sheet												
Assets												
Property, plant and equipment												
Cost	17 478	16 822	19 665	9 174	9 247	12 566	3 027	2 725	2 883	5 277	4 850	4 216
Accumulated depreciation	5 044	5 417	7 413	3 279	3 982	5 961	1 007	920	977	758	515	475
Net book value	12 434	11 405	12 252	5 895	5 265	6 605	2 020	1 805	1 906	4 519	4 335	3 741
Less: Items reflected under current assets as vehicle rental fleet and assets classified as held for sale	4 378	4 558	3 953	85	358	86	57	92	302	4 236	4 108	3 565
Property, plant and equipment – net book value	8 056	6 847	8 299	5 810	4 907	6 519	1 963	1 713	1 604	283	227	176
Goodwill	2 421	2 046	3 005	1 355	679	1 618	282	282	80	784	1 085	1 307
Intangible assets	205	274	323	200	264	313	2	2	1	3	8	9
Finance lease receivables	436	619	566	13	9	10	423	610	556			
Long-term financial assets, investment in associates and joint ventures	1 663	1 614	1 346	1 285	1 315	1 286	334	295	59	44	4	1
Deferred taxation assets	488	619	750	435	583	690	48	32	39	5	4	21
Non-current assets	13 269	12 019	14 289	9 098	7 757	10 436	3 052	2 934	2 339	1 119	1 328	1 514
Current assets	20 688	18 636	21 365	14 929	13 206	14 792	371	371	2 157	5 388	5 059	4 416
Finance lease receivables	161	150	222	8	21	22	153	129	200			
Cash and cash equivalents	1 238	1 201	2 134	1 097	1 086	2 012	26	9	41	115	106	81
Assets classified as held for sale	3 156	1 447	2 840	267	1 124	936	70	105	1 768	2 819	218	136
Other current assets	16 133	15 838	16 169	13 557	10 975	11 822	122	128	148	2 454	4 735	4 199
Total assets	33 957	30 655	35 654	24 027	20 963	25 228	3 423	3 305	4 496	6 507	6 387	5 930
Equity and liabilities												
Interest of all shareholders	13 033	11 221	14 360	10 811	9 308	12 468	365	320	474	1 857	1 593	1 418
Non-current liabilities	6 252	6 638	7 920	3 604	2 861	2 062	2 528	2 464	2 598	120	1 313	3 260
Deferred taxation liabilities	266	610	870	8	171	417	150	158	169	108	281	284
Interest-bearing	5 022	4 379	5 475	3 163	1 513	392	1 859	1 867	2 118		999	2 965
Non-interest-bearing	964	1 649	1 575	433	1 177	1 253	519	439	311	12	33	11
Current liabilities	14 672	12 796	13 374	9 612	8 794	10 698	530	521	1 424	4 530	3 481	1 252
Amounts due to bankers and short-term loans	4 266	4 687	4 409	2 319	2 040	3 510	157	201	553	1 790	2 446	346
Liabilities directly associated with assets classified as held for sale												
– Interest-bearing	1 356		642	76		45			597	1 280		
– Non-interest-bearing	640	210	419	40	210	419				600		
Other current liabilities	8 410	7 899	7 904	7 177	6 544	6 724	373	320	274	860	1 035	906
Total equity and liabilities	33 957	30 655	35 654	24 027	20 963	25 228	3 423	3 305	4 496	6 507	6 387	5 930

	Total Group			Trading			Leasing ^f			Car rental		
	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm
Consolidated income statement												
Continuing operations												
Revenue	46 830	39 757	32 452	44 220	37 683	30 360	1 024	865	984	1 586	1 209	1 108
Operating profit before depreciation and leasing interest paid	4 776	3 995	3 497	2 978	2 515	2 237	820	701	739	978	779	521
Leasing interest paid included in cost of sales	(292)	(231)	(239)	(660)	(645)	(751)	(292)	(231)	(239)	(728)	(454)	(271)
Depreciation	(1 833)	(1 487)	(1 451)	(660)	(645)	(751)	(445)	(388)	(429)	(728)	(454)	(271)
Operating profit	2 651	2 277	1 807	2 318	1 870	1 486	83	82	71	250	325	250
Fair value adjustments on financial instruments	(80)	295	224	(74)	289	217	1	(1)	1	(7)	7	6
Finance costs	(889)	(631)	(435)	(618)	(437)	(264)				(271)	(194)	(171)
Income from investments	195	164	139	166	153	107	1	1	3	28	10	29
Profit before exceptional items	1 877	2 105	1 735	1 792	1 875	1 546	85	82	75		148	114
Exceptional items	(17)	(74)	116	(15)	(73)	116	(2)	(1)				
Profit before taxation	1 860	2 031	1 851	1 777	1 802	1 662	83	81	75		148	114
Taxation	(675)	(697)	(556)	(657)	(638)	(544)	(9)	(15)	5	(9)	(44)	(17)
Profit/(loss) after taxation	1 185	1 334	1 295	1 120	1 164	1 118	74	66	80	(9)	104	97
Income from associates and joint ventures	72	53	54	74	56	54	(2)	(3)				
Net profit/(loss) from continuing operations	1 257	1 387	1 349	1 194	1 220	1 172	72	63	80	(9)	104	97
Discontinued operations												
(Loss)/profit from discontinued operations	(11)	1 172	1 397	306	1 144	1 375				(317)	28	22
Net profit/(loss)	1 246	2 559	2 746	1 500	2 364	2 547	72	63	80	(326)	132	119
Attributable to:												
Minority shareholders	14	289	389	5	282	373	9	7	16			
Barloworld Limited shareholders	1 232	2 270	2 357	1 495	2 082	2 174	63	56	64	(326)	132	119
	1 246	2 559	2 746	1 500	2 364	2 547	72	63	80	(326)	132	119
Key financial ratios by segment												
Total borrowings to total shareholders' funds (%)**												
Actual	82	81	69	51	38	31	552	646	564	165	216	233
Target*					30 – 50			600 – 800			200 – 300	
Interest cover (times)**												
Actual	2.9	3.4	3.6	4.4	5.3	6.9	1.3	1.4	1.3	1.0	1.8	1.7
Target		> 3			> 4			> 1			> 1.25	

[^] All years have been reclassified for the treatment of the Car rental, Scandinavia, Cement, Scientific, Coatings and Steel Tube segments as discontinued operations.

^f The income received on the leasing net assets (finance and rental income) and the interest paid on the borrowings are regarded as operational items and are included in operating profits. Leasing results are stated excluding consolidation adjustments and inter-group eliminations.

* The group gearing target is dependent on the relative mix of assets between the three segments.

** Refer to page 148 for definitions.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	Cost Rm	2008 Accumulated depreciation and impairments Rm	Net book value Rm
2. Property, plant and equipment			
Freehold land and buildings	1 825	266	1 559
Leasehold land and buildings	702	172	530
Investment property	22	8	14
Plant, equipment and furniture	1 909	1 310	599
Vehicles and aircraft	614	274	340
Capitalised leased plant and equipment, vehicles and furniture	621	105	516
Decommissioning and quarry rehabilitation			
Rental assets – vehicles	7 489	1 061	6 428
Rental assets – equipment	4 296	1 848	2 448
	17 478	5 044	12 434
Less: Vehicle rental fleet reflected under current assets			
– continuing operations			1 934
Rental assets and other assets classified as held for sale			280
Disposal group assets classified as held for sale			
– Property, plant and equipment			62
– Vehicle rental fleet reflected under current assets			2 102
			8 056
Per business segment:			
Continuing operations			
– Equipment			2 590
– Automotive			3 712
– Handling			1 086
– Logistics			366
– Corporate and other			302
Total continuing operations			8 056
Discontinued operations			
– Car rental – Scandinavia			62
– Cement			
– Coatings			
– Scientific			
– Steel tube			
Total discontinued operations			62
Total group			8 118
Amounts classified as held for sale			(62)
Total per balance sheet			8 056
Investment properties:			
Four investment properties (2007: ten and 2006: four) are held of which all are income generating (2007: ten and 2006: four) and none are vacant (2007 and 2006: none).			
Income earned from investment properties			5
Direct operating expenses incurred on investment properties			2
Fair value of investment properties			80
The valuations were done by a chartered surveyor on the existing use value method.			
Other disclosures:			
Net book value of encumbered property, plant and equipment (note 15)			1 058
Historic value of land and residual value of plant and equipment			3 866
Insurable value of property, plant and equipment			12 452

This is based on the cost of replacement of such assets, except for motor vehicles and certain selected assets, which are included at estimated retail value.

The registers of land and buildings are open for inspection at the registered offices of the companies.

Cost Rm	2007 Accumulated depreciation and impairments Rm	Net book value Rm	Cost Rm	2006 Accumulated depreciation and impairments Rm	Net book value Rm
1 637	290	1 347	2 085	483	1 602
430	129	301	447	124	323
16	8	8	57	7	50
2 273	1 605	668	5 139	3 272	1 867
763	375	388	1 070	776	294
456	69	387	701	202	499
6 761	731	6 030	5 808	17	19
4 486	2 210	2 276	4 941	459	5 349
16 822	5 417	11 405	20 284	7 731	12 553
		3 902			3 441
		450			574
		206			239
		6 847			8 299
		2 005			1 766
		2 696			2 254
		1 232			1 365
		207			238
		336			480
		6 476			6 103
		54			78
		317			1 414
		206			362
					342
					239
		577			2 435
		7 053			8 538
		(206)			(239)
		6 847			8 299
		7			4
		3			2
		172			49
		1 793			2 475
		2 290			4 241
		21 498			31 770

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

Movement of property, plant and equipment	Freehold and leasehold land and buildings Rm	Investment property Rm
2. Property, plant and equipment (continued)		
2008		
Net balance at 1 October 2007	1 648	8
Subsidiaries acquired	192	3
Subsidiaries disposed	(114)	
Other additions	494	
Impairment of assets		
Translation differences (net)	96	
	2 316	11
Other disposals	(28)	3
Depreciation	(64)	
Unbundling of Coatings	(135)	
Net balance at 30 September 2008	2 089	14
Less: Vehicle rental fleet assets reflected under current assets		
Rental assets and other assets classified as held for sale		
Disposal group assets classified as held for sale	38	
Balance reflected as property, plant and equipment	2 051	14
2007		
Net balance at 1 October 2006	1 925	50
Subsidiaries disposed	(238)	
Other additions	344	
Impairment of assets		
Translation differences (net)	(1)	(1)
	2 030	49
Other disposals	(112)	(40)
Depreciation	(64)	(1)
Unbundling of Cement	(206)	
Net balance at 30 September 2007	1 648	8
Less: Vehicle rental fleet assets reflected under current assets		
Rental assets and other assets classified as held for sale		
Disposal group assets classified as held for sale	108	
Balance reflected as property, plant and equipment	1 540	8
2006		
Net balance at 1 October 2005	1 495	45
Subsidiaries acquired	5	
Other additions	334	
Impairment of assets		
Translation differences (net)	221	10
	2 055	55
Other disposals	(63)	(4)
Depreciation	(67)	(1)
Net balance at 30 September 2006	1 925	50
Less: Vehicle rental fleet assets reflected under current assets		
Rental assets and other assets classified as held for sale	10	
Disposal group assets classified as held for sale	94	
Balance reflected as property, plant and equipment	1 821	50

Plant, equipment and furniture Rm	Vehicles and aircraft Rm	Capitalised leased assets Rm	Decommissioning and quarry rehabilitation Rm	Rental assets- vehicles Rm	Rental assets equipment Rm	Total Rm
668	388	387		6 030	2 276	11 405
26	17	152				390
(92)	(11)					(217)
326	186	31		5 536	1 772	8 345
44	(3)					(3)
	8	12		202	298	660
972	585	582		11 768	4 346	20 580
(12)	(133)	(32)		(4 244)	(1 247)	(5 693)
(205)	(71)	(34)		(1 096)	(651)	(2 121)
(156)	(41)					(332)
599	340	516		6 428	2 448	12 434
				1 934		1 934
				198	82	280
23	1			2 102		2 164
576	339	516		2 194	2 366	8 056
1 867	294	499	19	5 349	2 550	12 553
(171)	(6)	(2)				(417)
962	405	93		4 729	1 020	7 553
(38)	(37)	(4)		(4)		(45)
	(5)	(9)		48	(61)	(67)
2 620	651	577	19	10 122	3 509	19 577
(671)	(57)	10		(3 284)	(643)	(4 797)
(346)	(106)	(46)		(808)	(590)	(1 961)
(935)	(100)	(154)	(19)			(1 414)
668	388	387		6 030	2 276	11 405
				3 902		3 902
	56			260	134	450
88	10					206
580	322	387		1 868	2 142	6 847
1 542	577	436	11	3 784	2 401	10 291
11	9	1		580		606
586	132	144	8	4 076	813	6 093
(1)				1	(26)	(26)
98	10	12		279	469	1 099
2 236	728	593	19	8 720	3 657	18 063
(13)	(327)	(44)		(2 616)	(513)	(3 580)
(356)	(107)	(50)		(755)	(594)	(1 930)
1 867	294	499	19	5 349	2 550	12 553
				3 441		3 441
76				312	176	574
140	5					239
1 651	289	499	19	1 596	2 374	8 299

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
2. Property, plant and equipment (continued)			
Translation difference:			
The translation differences are made up as follows:			
Cost	1 114	(170)	1 986
Accumulated depreciation	(454)	103	(887)
	660	(67)	1 099
Rental asset disclosures:			
Future minimum lease receivables under non-cancellable operating leases:			
Within one year	47	122	49
Two to five years	128	274	334
More than five years	21	8	
	196	404	383

Equipment rental assets include materials handling equipment rented to customers in South Africa, the United Kingdom and the United States and capital equipment in southern Africa and Europe.

Vehicle rental assets include the following:

- Short-term motor vehicle fleet in southern Africa and Scandinavia for rent to customers for periods varying between 1 to 30 days. In South Africa 19.4% (2007: 18.3% and 2006: 17%) of the fleet value carries a guaranteed buyback from the manufacturer and 99% (2007: 70% and 2006: 100%) in Norway and Sweden.
- Long-term vehicle fleet in southern Africa leased to customers for periods in excess of 12 months with an average lease term of 43 months (2007: 38 months, 2006: 36 months) and an average residual value of 45% (2007: 46% and 2006: 40%).

The 2007 impairment mainly arose on the decision to dispose of an aircraft, the recoverable amount of which has been determined on a fair value less costs to sell (US dollar based) basis. The impairment arose due to the strengthening of the rand at the balance sheet date.

Impairment of rental assets arose from adjustments to market value when the assets were reclassified as held for sale. Refer note 1 for a segmental analysis of impairment losses.

	2008 Rm	2007 Rm	2006 Rm
3. Goodwill			
2008			
Cost			
At 1 October	2 381	3 496	2 899
Additions	684	41	226
Subsidiaries disposed	(32)	(479)	(11)
Unbundling of Cement		(382)	
Unbundling of Coatings	(33)		
Amounts classified as held for sale		(260)	
Translation differences	151	(35)	382
At 30 September	3 151	2 381	3 496
Accumulated impairment losses			
At 1 October	335	491	414
Subsidiaries acquired	9		
Subsidiaries disposed	(8)	(327)	
Impairment	337	169	13
Translation differences	57	2	64
At 30 September	730	335	491
Carrying amount			
At 30 September	2 421	2 046	3 005

	2008 Rm	2007 Rm	2006 Rm
3. Goodwill (continued)			
Per business segment:			
Continuing operations			
– Equipment	239	220	232
– Automotive	1 310	1 186	1 046
– Handling	187	179	328
– Logistics	685	127	115
– Corporate and other			133
Total continuing operations	2 421	1 712	1 854
Discontinued operations			
– Car rental – Scandinavia		301	400
– Cement			382
– Coatings		33	43
– Scientific		260	326
Total discontinued operations		594	1 151
Total group	2 421	2 306	3 005
Amounts classified as held for sale		(260)	
Total per balance sheet	2 421	2 046	3 005
The impairments relate to the following:			
Avis and Budget Scandinavia	333	101	
Truck Center (Freightliner)		60	
Ditch Witch		8	
Finalair joint venture			13
Other	4		
	337	169	13

Goodwill is allocated to groups of cash-generating units based on group business segments (refer note 1). The group has not recognised any significant intangible assets with indefinite useful lives.

During the current year, all significant recoverable amounts were based on value in use (except as noted below for the Car rental Scandinavia business). A discounted cash flow valuation model is applied using three year strategic plans as approved by management. The financial plans are the quantification of strategies derived from the use of a common strategic planning process followed across the group. The process ensures that all significant risks and sensitivities are appropriately considered and factored into strategic plans. Key assumptions are based on industry specific performance levels as well as economic indicators approved by the executive. These assumptions are generally consistent with external sources of information.

Cash flows for the terminal value beyond the explicit forecast period of three years is estimated by using economic returns (CFROI)[®], asset base, growth rate and fade principles. Growth rates are aligned to the long-term sustainable level of growth in the economic region in which cash-generating units operate.

Discount rates applied to cash flow projections are based on a country or region specific real cost of capital, dependent upon the location of cash-generating segment operations. The after tax, real cost of capital is adjusted for size and leverage and other known risks.

The after tax, real cost of capital rates applied as at September are as follows:

Country	2008 %	2007 %	2006 %
United States	6.0	5.8	5.4
Spain	6.4	5.6	5.4
United Kingdom	6.7	6.2	5.8
Norway	6.4	5.6	5.4
Sweden	6.4	5.6	5.4
Denmark	6.4	5.6	5.4
Australia	5.9	5.2	5.3
South Africa	7.4	6.9	6.5

The current year impairment was calculated by comparing the carrying value of the Avis and Budget Scandinavia cash-generating unit to its estimated recoverable amount. The estimated recoverable amount was determined on the fair value less costs to sell of the business based on the expected disposal price. The business has been classified as Held for sale (refer note 12).

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008		Total intangible assets Rm
	Capitalised software Rm	Patents, trade- marks and development costs Rm	
4. Intangible assets			
Cost			
At 1 October	369	175	544
Subsidiaries acquired	1	19	20
Other additions	36	15	51
Subsidiaries disposed		(78)	(78)
Other disposals	(4)	(3)	(7)
Unbundling of Cement			
Amounts classified as held for sale	(25)		(25)
Other reclassification	4	6	10
Translation differences	22	1	23
At 30 September	403	135	538
Accumulated amortisation and impairment			
At 1 October	240	30	270
Charge for the year (note 21)	45	12	57
Subsidiaries acquired			
Subsidiaries disposed	3		3
Other disposals	(4)		(4)
Unbundling of Cement			
Amounts classified as held for sale	(14)		(14)
Other reclassification	8	(1)	7
Impairment		(1)	(1)
Translation differences	15		15
At 30 September	293	40	333
Carrying amount			
At 30 September	110	95	205
Per business segment:			
Continuing operations			
– Equipment			68
– Automotive			19
– Handling			17
– Logistics			76
– Corporate and other			25
Total continuing operations			205
Discontinued operations			
– Car rental – Scandinavia			11
– Cement			
– Coatings			
– Scientific			
– Steel tube			
Total discontinued operations			11
Total group			216
Amounts classified as held for sale			(11)
Total per balance sheet			205

2007			2006		
Capitalised software Rm	Patents, trade- marks and development costs Rm	Total intangible assets Rm	Capitalised software Rm	Patents, trade- marks and development costs Rm	Total intangible assets Rm
517	183	700	483	97	580
			9	59	68
45	17	62	39	13	52
(71)	(2)	(73)	(4)		(4)
(66)	(7)	(73)	(39)	(11)	(50)
(8)	(32)	(40)			
(25)	(6)	(31)	(13)	(3)	(16)
(18)	34	16	(18)	25	7
(5)	(12)	(17)	60	3	63
369	175	544	517	183	700
341	36	377	282	38	320
60	10	70	58	7	65
			4		4
(66)	(1)	(67)	(3)	(11)	(14)
(48)	(8)	(56)	(33)		(33)
(2)	(23)	(25)			
(19)	(6)	(25)	(11)	(2)	(13)
(16)	27	11	1	2	3
(6)	(1)	(7)	1		1
(4)	(4)	(8)	42	2	44
240	30	270	341	36	377
129	145	274	176	147	323
		3			46
		17			8
		89			83
		52			52
		24			27
		185			216
		8			9
		81			14
		6			74
					10
					2
		95			109
		280			325
		(6)			(2)
		274			323

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm
5. Investment in associates and joint ventures*						
		Income			Investment	
Associates	8	21	19	195	409	314
Joint ventures	64	32	35	900	519	435
	72	53	54	1 095	928	749
Per business segment:						
Continuing operations						
– Equipment	62	36	27	822	523	553
– Automotive	6	17	27	234	304	84
– Handling	3			26		
– Logistics				2		
– Corporate and other	1			11	13	29
Total continuing operations	72	53	54	1 095	841	666
Discontinued operations						
– Car rental – Scandinavia					2	
– Cement		5				
– Coatings	5	15	18		85	83
– Steel tube		1	4			5
Total discontinued operations	5	21	22		87	88
Total group	77	74	76	1 095	928	754
Discontinued operations/amounts classified as held for sale	(5)	(21)	(22)			(5)
Total per income statement/ balance sheet	72	53	54	1 095	928	749
		Associates			Joint ventures	
Cost of investment	147	136	139	230	179	134
Share of associates and joint ventures' reserves	39	76	83	174	107	64
Beginning of year	76	83	47	107	64	26
Normal and exceptional profit for the year	13	27	23	64	47	53
Dividends received		(25)	(30)	(6)	(14)	(17)
Unbundling of Coatings	(63)					
Unbundling of Cement		(8)				
Reclassifications	(6)			(9)		
Disposals and other reserve movements	19	8	43	18	10	2
Impairments during the year		(9)				
Carrying value excluding amounts owing	186	212	222	404	286	198
Loans and advances to associates and joint ventures**	9	197	97	496	233	237
Discontinued operations			(5)			
Carrying value including amounts owing	195	409	314	900	519	435

	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm
5. Investment in associates and joint ventures (continued)*						
		Associates			Joint ventures	
Carrying value by category						
Unlisted associates and joint ventures – shares at carrying value	186	212	222	404	286	198
Unlisted associates of discontinued operations – shares at carrying value			5			
	186	212	227	404	286	198
Valuation of shares						
Directors' valuation of unlisted associate companies and joint ventures	461	307	306	711	696	440
Directors' valuation of unlisted associate companies – discontinued operations			5			
	461	307	311	711	696	440
Aggregate of group associate companies and joint ventures' net assets, revenue and profit						
Property, plant and equipment and other non-current assets	244	245	203	159	172	297
Current assets	73	126	284	1 255	844	920
Long-term liabilities		25	80	719	154	294
Current liabilities	18	103	112	258	476	460
Revenue	241	377	568	2 633	1 698	1 485
Profit after taxation	6	18	16	63	47	53
Cash flow from operations	(34)	(12)	91	(279)	(118)	(139)

* Refer note 39 and 40 for a detailed list of associate and joint venture companies.

In the current year Phavisworld has been reclassified from an associate to a joint venture.

** In 2007 associate loans amounting to R99 million were impaired relating to the investment in Finaltair (2006: R17 million).

The impairment was based on deteriorating prospects in the market that Finaltair operates.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
6. Finance lease receivables			
Amounts receivable under finance leases:			
Gross investment	711	912	916
Less: Unearned finance income	(114)	(143)	(128)
Present value of minimum lease payments receivable	597	769	788
Receivable as follows:			
Present value			
Within one year (note 10)	161	150	222
Non-current portion	436	619	566
In the second to fifth year inclusive	419	563	493
After five years	17	56	73
	597	769	788
Per business segment (non-current portion):			
Continuing operations			
– Equipment			1
– Automotive	85	66	62
– Handling	339	544	494
– Corporate and other	12	8	8
Total continuing operations	436	618	565
Discontinued operations			
– Coatings		1	1
Total discontinued operations	0	1	1
Total group	436	619	566
Minimum lease payments			
Within one year	223	204	253
In the second to fifth year inclusive	322	644	564
After five years	166	64	99
	711	912	916
Less: Unearned finance income	(114)	(143)	(128)
	597	769	788
Fair value of finance lease receivables	597	769	788
Allowance for uncollectible finance lease receivables			
At 1 October	45	18	19
Additional allowance charged to profit or loss		31	3
Allowance reversed to profit or loss	(11)	(1)	(7)
Translation	3	(3)	3
At 30 September	37	45	18
Unguaranteed residual values of assets leased under finance leases	225	241	223

The interest rate charged in the United Kingdom and United States on the leases is fixed at inception for the duration of the lease term which is typically between four and five years. The weighted average interest rate on lease receivables for the year 30 September 2008 was 9.0% per annum (2007: 7.7%; 2006: 9.1%).

Certain of the prior year receivables in the United Kingdom and United States were subject to a securitisation arrangement – refer to note 15 for details.

Finance lease receivables in prior years were secured by the assets (refer note 15).

	2008 Rm	2007 Rm	2006 Rm
7. Long-term financial assets			
Listed investments at fair value	160	332	10
Unlisted investments at fair value	47	28	37
Non-current portion of preference shares*			2
Investment in Portland Holdings Limited			291
Bills and leases discounted with recourse and repurchase obligations	110	104	7
Pension fund assets (note 17)		6	5
Other receivables	175	119	136
Other derivatives	47	53	76
Other non-current loans and deposits	4	5	8
Barloworld Share Purchase Scheme	25	39	25
	568	686	597
Per category:			
Financial assets at fair value through profit or loss			
– Designated as such at initial recognition	160	332	0
– Held for trading items	36	41	34
Available-for-sale financial assets	47	28	47
Loans and receivables	313	267	178
Derivative assets designated as effective hedging instruments	12	12	42
Other assets		6	296
	568	686	597
Per business segment:			
Continuing operations			
– Equipment	17	14	8
– Automotive	43	7	48
– Handling	162	116	41
– Logistics	16	3	3
– Corporate and other	330	529	93
Total continuing operations	568	669	193
Discontinued operations			
– Cement			388
– Coatings		17	13
– Scientific			3
Total discontinued operations		17	404
Total per balance sheet	568	686	597
* Preference shares			
The investment in preference shares is encumbered as per notes 15 and 30. The short-term portion of the investments was transferred to trade and other receivables (note 10).			
Unlisted preference shares at amortised cost (note 38)		2	100
Transferred to trade and other receivables (note 10)			(98)
Unbundling of Cement		(2)	
Non-current portion of preference shares			2

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
7. Long-term financial assets (continued)			
Available-for-sale investments (note 38)			
Listed investments opening balance		10	8
Fair value adjustment in current year			2
Impairment of investments [~]		(10)	
Fair value of listed investments	0	0	10
Unlisted investments opening balance	28	37	36
Additions and other movements	20	24	1
Impairment of investments [@]	(2)		
Unbundling of Cement		(27)	
Fair value adjustment in current year	1	(6)	
Fair value of unlisted investments	47	28	37
Investment in Portland Holdings Limited			291
Other listed investments			
PPC shares [^]	160	332	
Valuation of shares:			
Market value – listed investments	160	332	10
Directors' valuation of unlisted investments	47	28	37
Directors' valuation of Portland Holdings Limited			291
Total fair value	207	360	338

Barloworld Share Purchase Scheme

Included are loans to executive directors for the purchase of shares amounting to R7.7 million (2007: R8.6 million; 2006: R17 million). The loans are secured by pledge of the shares and are repayable within 10 years of granting of the option or within nine months of death or immediately on ceasing to be an employee, except in the case of retirement. Interest rates vary in accordance with the terms and provisions of the trust deed and range from 8.85% to 12% (2007: 4.39% to 10%, 2006: 3.17% to 8.5%).

Investment in Portland Holdings Limited (Porthold)

The results of Porthold, a wholly owned Zimbabwean subsidiary of Pretoria Portland Cement Company Limited (PPC) have not been consolidated in the group results for the year ended 30 September 2006 and for the period to unbundling of PPC as at 16 July 2007.

There were significant constraints impacting on the normal operation of Porthold and the board concluded that management did not have the ability to exercise effective control over the business. In view of the circumstances, the results of Porthold continued to be excluded from the group results until unbundling of PPC and were accounted for on a fair value investment basis.

The summarised results of Porthold, adjusted for hyperinflation and converted back to rands, were:

	2006 Rm
Revenue	409.5
Operating profit	30.3
Loss before taxation	(34.0)
Taxation	(2.6)
Loss after taxation	(31.4)
Total assets	972.0
Total liabilities	322.9
Exchange rate (Z\$: Rand)	34
Movement in the inflation index for the year (%)	1 024
The effect of not consolidating Porthold – increase in earnings per share (cents)	10.9

[~] In 2007 these listed investments were impaired. Previously the investments were retained at pound sterling carrying value due to uncertainty in determining appropriate Zimbabwean dollar exchange rate to arrive at a realistic market value. See note 38 for details of these listed investments.

[@] The impairment occurred in Car rental Scandinavia.

[^] PPC shares

The investment is held by Barloworld for the commitment to deliver PPC shares to the option holders following the unbundling of PPC. Refer to note 34.4 for details.

	2008 Rm	2007 Rm	2006 Rm
8. Deferred taxation			
Movement of deferred taxation			
Balance at beginning of year			
– Deferred taxation assets	619	750	823
– Deferred taxation liabilities	(610)	(870)	(905)
Net asset/(liability) at beginning of the year	9	(120)	(82)
Recognised in income statement this year	53	(45)	(23)
– Continuing operations	51	(54)	(13)
– Rate change adjustment	2	9	(10)
Recognised in income statement this year – Discontinued operations	(28)	5	(32)
Arising on acquisition and disposal of subsidiaries	(16)	(23)	(53)
Translation differences	33	(20)	(11)
Accounted for directly in equity	4	27	2
Unbundling of Cement		158	
Unbundling of Coatings	(21)		
Reclassified as held for sale	154		
Other movements	34	27	79
Net asset/ (liability) at end of the year	222	9	(120)
– Deferred taxation assets	488	619	750
– Deferred taxation liabilities	(266)	(610)	(870)
Analysis of deferred taxation by type of temporary difference			
Deferred taxation assets			
Capital allowances	(81)	39	(3)
Provisions and payables	220	196	244
Prepayments and other receivables	39	19	54
Effect of tax losses	133	103	173
Retirement benefit obligations	178	256	306
Other temporary differences	(1)	6	(24)
	488	619	750
Deferred taxation liabilities			
Capital allowances	(345)	(516)	(701)
Provisions and payables	86	105	119
Prepayments and other receivables	50	(191)	(223)
Effect of tax losses	54	56	33
Retirement benefit obligations	(4)	(7)	(6)
Other temporary differences	(107)	(57)	(92)
	(266)	(610)	(870)
Amount of deferred taxation income/(expense) recognised in the income statement			
Capital allowances	53	54	51
Provisions and payables	29	(62)	89
Prepayments and other receivables		(2)	(147)
Effect of tax losses	100	(48)	(20)
Retirement benefit obligations	(75)	(50)	(83)
Other temporary differences	(54)	63	55
	53	(45)	(55)

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
9. Inventories			
Raw materials and components		116	318
Work in progress	291	321	311
Finished goods	3 939	2 740	3 266
Merchandise	3 219	2 647	1 890
Consumable stores	26	17	112
Other inventories	20	28	10
Total inventories	7 495	5 869	5 907
Per business segment:			
Continuing operations			
– Equipment	4 955	3 184	2 111
– Automotive	1 870	1 711	1 449
– Handling	769	602	1 140
– Logistics	7	5	4
– Corporate and other	11	5	6
Total continuing operations	7 612	5 507	4 710
Discontinued operations			
– Car rental – Scandinavia			3
– Cement			224
– Coatings		362	498
– Scientific		231	472
– Steel tube			330
Total discontinued operations		593	1 527
Total group	7 612	6 100	6 237
Amounts classified as held for sale	(117)	(231)	(330)
Total per balance sheet	7 495	5 869	5 907
The value of inventories has been determined on the following bases:			
First-in first-out and specific identification	7 081	5 394	5 206
Weighted average	414	475	701
	7 495	5 869	5 907
Inventory pledged as security for liabilities	170	29	86
The secured liabilities are included under trade and other payables (note 18)			
Amount of write down of inventory to net realisable value and losses of inventory	13	5	12
Amount of reversals of inventory previously written down	5	1	2
Amounts removed during the year from cash flow hedge reserve and included in the initial cost of inventory	(2)	2	(32)

	2008 Rm	2007 Rm	2006 Rm
10. Trade and other receivables			
Trade receivables	5 883	5 107	5 637
Less: Allowance for doubtful receivables	(314)	(248)	(222)
Finance lease receivables (note 6)	161	150	222
Bills and leases discounted with recourse			11
Fair value of derivatives	138	38	285
Other receivables and prepayments	986	1 138	995
Preference shares (note 7)			98
	6 854	6 185	7 026
Per category:			
Financial assets at fair value through profit or loss			
– Held for trading items	41	21	150
Loans and receivables	6 555	5 997	6 519
Derivative assets designated as effective hedging instruments	97	17	135
Finance lease receivables	161	150	222
	6 854	6 185	7 026
Per business segment:			
Continuing operations			
– Equipment	3 817	2 932	2 504
– Automotive	1 229	836	811
– Handling	887	916	1 153
– Logistics	1 065	617	531
– Corporate and other (including inter-group elimination)	(94)	(33)	(96)
Total continuing operations	6 904	5 268	4 903
Discontinued operations			
– Car rental – Scandinavia	471	476	426
– Cement			702
– Scientific		260	429
– Steel tube			295
– Coatings		441	566
Total discontinued operations	471	1 177	2 418
Total group	7 375	6 445	7 321
Amounts classified as held for sale	(521)	(260)	(295)
Total per balance sheet	6 854	6 185	7 026
Allowance for doubtful receivables			
At 1 October	248	222	168
Additional allowance charged to profit or loss	70	72	44
Allowance reversed to profit or loss	(7)	(17)	(21)
Allowance utilised		(17)	
Acquisition of subsidiaries	16	1	13
Disposal of subsidiaries	(4)	(8)	
Translation	(9)	(5)	18
At 30 September	314	248	222

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
10. Trade and other receivables (continued)			
Receivables are reviewed for impairment on an individual basis and factors considered include the nature and credit quality of counter parties as well as disputes regarding price, delivery, quality and authorisation of work done.			
Age analysis of carrying value of items past due but not impaired per class			
Industry			
Less than 30 days	485	375	279
Between 31 – 60 days	361	235	379
Between 60 – 90 days	140	148	113
Greater than 90 days	158	159	186
	1 144	917	957
Government			
Less than 30 days	13	14	4
Between 31 – 60 days	12	26	15
Between 60 – 90 days	11	8	8
Greater than 90 days	4	19	15
	40	67	42
Consumers			
Less than 30 days	13	38	26
Between 31 – 60 days	37	24	32
Between 60 – 90 days	15	15	11
Greater than 90 days	7	36	37
	72	113	106
Carrying value of financial assets pledged as collateral for liabilities or contingent liabilities	78	121	102
The financial assets pledged consist largely of the accounts receivable in Avis Norway given as security for interest-bearing borrowings (note 15).			
11. Cash and cash equivalents			
Cash on deposit	913	957	1 835
Other cash and cash equivalent balances	325	244	299
	1 238	1 201	2 134
Per category:			
Loans and receivables	1 238	1 201	2 134
	1 238	1 201	2 134
Per currency:			
South African rand	304	292	844
Foreign currencies	934	909	1 290
	1 238	1 201	2 134

	2008 Rm	2007 Rm	2006 Rm
12. Discontinued operations and assets classified as held for sale			
Following the decision to dispose of the Car rental Scandinavia business and the unbundling of Coatings, these segments have been classified as discontinued in the current year and prior years have been restated accordingly.			
Results from discontinued operations are as follows:			
Revenue	1 900	10 502	12 016
Operating profit	81	2 094	2 421
Fair value adjustments on financial instruments	(3)	5	5
Finance costs	(91)	(174)	(140)
Income from investments	13	79	82
Profit before exceptional items		2 004	2 368
Exceptional items	(335)	(72)	(3)
(Loss)/profit before taxation	(335)	1 932	2 365
Taxation	(7)	(721)	(834)
(Loss)/profit after taxation	(342)	1 211	1 531
Income from associates and joint ventures	5	21	22
Net (loss)/profit of discontinued operations before loss on disposal	(337)	1 232	1 553
Profit/(loss) on disposal of discontinued operations before taxation*	168	(150)	(185)
Realisation of translation reserve	201	87	
Taxation effect of disposal	(43)	3	29
Net profit/(loss) on disposal of discontinued operations after taxation	326	(60)	(156)
(Loss)/profit from discontinued operations per income statement	(11)	1 172	1 397
Included in the (loss)/profit from discontinued operations are the following non-trading items:			
(Loss)/profit on sale of properties and investments	(2)	29	(5)
Profit/(loss) on sale of plant and equipment (excluding rental assets) and intangible assets		1	(3)
Net impairment of goodwill	(363)	(150)	
Net impairment of other assets and costs to sell	(2)	(98)	(156)
The cash flows from discontinued operations are as follows:			
Cash flows from operating activities	289	550	1 861
Cash flows from investing activities	689	32	(2 028)
Cash flows from financing activities	(553)	(610)	234

* Based on disposal prices agreed with external parties

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	Total Held for sale Rm	Car rental Scandinavia ¹ Rm	Rental fleets, leasing and Subaru ² other assets ³ Rm	Rm
12. Discontinued operations and assets classified as held for sale (continued)				
The major classes of assets and liabilities classified as held for sale are as follows:				
2008				
Property, plant and equipment	342	62	3	277
Intangible assets	11	9	2	
Vehicle rental fleet	2 102	2 102		
Inventories	117		117	
Trade and other receivables	521	471	50	
Deferred taxation assets	11		11	
Finance lease receivables	13			13
Tax overpaid	8	7	1	
Cash balances	31	29	2	
Assets classified as held for sale	3 156	2 680	186	290
Trade and other payables – short and long-term	(464)	(435)	(29)	
Other non-interest-bearing liabilities	(176)	(165)	(11)	
Interest-bearing liabilities	(1 356)	(1 280)	(76)	
Total liabilities associated with assets classified as held for sale	(1 996)	(1 880)	(116)	
Net assets classified as held for sale	1 160	800	70	290
	Total Held for sale Rm	Scientific Laboratory ⁴ Rm	Rental fleets, leasing and other assets ³ Rm	
2007				
Property, plant and equipment and intangibles	662	212	450	
Goodwill	260	260		
Vehicle rental fleet	12		12	
Inventories	231	231		
Trade and other receivables	260	260		
Deferred taxation assets	9	9		
Finance lease receivables	13		13	
Assets classified as held for sale	1 447	972	475	
Trade and other payables	(174)	(174)		
Other non-interest-bearing liabilities	(36)	(36)		
Total liabilities associated with assets classified as held for sale	(210)	(210)		
Net assets classified as held for sale	1 237	762	475	

	Total Held for sale Rm	Rental fleets, leasing and other assets ³ Rm	Steel tube ⁵ Rm	Handling leasing assets ⁶ Rm	Cement Afripack division ⁷ Rm	Coatings Australia restructuring ⁸ Rm
12. Discontinued operations and assets classified as held for sale (continued)						
2006						
Property, plant and equipment and intangibles	815	248	241	250	52	24
Investment in associates	5		5			
Vehicle rental fleet	1	1				
Inventories	353		330		23	
Trade and other receivables	328		295		27	6
Cash on hand	27				27	
Finance lease receivables	1 467			1 467		
Assets of disposal group held for sale before impairment loss	2 996	249	871	1 717	129	30
Impairment loss on write-down to fair value	(156)		(156)			
Assets classified as held for sale after impairment losses	2 840	249	715	1 717	129	30
Interest-bearing liabilities	(642)		(42)	(597)	(3)	
Trade and other payables – short and long-term	(419)		(305)		(106)	(8)
Total liabilities associated with assets classified as held for sale	(1 061)		(347)	(597)	(109)	(8)
Net assets classified as held for sale	1 779	249	368	1 120	20	22

1. A decision has been taken to sell the Car rental Scandinavian business. A plan has been formulated and an agreement has been signed between Barloworld and merchant bankers authorising the latter to seek buyers for the business. The sale of the business is expected to take place by September 2008. The net book value of encumbered rental assets amounts to R849 million.
2. An agreement has been signed to sell 50% of the company shareholding in Subaru Southern Africa (Pty) Limited to Japan's Toyota Tsusho Corporation with effect on 1 November 2008. In terms of IFRS5 Non-current Assets Held for Sale and Discontinued Operations, the assets held in Subaru have been classified as held for sale. The sale will result in Subaru becoming a joint venture which will no longer be consolidated by the group.
3. Rental assets become available for sale on an ongoing basis as and when they are removed from rental fleets.
4. The Scientific Laboratory group of businesses was sold to Nova Capital Management, the specialist acquirer of private equity and corporate portfolios, for R1 077 million (GBP75 million) in December 2007. The Scientific Melles Griot division was sold for R348 million (GBP24 million) in July 2007.
5. The disposal of the steel tube segment for R426 million was concluded on 1 December 2006.
6. The disposal of Handling leasing assets in the UK was concluded in November 2006 for a gross consideration of R1 684 million before settling the borrowings related to the assets.
7. During the 2004 financial year, PPC sold 75% of its share in Afripack (Pty) Limited (Afripack) to a black empowerment and management consortium. The purchase price was funded via PPC's subscription to redeemable preference shares and cash proceeds. Afripack continued to be consolidated into the group results, in terms of IAS 27 (Revised) Consolidated and Separate Financial Statements as PPC management continued to have effective control of Afripack until the preference shares were redeemed in October 2006. Due to the preference share redemption, Afripack has been consolidated as an asset classified as held for sale in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.
8. The Coatings restructuring in 2006 related to the planned disposal of the Bristol stores in Australia. A significant part of the Coatings Australia business was subsequently sold to PPG in June 2007 for R258 million (AU\$42 million).

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
13. Share capital and premium			
Authorised share capital			
500 000 6% non-redeemable cumulative preference shares of R2 each	1	1	1
300 000 000 ordinary shares of 5 cents each	15	15	15
	16	16	16
Issued share capital			
375 000 6% non-redeemable cumulative preference shares of R2 each (2007: 375 000) (2006: 375 000)	1	1	1
208 171 343 ordinary shares of 5 cents each (2007: 203 843 388) (2006: 200 715 557)	11	10	10
	12	11	11
Share premium:	230	212	316
Balance at beginning of year	212	316	1 386
Premium on share issues	23	139	90
Adjustment	(5)		
Premium utilised for payment of distribution		(226)	
Premium utilised for PPC unbundling		(17)	
Premium utilised for share buy-back			(1 160)
Total issued share capital and premium	242	223	327
Issued shares:			
Total number of shares in issue at beginning of year	203 843 388	200 715 557	227 703 176
Issued during the year:			
Share options exercised	1 347 125	3 127 831	2 249 116
Shares issued to the General staff trust in terms of the BEE transaction	2 980 830		
Number of shares bought back during the year			(10 145 835)
Number of shares cancelled during the year			(19 090 900)
Total number of ordinary shares in issue at end of year, net of buy-back	208 171 343	203 843 388	200 715 557
Other shares issued in respect of BEE transaction	18 707 266		
Total number of ordinary shares in issue at end of year, including BEE shares	226 878 609	203 843 388	200 715 557
Treasury shares held in respect of the BEE transaction	(4 222 254)		
Net number of ordinary shares in issue at end of year	222 656 355	203 843 388	200 715 557



	2008 Rm	2007 Rm	2006 Rm
13. Share capital and premium (continued)			
Unissued shares:			
Ordinary shares reserved to meet the requirements of the Barloworld Share Option Scheme (note 2 below)	20 817 134	20 384 339	20 071 556
Ordinary shares	71 011 523	75 772 273	79 212 887
	91 828 657	96 156 612	99 284 443
6% Non-redeemable cumulative preference shares	125 000	125 000	125 000

Notes:

1. The shares bought back in prior years (19 090 900), which were held in a subsidiary company, were sold on 19 May 2006 at market value (R114 per share) to the holding company and cancelled.
Shares bought back in the prior year were acquired by the holding company and cancelled.
2. The members in general meeting on 20 January 2005 reserved shares for the purposes of the Barloworld Share Option Scheme.
3. The directors do not have authority over unissued shares in terms of section 221 of the Companies Act.
4. Refer note 34 for detail about the Barloworld share incentive schemes and share-based payments disclosure.

Notes to the consolidated annual financial statements *(continued)*
for the year ended 30 September

	Notes	Share capital and premium Rm	Foreign currency translation reserves Rm	Revaluation reserves Rm	Cash flow hedging reserves Rm
14. Consolidated statement of changes in equity					
Balance at 1 October 2005		1 397	1 037	32	(11)
Movement on foreign currency translation reserve			1 832		
Increase in fair value of hedging instruments					125
Increase in fair value of available for sale investments				18	
Deferred taxation charge directly to equity				(8)	(14)
Other reserve movements					
Net income/(loss) recognised directly in equity			1 832	10	111
Profit for the year					
Total recognised income and expense for the year			1 832	10	111
Purchase of minority shareholding in subsidiaries					
Other reserve movements					
Dividends on ordinary shares	28				
Buy-back of shares	13	(1 160)			
Shares issued in current year	13	90			
Balance at 30 September 2006		327	2 869	42	100
Changes in equity recognised during 2007					
Movement on foreign currency translation reserve			(229)		
Translation reserves realised on disposal of foreign subsidiaries			(284)		
Decrease in fair value of hedging instruments					(163)
Decrease in fair value of available for sale investments				(22)	
Deferred taxation charge directly to equity					39
Net actuarial losses on post-retirement benefit obligations					
Net (loss)/income recognised directly in equity			(513)	(22)	(124)
Profit for the year					
Total recognised income and expense for the year			(513)	(22)	(124)
Other reserve movements					
Dividends/capital distribution on ordinary shares	28	(226)			
Effect of Cement unbundling	13	(17)	6	(17)	(10)
Shares issued in current year	13	139			
Balance at 30 September 2007		223	2 362	3	(34)
Changes in equity recognised during 2008					
Movement on foreign currency translation reserve			934		
Translation reserves realised on disposal of foreign subsidiaries			(201)		
Decrease in fair value of hedging instruments					81
Deferred taxation charge directly to equity					(20)
Net actuarial losses on post-retirement benefit obligations					
Net income/(loss) recognised directly in equity			733		61
Profit for the year					
Total recognised income and expense for the year			733		61
Purchase of minority shareholding in subsidiaries					
Other reserve movements		(4)			
Dividends/capital distribution on ordinary shares	28				
Effect of Coatings unbundling					
BEE charge in terms of IFRS 2					
Shares issued in current year	13	23			
Balance at 30 September 2008		242	3 095	3	27

Legal and other reserves Rm	Equity compensation reserves Rm	Total other reserves Rm	Retained income Rm	Net actuarial losses on post-retirement benefits Rm	Total retained income Rm	Attributable to Barloworld Limited shareholders Rm	Minority interest Rm	Interest of all shareholders Rm
348	56	1 462	9 127	(500)	8 627	11 486	644	12 130
		1 832				1 832		1 832
		125				125	14	139
		18				18	(4)	18
		(22)	(53)	(55)	(108)	(22)	(18)	(26)
						(108)		(126)
		1 953	(53)	(55)	(108)	1 845	(8)	1 837
			2 357		2 357	2 357	389	2 746
		1 953	2 304	(55)	2 249	4 202	381	4 583
							(34)	(34)
26	20	46	(995)		(995)	46	(300)	46
						(995)		(1 295)
						(1 160)		(1 160)
						90		90
374	76	3 461	10 436	(555)	9 881	13 669	691	14 360
		(229)				(229)		(229)
		(284)				(284)		(284)
		(163)				(163)		(163)
		(22)				(22)		(22)
		39				39		39
				(54)	(54)	(54)		(54)
		(659)		(54)	(54)	(713)		(713)
			2 270		2 270	2 270	289	2 559
		(659)	2 270	(54)	2 216	1 557	289	1 846
(9)	16	7	2		2	9		9
			(2 059)		(2 059)	(2 285)	(344)	(2 629)
(18)	(186)	(225)	(1 706)		(1 706)	(1 948)	(556)	(2 504)
						139		139
347	(94)	2 584	8 943	(609)	8 334	11 141	80	11 221
		934				934		934
		(201)				(201)		(201)
		81				81		81
		(20)				(20)		(20)
				(96)	(96)	(96)		(96)
		794		(96)	(96)	698		698
			1 232		1 232	1 232	14	1 246
		794	1 232	(96)	1 136	1 930	14	1 944
							136	136
55	(25)	30	53		53	79	(16)	63
			(614)		(614)	(614)	(8)	(622)
			(48)		(48)	(48)	(21)	(69)
		337				337		337
						23		23
402	218	3 745	9 566	(705)	8 861	12 848	185	13 033

Notes to the consolidated annual financial statements *(continued)*
for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
15. Interest-bearing liabilities			
Total long-term borrowings (note 33.2)	5 196	4 909	6 237
Less: Current portion redeemable and repayable within one year (note 19)	(174)	(530)	(762)
Interest-bearing liabilities	5 022	4 379	5 475
Per category:			
Financial liabilities measured at amortised cost	5 022	4 379	5 475
	5 022	4 379	5 475

Summary of group borrowings by currency and by year of redemption or repayment

	Total owing 2008	Repayable during the year ending 30 September					Total owing 2007	Total owing 2006
		2009	2010	2011	2012	2013 and onwards		
R million								
Total SA rand	4 071	37	541	1 676	99	1 718	3 022	3 363
US dollar	618	34	546	22	10	6	99	94
UK sterling	270	81	78	51	31	29	341	1 252
Norwegian krone							488	536
Swedish kronor							464	492
Danish kroner								195
Euro	193	8	91	29	8	57	462	271
Other	44	14	14	10	6		33	34
Total foreign currencies	1 125	137	729	112	55	92	1 887	2 874
Total SA rand and foreign currency liabilities	5 196	174	1 270	1 788	154	1 810	4 909	6 237

Included above are secured liabilities as follows:	Liabilities secured			Net book value of assets encumbered		
	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm
Secured liabilities						
Secured loans						
South African rand	105	60	4	135	50	3
Foreign currencies	39	968	1 763	76	959	1 881
Liabilities under capitalised finance leases (note 30)						
South African rand	512	372	504	481	353	448
Foreign currencies	432	505	546	444	552	1 253
Total secured liabilities	1 088	1 905	2 817	1 136	1 914	3 585
Assets encumbered are made up as follows:						
Property, plant and equipment (note 2)				1 058	1 793	2 475
Finance lease receivables (note 6)						1 008
Trade receivables (note 10)				78	121	102
				1 136	1 914	3 585

Included in secured liabilities for 2006 are loans in the United Kingdom and United States amounting to R720 million, which were secured by a charge over specific lease receivables under a securitisation transaction. Repayment of the loans would have been made from cash received from the specific receivables subject to the securitisation transaction amounting to R1 008 million as at 30 September 2006.

	2008 Rm	2007 Rm	2006 Rm
16. Provisions			
Non-current	325	344	468
Current	731	600	536
	1 056	944	1 004
Per business segment:			
Continuing operations			
– Equipment	446	422	318
– Automotive	390	253	309
– Handling	67	31	44
– Logistics	9	15	4
– Corporate and other	155	190	161
Total continuing operations	1 067	911	836
Discontinued operations			
– Car rental Scandinavia	1	2	
– Cement			116
– Coatings		31	32
– Scientific		11	20
– Steel tube			20
Total discontinued operations	1	44	188
Total group	1 068	955	1 024
Amounts classified as held for sale	(12)	(11)	(20)
Total per balance sheet	1 056	944	1 004

	Total 2008 Rm	In- surance claims Rm	Warranty claims Rm	Credit life and warranty products Rm	Main- tenance contracts Rm	Post- retirement benefits Rm	Re- structuring Rm	Other Rm
Movement of provisions								
Balance at beginning of year	944	81	153	35	335	162	36	142
Amounts added	1 447	36	680	42	485	28	16	160
Amounts used	(1 300)	(48)	(640)	(31)	(397)	(31)	(20)	(133)
Amounts reversed unused	(64)		(2)		(8)	2	3	(59)
Unwinding of discount on present valued amounts	15		(5)	7		(33)	(13)	59
Disposal of subsidiaries	(37)	(1)	(14)	(1)	(14)	(2)	(4)	(1)
Translation adjustments	51	4	14	6	5	13	2	7
Balance at end of year	1 056	72	186	58	406	139	20	175
To be incurred								
Within one year	731	72	185	40	243	25	11	155
Between two to five years	220		1	18	163	12	9	17
More than five years	105					102		3
	1 056	72	186	58	406	139	20	175

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

16. Provisions (continued)

Insurance claims

The provision arises from outstanding claims in Barloworld Insurance Limited which manages the group's insurance programme.

Warranty claims

The provisions relate principally to warranty claims on capital equipment, spare parts and service. The estimate is based on claims notified and past experience.

Credit life and warranty products

The provision relates to credit life and warranty products sold by the Automotive segment. Refer note 32 on insurance contracts.

Maintenance contracts

This relates to deferred revenue on maintenance and repair contracts on equipment, forklift trucks and motor vehicles. Assumptions include the estimation of maintenance and repair costs over the life cycle of the assets concerned.

Post-retirement benefits

The provisions comprise mainly post-retirement benefits for existing and former employees. Actuarial valuations were used to determine the value of the provisions where necessary. The actuarial valuations are based on assumptions which include employee turnover, mortality rates, discount rates, the expected long-term rate of return of retirement plan assets, health care inflation cost and rates of increase in compensation costs.

Restructuring

The provision includes obligations related to the closure of operations.

Other

Included in other provisions are the amounts raised in terms of the share appreciation rights scheme amounting to R16 million (refer note 34) as well as unearned premium provisions amounting to R71 million in the Automotive division.

	2008 Rm	2007 Rm	2006 Rm
17. Other non-interest bearing liabilities			
Bills and leases discounted with recourse and repurchase obligations	111	103	7
Fair value of derivatives	20	2	
Retirement benefit obligation	6	694	777
Other payables	502	506	323
Total non-interest-bearing liabilities	639	1 305	1 107
Per category:			
Financial liabilities at fair value through profit or loss			
– Designated as such at initial recognition	11	26	
– Held for trading items	20	2	
Financial liabilities measured at amortised cost	602	583	330
Other liabilities	6	694	777
	639	1 305	1 107
Per business segment:			
Continuing operations			
– Equipment	84	66	57
– Automotive	225	269	124
– Handling	287	221	139
– Logistics	14	4	2
– Corporate and other	29	722	770
Total continuing operations	639	1 282	1 092
Discontinued operations			
– Coatings		23	5
– Scientific			10
Total discontinued operations		23	15
Total group	639	1 305	1 107

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

17. Other non-interest bearing liabilities (continued)

Retirement benefit information

It is the policy of the group to encourage, facilitate and contribute to the provision of retirement benefits for all permanent employees. To this end the group's permanent employees are usually required to be members of either a pension or provident fund, depending on their preference and local legal requirements.

Altogether 51% of employees belong to one defined benefit and seven defined contribution retirement funds in which group employment is a prerequisite for membership. Of these, the defined benefit and four defined contribution funds are located outside of South Africa and accordingly are not subject to the provisions of the Pension Funds Act of 1956. 35% of employees belong to defined contribution funds associated with industry or employee organisations.

Defined contribution plans

The total cost charged to profit or loss of R307 million (2007: R381 million; 2006: R353 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes (note 21).

Defined benefit plans

Amounts recognised in the Income Statement in respect of defined benefit schemes are as follows:

	2008 Rm	2007 Rm	2006 Rm
Current service cost	28	54	66
Interest costs	326	270	218
Expected return on plan assets	(357)	(285)	(230)
Curtailement on settlement			(149)
Net (gain)/loss recognised in profit or loss (note 21)	(3)	39	(95)
Actual return on plan assets	(364)	378	322

The group changed its accounting policy in the 2006 financial year whereby actuarial gains and losses are recognised in full in the period in which they occur, outside profit or loss, in the statement of recognised income and expense. The impact of this change in that year was to recognise the full actuarial deficit of R777 million (£52,9 million) through the statement of recognised income and expense with no impact on profit or loss. However, a gain of R149 million on curtailment in terms of the transition from a final pay plan to a career average revalued earnings (CARE) plan has been recognised in profit or loss for 2006.

The triennial valuation of the two United Kingdom defined benefit pension schemes at 1 April 2006 was done during 2006 and updated in the current year as at 1 April 2008. These schemes reflected a combined deficit, calculated in terms of IAS19 Employee Benefits of £48.5 million at the end of the 2007 financial year. The schemes were closed to new entrants from 1 April 2002, with all new employees in the United Kingdom required to join the recently established defined contribution scheme. During the current year the group committed to address the funding deficit in the funds. Pursuant to this contributions of £57,4 million (R826 million) were paid and the two schemes were merged into the Barloworld UK Pension scheme.

The estimated contributions to be paid to the plan during the next financial year amounts to £2.5 million (R37 million).

	2008 Rm	2007 Rm	2006 Rm
17. Other non-interest bearing liabilities (continued)			
The amount included in the balance sheet arising from the group's obligations in respect of defined benefit retirement plans is set out below:			
Present value of funded obligation	5 270	5 504	5 457
Fair value of plan assets	5 264	4 816	4 685
Net liability	6	688	772
Amount recognised as an asset (note 7)		6	5
Net liability per balance sheet	6	694	777
Movement in present value of funded obligation:			
At beginning of year	5 504	5 457	4 166
Current service cost	28	54	66
Interest cost	326	270	218
Curtailement on settlement			(149)
Actuarial (gains)/losses recognised in the statement of recognised income and expense	(578)	135	173
Benefits paid	(292)	(264)	(193)
Employee contributions	21	28	23
Other movements		(5)	(78)
Translation differences	261	(171)	1 231
At the end of year	5 270	5 504	5 457
Movement in fair value of plan assets:			
At beginning of year	4 816	4 685	3 419
Expected return on plan assets	357	285	230
Actuarial (losses)/gains recognised in the statement of recognised income and expense	(711)	93	94
Contributions	826	145	81
Benefits paid	(292)	(264)	(193)
Employee contributions	21	28	23
Other movements	(1)	(10)	(1)
Translation differences	248	(146)	1 032
At the end of year	5 264	4 816	4 685
Cumulative actuarial losses	968	835	793
Plan assets consist of the following:			
– Equity instruments (%)	41	58	57
– Bonds (%)	58	42	43
– Cash (%)	1		

Amount included in the fair value of assets for Barloworld Limited shares and property occupied by the group is nil.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

17. Other non-interest bearing liabilities (continued)

Defined benefit funds are valued by independent actuaries as follows:

	Valuation interval	Latest statutory valuation
Barloworld UK Pension Scheme	Triennial	1 April 2008
Barloworld Australia Superannuation Fund [^]	Triennial	September 2006
Japan Pension Scheme [#]	Annual	September 2006

Key assumptions used:

	2008	UK 2007	2006	2008	Australia [^] 2007	2006
Discount rate (%)	6.6	5.7	5.1	n/a	7.4	5.7
Expected return on plan assets (%)	7.2	7.2	7.3	n/a	6.5	7.6
Expected rate of salary increases (%)	4.3	4.2	3.6	n/a	4.0	4.0
Future pension increases (%)	3.5	3.4	2.9	n/a	2.5	2.5
				2008 [#]	Japan 2007	2006
Discount rate (%)				n/a	n/a	1.5
Expected return on plan assets (%)				n/a	n/a	2.9
Expected rate of salary increases (%)				n/a	n/a	2.2
Future pension increases (%)				n/a	n/a	n/a
Historical disclosures:	2008	2007	2006	2005	2004	
Present value of obligation	5 270	5 504	5 457	4 166	3 817	
Fair value of plan assets	5 264	4 816	4 685	3 419	3 158	
Net liability	6	688	772	747	659	
Experience adjustments (%):						
Plan liabilities	(5.6)					0.1
Plan assets	(13.9)	2.0	2.3	8.8	1.5	

Historically, qualifying employees were granted certain post-retirement medical benefits. The obligation for the employer to pay medical aid contributions after retirement is not part of the conditions of employment for new employees. A number of pensioners and employees in the group remain entitled to this benefit, the cost of which has been fully provided (note 16).

[^] Following the sale of Coatings Australia during 2007, the Barloworld Australia Superannuation Fund was closed during the current financial year.

[#] Not applicable due to the disposal of the Melles Griot business during 2007.

	2008 Rm	2007 Rm	2006 Rm
18. Trade and other payables			
Trade and other payables	7 282	6 763	6 647
Fair value of derivatives	53	91	5
Bills and leases discounted with recourse			11
	7 335	6 854	6 663
Per category:			
Financial liabilities at fair value through profit or loss			
– Held for trading items	11	7	5
Financial liabilities measured at amortised cost	7 282	6 763	6 658
Derivatives designated as effective hedging instruments	42	84	
	7 335	6 854	6 663
Per business segment:			
Continuing operations			
– Equipment	2 883	2 714	1 916
– Automotive	2 236	1 762	1 469
– Handling	1 206	788	1 176
– Logistics	908	530	453
– Corporate and other (including inter-group elimination)	131	195	(73)
Total continuing operations	7 364	5 989	4 941
Discontinued operations			
– Car rental – Scandinavia	431	398	377
– Cement			464
– Coatings		467	587
– Scientific		174	294
– Steel tube			263
Total discontinued operations	431	1 039	1 985
Total group	7 795	7 028	6 926
Amounts classified as held for sale	(460)	(174)	(263)
Total per balance sheet	7 335	6 854	6 663
Refer note 9 for details of inventory and note 10 for preference share investment pledged as security for payables.			
19. Amounts due to bankers and short-term loans			
Bank overdrafts and acceptances	1 488	2 058	1 348
Short-term loans	2 604	2 099	2 299
Current portion of long-term borrowings (note 15)	174	530	762
	4 266	4 687	4 409
Per category:			
Financial liabilities measured at amortised cost	4 266	4 687	4 409
	4 266	4 687	4 409
Per currency:			
South African rand	3 548	3 957	2 796
Foreign currencies	718	730	1 613
	4 266	4 687	4 409

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
20. Revenue			
Sale of goods	34 223	30 176	24 597
Rendering of services	8 060	5 737	4 406
Rentals received	4 110	3 330	3 114
Finance lease income	205	333	274
Other	232	181	61
	46 830	39 757	32 452
Per business segment:			
Continuing operations			
– Equipment	20 389	15 990	10 996
– Automotive	17 005	14 306	12 765
– Handling	6 145	7 949	7 676
– Logistics	3 208	1 459	963
– Corporate and other	83	53	52
Total continuing operations	46 830	39 757	32 452
Discontinued operations			
– Car rental – Scandinavia	1 174	1 134	805
– Cement		4 016	4 863
– Coatings	517	3 304	2 971
– Scientific	209	1 700	1 602
– Steel tube		348	1 775
Total discontinued operations	1 900	10 502	12 016
Total group	48 730	50 259	44 468
Value of business handled on behalf of customers but not recognised in revenue	3 617	1 885	1 817

	2008 Rm	2007 Rm	2006 Rm
21. Operating profit			
Operating profit is arrived at as follows:			
Revenue	46 830	39 757	32 452
Less: Net expenses	44 179	37 480	30 645
Cost of sales	36 074	30 588	24 937
Distribution costs	2 080	1 705	1 315
Administrative costs	4 349	4 208	3 463
Other operating costs	1 923	1 268	1 143
Other operating income	(247)	(289)	(213)
Operating profit	2 651	2 277	1 807
Per business segment:			
Continuing operations			
– Equipment	2 057	1 530	952
– Automotive	540	633	546
– Handling	172	187	172
– Logistics	135	95	65
– Corporate and other	(253)	(168)	72
Total continuing operations	2 651	2 277	1 807
Discontinued operations			
– Car rental – Scandinavia	(10)	81	69
– Cement		1 527	1 903
– Coatings	78	350	274
– Scientific	13	104	80
– Steel tube		32	95
Total discontinued operations	81	2 094	2 421
Total group	2 732	4 371	4 228

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
21. Operating profit (continued)			
Expenses include the following:			
Interest paid by leasing operations included in cost of sales:	292	231	239
External	153	134	184
Group (note 23)	139	97	55
Depreciation	2 121	1 961	1 930
Continuing operations	1 833	1 487	1 451
Discontinued operations	288	474	479
Amortisation of intangibles	57	70	65
Continuing operations	52	54	49
Discontinued operations	5	16	16
Amounts removed from equity in respect of effective cash flow hedges	10		
Operating lease charges	618	558	475
Operating lease charges* – continuing operations	551	395	318
Land and buildings	329	234	224
Plant, vehicles and equipment	222	161	94
Operating lease charges – discontinued operations	67	163	157
Land and buildings	66	139	133
Plant, vehicles and equipment	1	24	24
Research and development costs	57	36	43
Administration, management and technical fees paid	149	175	164
Auditors' remuneration:	63	65	70
Audit fees	52	52	57
Fees for other services [†]	11	12	12
Expenses		1	1
Directors' emoluments paid by holding company and subsidiaries (note 36):			
Total directors' emoluments**	63	95	59
Executive directors	54	85	53
Salaries	17	22	21
Bonuses	14	23	21
Retirement and medical contributions	3	7	4
Share options/ share appreciation rights awarded	(3)	11	3
Car allowances	2	2	2
Other benefits	21	20	2
Non-executive directors	9	10	6
Fees	6	6	4
Fees for services to subsidiaries and other services	3	4	2
Staff costs (excluding directors' emoluments)	6 785	7 157	6 669
Continuing operations	6 380	5 126	4 474
Discontinued operations	405	2 031	2 195
Profit on disposal of rental assets, car hire and fleet rental vehicles	(141)	(37)	(110)
Continuing operations	(116)	(41)	(96)
Discontinued operations	(25)	4	(14)
(Profit)/loss on disposal of other plant and equipment	(3)	(5)	2
Loss/(profit) on disposal of intangible assets	2	(2)	2
Corporate office redundancies and closure costs		92	
Amounts recognised in respect of retirement benefit plans (note 17):			
Defined contribution funds	307	381	353
Defined benefit funds	(3)	39	(95)

* There is no contingent rent included in operating lease charges for 2008 (2007: R23 million; 2006: Nil).

[†] In addition to this, fees of R3 million (2007: R11 million, 2006: Nil) has been incurred relating to the unbundling of the Cement segment and Coatings segment.

** Excludes the amount for share options exercised/ceded included in directors' remuneration per note 36.

	2008 Rm	2007 Rm	2006 Rm
22. Fair value adjustments on financial instruments			
Realised	44	(10)	141
Unrealised	(124)	305	83
Fair value adjustments on financial instruments	(80)	295	224
Per category:			
Financial assets/liabilities at fair value through profit or loss			
– Designated as such at initial recognition	(114)	315	
– Held for trading items	17	(385)	243
Available-for-sale (reclassified from equity to profit or loss)		3	4
Loans and receivables	30	5	14
Financial liabilities measured at amortised cost	(13)	357	(37)
Total fair value adjustments on financial instruments	(80)	295	224
Per business segment:			
Continuing operations			
– Equipment	49	(5)	121
– Automotive	4	(7)	21
– Handling	(25)	(4)	20
– Logistics	1		
– Corporate and other	(109)	311	62
Total continuing operations	(80)	295	224
Discontinued operations			
– Car rental – Scandinavia	(2)		
– Cement		13	2
– Coatings	(1)	(8)	9
– Steel tube			(6)
Total discontinued operations	(3)	5	5
Total group	(83)	300	229
Fair value adjustments on financial instruments include:			
Ineffectiveness recognised in profit or loss arising from cash flow hedges	8		

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
23. Finance costs			
Interest on financial liabilities not at fair value through profit or loss:			
Corporate bond and other long-term borrowings	(242)	(220)	(166)
Bank and other short-term borrowings	(727)	(466)	(262)
Capitalised finance leases	(59)	(42)	(62)
Leasing inter group interest classified as cost of sales*	139	97	55
Total continuing operations	(889)	(631)	(435)
Discontinued operations – group interest paid	(15)	(51)	(51)
Discontinued operations – external interest paid	(76)	(123)	(89)
Total group	(980)	(805)	(575)
Finance costs include:			
Amounts removed from equity in respect of effective cash flow hedges – gain	24	9	26
24. Income from investments			
Dividends – listed and unlisted investments	20	2	1
Interest on financial assets not at fair value through profit or loss	175	162	120
Group interest received from discontinued operations			18
Total continuing operations	195	164	139
Discontinued operations	13	79	82
Total group	208	243	221
25. Exceptional items			
Profit/(loss) on disposal of properties, investments and subsidiaries	30	(9)	139
Realisation of translation reserve on disposal of foreign subsidiaries		197	
Impairment of goodwill**	(10)	(68)	
Impairment of investments**	(35)	(149)	(23)
Impairment of property, plant and equipment**	(2)	(45)	
Gross exceptional (loss)/profit from continuing operations	(17)	(74)	116
Taxation benefit/(charge) on exceptional items	1	83	(19)
Net exceptional (loss)/profit from continuing operations	(16)	9	97
Gross exceptional loss from discontinued operations	(335)	(72)	(3)
Taxation on exceptional items from discontinued operations		(4)	
Minority interest on exceptional profit from discontinued operations		(4)	
Net exceptional (loss)/profit – total group	(351)	(71)	94

* Interest paid by leasing operations disclosed under cost of sales (note 21).

** Refer notes 2, 3, 5 and 7 for an explanation of the assumptions and circumstances underlying the impairments.

	2008 Rm	2007 Rm	2006 Rm
26. Taxation			
South African normal taxation			
Current year	(329)	(193)	(174)
Prior year	(3)	(14)	15
	(332)	(207)	(159)
Foreign and withholding taxation			
Current year	(319)	(331)	(372)
Prior year	(12)	(8)	
	(331)	(339)	(372)
Deferred taxation			
Current year	33	(17)	6
Prior year	20	5	6
Attributable to a change in the rate of income tax	2	9	(10)
	55	(3)	2
Secondary taxation on companies			
Current year	(65)	(107)	(2)
Deferred	(2)	(41)	(25)
	(67)	(148)	(27)
Taxation attributable to the company and its subsidiaries	(675)	(697)	(556)
Per business segment:			
Continuing operations			
– Equipment	(610)	(446)	(370)
– Automotive	(17)	(112)	(93)
– Handling	(18)	8	(26)
– Logistics	(24)	(23)	(14)
– Corporate and other	(6)	(124)	(53)
Total continuing operations	(675)	(697)	(556)
Discontinued operations			
– Car rental – Scandinavia	26		(9)
– Cement		(586)	(684)
– Coatings	(22)	(102)	(96)
– Scientific	(11)	(26)	(25)
– Steel tube		(7)	(20)
Total discontinued operations	(7)	(721)	(834)
Total group	(682)	(1 418)	(1 390)

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 %	2007 %	2006 %
26. Taxation (continued)			
Reconciliation of rate of taxation:			
South Africa normal taxation rate	28.0	29.0	29.0
Reduction in rate of taxation	(1.7)	(7.3)	(1.4)
Exempt income	(0.7)	(4.6)	(0.5)
Exceptional tax		(1.4)	
Rate change adjustment	(0.1)	(0.4)	
Tax losses of prior periods	(0.6)	(0.9)	(0.4)
Prior year taxation	(0.3)		(0.5)
Increase in rate of taxation	10.0	12.6	2.4
Disallowable charges	5.1	0.4	0.1
Exceptional tax	0.2		0.4
Foreign tax differential	1.1	3.2	0.4
Rate change adjustment			0.2
Current year tax losses not utilised		1.8	0.1
Prior year taxation		0.7	
Secondary taxation on companies	3.6	6.5	1.2
Taxation as a percentage of profit before taxation	36.3	34.3	30.0
Taxation (excluding prior year taxation, exceptional taxation and secondary taxation on companies) as a percentage of profit before taxation after BEE transaction charge (excluding exceptional items)	32.7	28.5	28.9
	Rm	Rm	Rm
Group tax losses and STC credits at the end of the year:			
South African – taxation losses	(342)	(388)	(363)
South African – unutilised STC credits		(23)	(347)
Foreign – taxation losses	(391)	(595)	(439)
	(733)	(1 006)	(1 149)
Utilised to reduce deferred taxation liabilities or create deferred taxation assets	504	512	909
Losses on which no deferred taxation assets raised due to uncertainty regarding utilisation	(229)	(494)	(240)

	2008 Rm	2007 Rm	2006 Rm
27. Earnings and headline earnings per share			
27.1 Fully converted weighted average number of shares			
Weighted average number of ordinary shares (net of share buy-back)	204 558 742	202 673 141	206 959 270
Increase in number of shares as a result of unexercised share options	2 657 567	3 770 963	4 039 110
Fully converted weighted average number of shares	207 216 309	206 444 104	210 998 380
Account is taken of the number of ordinary shares in issue for the period in which they are entitled to participate in the net profit of the group.			
Net profit for the year (R million)	1 232	2 270	2 357
Net profit for the year from continuing operations (R million)	1 244	1 377	1 331
Net (loss)/profit for the year from discontinued operations (R million)	(12)	893	1 026
	2008 Cents	2007 Cents	2006 Cents
27.2 Earnings per share			
BASIC			
The weighted average number of ordinary shares	204 558 742	202 673 141	206 959 270
Earnings per share (basic)	602.2	1 120.0	1 138.9
Earnings per share from continuing operations (basic)	608.1	679.4	643.1
(Loss)/earnings per share from discontinued operations (basic)	(5.9)	440.6	495.8
DILUTED			
Fully converted weighted average number of shares (note 27.1)	207 216 309	206 444 104	210 998 380
Earnings per share (diluted)	594.5	1 099.6	1 117.1
Percentage dilution	1.3	1.8	1.9
Earnings per share from continuing operations (diluted)	600.3	667.0	630.8
(Loss)/earnings per share from discontinued operations (diluted)	(5.8)	432.6	486.3
27.3 Headline earnings per share			
BASIC			
Profit for the year attributable to Barloworld Limited shareholders (R million)	1 232	2 270	2 357
Adjusted for the following:			
(Profit)/loss on disposal of discontinued operations (IFRS 5)	(168)	150	185
Loss on disposal of subsidiaries (IAS 27)		36	(14)
(Profit)/loss on derecognition of subsidiary (IAS 27)		(11)	3
Realisation of translation reserve on disposal of offshore subsidiaries (IAS 21)	(201)	(284)	
Profit on disposal of properties (IAS 16)	(30)	(45)	(129)
Impairment of goodwill (IFRS 3)	343	169	23
Impairment of investments in associates (IAS 28) and joint ventures (IAS 31)	37	149	4
Impairment of plant and equipment (IAS 16)	2	45	
Loss/(profit) on sale of intangible assets (IAS 38)	2	(2)	2
(Profit)/loss on sale of plant and equipment excluding rental assets (IAS 16)	(3)	(5)	2
Gross remeasurements excluded from headline earnings	(18)	202	76

Notes to the consolidated annual financial statements *(continued)*
for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
27. Earnings and headline earnings per share (continued)			
27.3 Headline earnings per share (continued)			
Taxation effects of remeasurements	42	(82)	(10)
Taxation benefit on impairment of plant and equipment (IAS 16)	(1)		
Taxation charge/(benefit) on disposal of subsidiaries (IAS 27)	43	(14)	(29)
Taxation benefit on impairment of goodwill (IFRS 3)		(23)	
Taxation (benefit)/charge on impairment of investments in associates (IAS 28) and joint ventures (IAS 31)		(49)	1
Taxation charge on profit on disposal of properties (IAS 16)		4	18
Interest of outside shareholders in remeasurements		4	
Net remeasurements excluded from headline earnings	24	124	66
Headline earnings (R million)	1 256	2 394	2 423
Profit from continuing operations (R million)	1 257	1 387	1 349
Minority shareholders interest in net profit from continuing operations (R million)	(13)	(10)	(18)
Profit from continuing operations attributable to Barloworld Limited shareholders (R million)	1 244	1 377	1 331
Adjusted for the following items in continuing operations:			
Loss/(profit) on disposal of subsidiaries (IAS 27)		36	(14)
Realisation of translation reserve on disposal of offshore subsidiaries (IAS 21)		(197)	
Profit on disposal of properties (IAS 16)	(30)	(27)	(127)
Impairment of goodwill (IFRS 3)	10	68	23
Impairment of investments in associates (IAS 28) and joint ventures (IAS 31)	35	149	
Impairment of plant and equipment (IAS 16)	2	45	
Loss/(profit) on sale of intangible assets (IAS 38)	2	(1)	1
Profit on sale of plant and equipment excluding rental assets (IAS 16)	(3)	(5)	
Gross remeasurements excluded from headline earnings from continuing operations	16	68	(117)
Taxation effects of remeasurements	(1)	(83)	19
Taxation benefit on impairment of plant and equipment (IAS 16)	(1)		
Taxation charge/(benefit) on disposal of subsidiaries (IAS 27)		(11)	
Taxation benefit on impairment of goodwill (IFRS 3)		(23)	
Taxation (benefit)/charge on impairment of investments in associates (IAS 28) and joint ventures (IAS 31)		(49)	1
Taxation charge on profit on disposal of properties (IAS 16)			18
Net remeasurements excluded from headline earnings from continuing operations	15	(15)	(98)
Headline earnings from continuing operations (R million)	1 259	1 362	1 233

	2008 Rm	2007 Rm	2006 Rm
27. Earnings and headline earnings per share (continued)			
27.3 Headline earnings per share (continued)			
Profit from discontinued operations (R million)	(11)	1 172	1 397
Minority shareholders' interest in net profit from discontinued operations (R million)	(1)	(279)	(371)
Profit from discontinued operations attributable to Barloworld Limited shareholders (R million)	(12)	893	1 026
Adjusted for the following items in discontinued operations:			
(Profit)/loss on disposal of discontinued operations (IFRS 5)	(168)	150	185
Realisation of translation reserve on disposal of offshore subsidiaries (IAS 21)	(201)	(87)	
(Profit)/loss on derecognition of subsidiary (IAS 27)		(11)	3
Impairment of investments in associates (IAS 28) and joint ventures (IAS 31)	2		4
(Profit)/loss on disposal of properties (IAS 16)		(18)	(2)
Impairment of goodwill (IFRS 3)	333	101	
Profit on sale of intangible assets (IAS 38)		(1)	1
Profit on sale of plant and equipment excluding rental assets (IAS 16)			2
Gross remeasurements excluded from headline earnings from discontinued operations	(34)	134	193
Taxation effects of remeasurements	43	1	(29)
Taxation charge/(benefit) on disposal of subsidiaries (IAS 27)	43	(3)	(29)
Taxation charge on profit on disposal of properties (IAS 16)		4	1
Taxation benefit on impairment of investments in associates (IAS 28) and joint ventures (IAS 31)			(1)
Interest of outside shareholders in remeasurements		4	
Net remeasurements excluded from headline earnings from discontinued operations	9	139	164
Headline (loss)/earnings from discontinued operations (R million)	(3)	1 032	1 190
The weighted average number of ordinary shares	204 558 742	202 673 141	206 959 270
	2008 Cents	2007 Cents	2006 Cents
Headline earnings per share (basic)	614.0	1 181.2	1 170.8
Headline earnings per share from continuing operations (basic)	615.5	672.0	595.8
Headline (loss)/earnings per share from discontinued operations (basic)	(1.5)	509.2	575.0
DILUTED			
Fully converted weighted average number of shares (note 27.1)	207 216 309	206 444 104	210 998 380
Headline earnings per share (diluted)	606.1	1 159.6	1 148.4
Percentage dilution	1.3	1.8	1.9
Headline earnings per share from continuing operations (diluted)	607.6	659.7	584.4
Headline (loss)/earnings per share from discontinued operations (diluted)	(1.5)	499.9	564.0

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
28. Dividends			
Ordinary shares			
Final dividend No 158 paid on 14 January 2008: 200 cents per share (2007: No 155 – 450 cents per share; 2006: No 153 – 325 cents per share)	409	911	745
Special dividend paid on 2 April 2007: 500 cents per share		1 017	
Interim dividend (Capital distribution) No 159 paid on 9 June 2008: 100 cents per share (2007: No 157 – 175 cents per share; 2006: No 154 – 150 cents per share)	205	357	312
	614	2 285	1 057
Dividend attributable to treasury shares			(62)
Paid to Barloworld Limited shareholders	614	2 285	995
Paid to minorities	8	344	300
	622	2 629	1 295

On 17 November 2008 the directors declared dividend No 160 of 150 cents per share.

This dividend has not been included as a liability in these financial statements.

In compliance with the requirements of the JSE Limited, the following dates are applicable:

Date declared	Monday	17 November 2008
Last day to trade <i>cum</i> dividend	Friday	9 January 2009
Shares trade <i>ex</i> dividend	Monday	12 January 2009
Record date	Friday	16 January 2009
Payment date	Monday	19 January 2009

Share certificates may not be dematerialised or rematerialised between Monday, 12 January 2009 and Friday, 16 January 2009, both days inclusive.

	2008 Cents	2007 Cents	2006 Cents
Analysis of dividends declared in respect of current year's earnings:			
Ordinary dividends per share			
Interim dividend	100	175	150
Final dividend	150	200	450
	250	375	600

6% cumulative non-redeemable preference shares

Preference dividends totalling R22 500 were declared on each of the following dates:

- 25 April 2008 (paid on 26 May 2008)
- 10 October 2007 (paid on 5 November 2007)
- 26 April 2007 (paid on 28 May 2007)
- 29 September 2006 (paid on 30 October 2006)
- 29 March 2006 (paid on 24 April 2006)
- 30 October 2005 (paid on 31 October 2005)

	2008 Rm	2007 Rm	2006 Rm
29. Barloworld shareholders attributable interest in subsidiaries			
Holding company	551	22 627	4 262
Less: Dividends received from subsidiaries	(801)	(22 814)	(4 284)
	(250)	(187)	(22)
Attributable interest in the aggregate amount of profits and losses of subsidiaries, after taxation, including associate companies:			
Profits	3 390	2 831	2 698
Losses	(902)	(374)	(319)
Barloworld Limited shareholders' interest	1 232	2 270	2 357
30. Commitments			
Capital expenditure commitments to be incurred:			
Contracted	953	1 908	2 106
Approved but not yet contracted	131	383	999
	1 084	2 291	3 105
Share of joint ventures' capital expenditure commitments to be incurred:			
Contracted		1	
Approved but not yet contracted	3	3	
	3	4	

Commitments will be spent substantially in the next financial year. Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.

	Long term > 5 years Rm	Medium term 2 – 5 years Rm	Short term <1 year Rm	2008 Total Rm	2007 Total Rm	2006 Total Rm
Lease commitments:						
Operating lease commitments						
Land and buildings	575	935	340	1 850	1 638	1 955
Motor vehicles	1	180	127	308	261	488
Other		81	39	120	40	66
	576	1 196	506	2 278	1 939	2 509

Land and building commitments include the following items:

- Commitments for the operating and administrative facilities used by the majority of business segments. The average lease term is five years. Many lease contracts contain renewal options at fair market rates.
- Properties used for office accommodation and used car outlets in the major southern African cities. Rentals escalate at rates which are in line with the historical inflation rates applicable to the southern African environment. Lease periods do not exceed five years.
- Properties at airport locations. The leases are in general for periods of five years and the rental payments are based on a set percentage of revenues generated at those locations subject to certain minimums.

Motor vehicle commitments are mainly for vehicles in use in the offshore operations. The average lease term is four years.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	Long term > 5 years Rm	Medium term 2 – 5 years Rm	Short term <1 year Rm	2008 Total Rm	2007 Total Rm	2006 Total Rm
30. Commitments (continued)						
Finance lease commitments						
Present value of minimum lease payments						
Land and buildings	365	214	21	600	436	394
Motor vehicles		49	25	74	99	79
Rental fleets		188	82	270	341	382
Other					1	195
	365	451	128	944	877	1 050
Minimum lease payments						
Land and buildings	541	458	83	1 082	849	766
Motor vehicles		56	28	84	123	87
Rental fleets		208	95	303	382	441
Other					1	251
Total including future finance charges	541	722	206	1 469	1 355	1 545
Future finance charges				(525)	(478)	(495)
Present value of lease commitments (note 15)				944	877	1 050

Land and building commitments are for certain fixed rate leases in the automotive division for trading premises with an average term of twelve years including a purchase option at the end of the term.

Rental fleet commitments arise in Barloworld Finance in the United Kingdom, which has financed certain rental units under capital leases with various institutions. These expire at the same time as the related lease with the customer.

Other commitments for the prior years mainly relate to Cement and include the following items:

- A suspensive sale agreement in PPC between RTA Leasing (Proprietary) Limited and BOE Bank, interest was payable bi-annually at the end of March and September of each year. The effective interest rate was 12.5% per annum with capital repayments of R98 million in 2007.
- Plant and equipment leased by the Cement division from Saldanha Steel (Proprietary) Limited with fixed payment terms. The agreement matures in April 2013.

	2008 Rm	2007 Rm	2006 Rm
31. Contingent liabilities			
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims	1 066	989	622
Litigation, current or pending, is not considered likely to have a material adverse effect on the group.			
Buy-back and repurchase commitments not reflected on the balance sheet	517	449	1 250

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

The group has given guarantees to the purchaser of the coatings Australian business relating to environmental claims. The guarantees are for a maximum period of eight years and are limited to the sales price received for the business. Freeworld Coatings Limited is responsible for the first AUD5 million of any claim in terms of the unbundling arrangement.

Warranties and guarantees have been given as a consequence of the various disposals completed during the year and prior years. None are expected to have a material impact on the financial results of the group.

There are no material contingent liabilities in joint venture companies.

32. Insurance contracts

Certain transactions are entered into by the group as insurer which fall within the definition of insurance contracts per IFRS4 Insurance Contracts. Significant items included are the following:

- credit life and warranty products sold with vehicles in the automotive segment
- specific portions of maintenance contracts on equipment and vehicles sold in the equipment, handling and automotive segments
- guaranteed residual values on equipment and vehicles in the equipment, handling and automotive segments.

	2008 Rm	2007 Rm	2006 Rm
Income	1 315	1 195	1 156
Expenses	1 021	933	970
Cash (outflow)/inflow	(67)	(96)	19
Losses recognised on buying reinsurance	5	3	3
Deferral of gains and losses on reinsurance:			
Unamortised amount at the beginning of the period	2	4	6
Amortisation for the period	(2)	(2)	(2)
Unamortised amount at the end of the period		2	4
Liabilities:			
At the beginning of the period	482	434	373
Amounts added	1 261	737	582
Amounts used	(1 080)	(682)	(520)
Amounts reversed unused	(36)		(1)
Translation difference	23	(7)	
At the end of the period	650	482	434
Maturity profile:			
Within one year	372	344	219
Two to five years	267	137	214
More than five years	11	1	1
	650	482	434
Assets:			
At the beginning of the period	220	162	135
Amounts added	616	309	38
Amounts used	(614)	(276)	(11)
Amounts reversed unused			
Acquisitions		25	
Translation difference			
At the end of the period	222	220	162
Age analysis of items overdue but not impaired:			
Overdue 30 to 60 days	10		1
Overdue 60 to 90 days	1		
Overdue 90+ days	3	5	
	14	5	1

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

32. Insurance contracts (continued)

Significant assumptions and risks arising from insurance contracts:

Credit life and warranty products

The sale of credit life and extended warranty products in the automotive segment is conducted through cell captive arrangements. The principal risk that the group faces under these insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amounts of claims and benefits will vary from year to year from the estimate determined using statistical techniques.

The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts and includes credit risk, interest rate risk, currency risk and liquidity risk. All risks are managed on behalf of the group by an outside insurance company.

The risks are spread over a large variety of clients in the South African market.

The terms and conditions that have a material effect on the amount, timing and uncertainty of future cash flows arising from these contracts are as follows:

Personal accident – Provides compensation arising out of the death, permanent or temporary total disability of the insured, the family of the insured or the employees of a business. Such death or disability is restricted to certain accidents and does not provide the wider cover available from the life insurance industry.

Automotive – Provides indemnity for loss of or damage to the insured motor vehicle. The cover is normally on an all risks basis providing a wide scope of cover following an accident or a theft of the vehicle but the insured can select restricted forms of cover such as cover for fire and theft only.

The critical accounting judgements made in applying the group's accounting policies relate to the estimation of the ultimate liability arising from claims made under insurance contracts. The group's estimates for reported and unreported losses are continually reviewed and updated, and adjustments resulting from this review are reflected in profit or loss. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments are likely trends, is an appropriate basis for predicting future events.

Maintenance contracts

Maintenance contracts are offered to customers in the Equipment, Automotive and Handling segments. The contracts are managed internally through ongoing contract performance reviews, review of costs and regular fleet inspections. Risks arising from maintenance contracts includes component lives, component failure and cost of labour. The contracts consist of a variety of forms but generally include cover for regular maintenance as well as for repairs due to breakdowns and component failure which is not covered by manufacturer's warranties or other external maintenance plans. The amounts above include the estimated portion of contracts that meet the definition of an insurance contract. Revenue is recognised on the percentage of completion method based on the anticipated cost of repairs over the life cycle of the equipment/vehicles.

Financial risk mainly relates to credit risk but credit quality of customers is generally considered to be good and similar to the rest of the group's operations. Risks are spread over a large diversity of customers, fleets of equipment and vehicles and geographically in southern Africa, Iberia, United Kingdom and the United States.

Guaranteed residual values

Guaranteed residual values on repurchase commitments are periodically given with the sale of equipment/vehicles in the equipment, handling and automotive segments. The principal risk relates to the likelihood of the repurchase commitments being exercised by the customer which is dependent on the used equipment and vehicle market conditions at the time when the repurchase option is exercisable as well as terms of the repurchase agreements regarding age and condition of the equipment/vehicles. Risks are spread over a large diversity of customers and geographically in southern Africa, Iberia, United Kingdom and the United States. The likelihood of the repurchase commitments being exercised is assessed at inception as well as on an ongoing basis and determines the accounting applied. The charge to customers for the repurchase commitment is generally included in the sales price at the time of sale and is not measured separately. Refer to note 31 for the gross value of repurchase commitments.

33. Financial instruments

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank borrowings, money and capital market borrowings, loans to and from subsidiaries, finance leases, hire-purchase agreements discounted with recourse and derivatives. Details of the amounts discounted with recourse are included in note 31. Derivative instruments are used by the group for hedging purposes. Such instruments include forward exchange, currency option contracts and interest rate swap agreements. The group does not speculate in the trading of derivative instruments.

	Notes	2008 Rm	2007 Rm	2006 Rm
33.1 Summary of the carrying and fair value of financial instruments				
Carrying value of financial instruments by category:				
Financial assets:				
Financial assets at fair value through profit or loss				
– Designated as such at initial recognition	7	160	332	
– Held for trading items	7,10	77	62	184
Available-for-sale financial assets	7	47	28	47
Loans and receivables	7,10,11	8 107	7 465	8 831
Derivative assets designated as effective hedging instruments	7,10	109	29	177
Finance lease receivables	6	597	769	788
Total carrying value of financial assets		9 097	8 685	10 027
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
– Designated as such at initial recognition	17	11	26	
– Held for trading items	17,18	31	9	5
Financial liabilities measured at amortised cost	15,17,18,19	17 172	16 412	16 872
Derivative liabilities designated as effective hedging instruments	17,18	42	84	
Total carrying value of financial liabilities		17 256	16 531	16 877
Carrying value of financial instruments by class:				
Financial assets:				
Trade receivables				
– Industry		5 059	4 214	4 723
– Government		202	177	116
– Consumers		309	468	576
Other loans and receivables, prepayments and cash balances		2 538	2 605	3 416
Finance lease receivables		597	769	788
Derivatives (including items designated as effective hedging instruments)				
– Forward exchange contracts		144	48	277
– Interest rate swaps		40	40	83
– Other derivatives		1	3	
Other financial assets at fair value		207	361	48
Total carrying value of financial assets		9 097	8 685	10 027

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
33. Financial instruments (continued)			
33.1 Summary of the carrying and fair value of financial instruments (continued)			
Financial liabilities:			
Trade payables			
– Principals	1 923	2 460	1 839
– Other suppliers	5 359	4 303	4 808
Other non-interest-bearing payables	602	583	341
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	11	47	5
– Interest rate swaps	55	43	
– Other derivatives	7	3	
Other financial liabilities at fair value	11	26	
Interest-bearing debt measured at amortised cost	9 288	9 066	9 884
Total carrying value of financial liabilities	17 256	16 531	16 877
Fair value of financial instruments by class:			
Financial assets:			
Trade receivables			
– Industry	5 059	4 214	4 723
– Government	202	177	116
– Consumers	309	468	576
Other loans and receivables, prepayments and cash balances	2 538	2 605	3 416
Finance lease receivables	597	769	788
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	144	48	277
– Interest rate swaps	40	40	83
– Other derivatives	1	3	
Other financial assets at fair value	207	360	47
Total fair value of financial assets	9 097	8 685	10 027
Financial liabilities:			
Trade payables			
– Principals	1 923	2 460	1 839
– Other suppliers	5 359	4 303	4 808
Other non-interest-bearing payables	602	583	341
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	11	47	5
– Interest rate swaps	55	43	
– Other derivatives	7	3	
Other financial liabilities at fair value	11	26	
Interest-bearing debt measured at amortised cost	9 245	9 034	9 883
Total fair value of financial liabilities	17 213	16 499	16 876

All financial instruments are carried at fair value or amounts that approximate fair value, except for the non-current portion of fixed rate receivables, payables and interest-bearing borrowings, which are carried at amortised cost. The carrying amounts for investments, cash, cash equivalents as well as the current portion of receivables, payables and interest-bearing borrowings approximate fair value due to the short-term nature of these instruments. The fair values have been determined using available market information and appropriate valuation methodologies.

33. Financial instruments (continued)

33.2 Financial risk management

a. Capital risk management

The group manages its capital to ensure that all entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The overall strategy remains unchanged from the previous year.

The capital structure of the group consists of debt (refer notes 15 and 19), cash and cash equivalents (note 11) and equity attributable to equity holders of Barloworld Limited, comprising issued capital (note 13), reserves and retained earnings (note 14) and equity attributable to minority shareholders.

A finance committee consisting of senior executives of the group meets on a regular basis to review the capital structure based on the cost of capital and the risks associated with each class of capital, analyse currency and interest rate exposure and to re-evaluate treasury management strategies in the context of most recent economic conditions and forecasts. The group has targeted gearing ratios for each major business segment as disclosed in note 1.1. The group's various treasury operations provide the group with access to local money markets and provide group subsidiaries with the benefit of bulk financing and depositing.

b. Market risk

i) Currency risk

Trade commitments

The group's currency exposure management policy for the southern African operations is to hedge all material foreign currency trade commitments as soon as they arise. In respect of offshore operations, where there is a traditionally stable relationship between the functional and transacting currencies, the need to take foreign exchange cover is at the discretion of the divisional board. Each division manages its own trade exposure within the overall framework of the group policy. In this regard the group has entered into certain forward exchange contracts which do not relate to specific items appearing in the balance sheet, but were entered into to cover foreign commitments not yet due or proceeds not yet received. The risk of having to close out these contracts is considered to be low. There has been no change during the year to the group's approach in managing foreign currency risk.

Net currency exposure and sensitivity analysis

The following table represents the extent to which the group has monetary assets and liabilities in currencies other than the group companies' functional currency. The information is shown inclusive of the impact of forward contracts and options in place to hedge the foreign currency exposures. Based on the net exposure below it is estimated that a simultaneous 10% change in all foreign currency exchange rates against divisional functional currency will impact the fair value of the net monetary assets/liabilities of the group to the extent of R140 million (2007: R246 million; 2006: R124 million), of which R124 million (2007: R164 million; 2006: R114 million) will impact equity and R16 million (2007: R82 million; 2006: R10 million) will impact profit or loss.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	Currency of assets/(liabilities)								Total Rm
	SA rand Rm	Euro Rm	British sterling Rm	US dollar Rm	Australian dollar Rm	Japanese yen Rm	Other African currencies Rm	Other currencies Rm	
33. Financial instruments (continued)									
Currency risk (continued)									
Net foreign currency monetary assets/(liabilities)									
Functional currency of group operation:									
SA rand	n/a	7	(1)	1 340	(3)			2	1 345
Euro		n/a		23					23
British sterling			n/a	4					4
US dollar	(41)	23	18	n/a			2	21	23
Other African currencies	6			(51)			n/a		(45)
Other currencies		1		42		1		n/a	44
As at 30 September 2008	(35)	31	17	1 358	(3)	1	2	23	1 394
SA rand	n/a	103	92	1 736	(1)	102			2 032
Euro	(2)	n/a		(1)					(3)
British sterling		10	n/a	4					14
US dollar	(2)	181	125	n/a	(7)	121	(27)		391
Other African currencies	(9)	(10)		(33)			n/a	81	29
Other currencies			(1)	1				n/a	
As at 30 September 2007	(13)	284	216	1 707	(8)	223	(27)	81	2 463
SA rand	n/a	61	35	1 153		44	(1)	3	1 295
Euro		n/a	1	(2)		(1)		2	
British sterling		11	n/a	20					31
US dollar	(1)	(2)		n/a			(65)		(68)
Japanese yen				(15)		n/a			(15)
Other African currencies	22			(11)			n/a		11
Other currencies	(5)	(1)		2			(8)	n/a	(12)
As at 30 September 2006	16	69	36	1 147		43	(74)	5	1 242
							Fair value		
							2008	2007	2006
							Rm	Rm	Rm

Hedge accounting applied in respect of foreign currency risk

Cash flow hedges

– fair value of asset/(liability) – foreign currency forward exchange contracts

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The foreign currency contracts have been acquired to hedge the underlying currency risk arising from firm commitments to acquire Equipment machines as well as the forecast purchases of spare parts. All cash flows are expected to occur and affect profit or loss within the next twelve months.

Hedges of net investments in foreign operations

As at September 2008, the group had 12 cross-currency interest rate swap contracts which were all designated as a hedge of a net investment in a foreign entity. Details are as follows:

33. Financial instruments (continued)

Currency risk (continued)

	Currency	Foreign amount notional ('000's)	Interest rate %	Maturity date	2008 Rm	Fair value 2007 Rm	2006 Rm
Fair value of asset/(liability)							
– cross-currency interest rate swap contracts	EUR	(99 567)	4.9	2009 – 2011	(28)	(23)	4
Fair value of asset/(liability)	GBP	76 549	5.5	2009 – 2011			
– cross-currency interest rate swap contracts	AUD	(25 000)	6.6	2010	(14)	(19)	13
Fair value of asset/(liability)	GBP	10 111	5.2	2010			
– cross-currency interest rate swap contracts	JPY	(1 350 000)	0.7	2007			7
Fair value of asset/(liability)	GBP	6 616	4.6	2007			
Total					(42)	(42)	24

ii) Interest rate risk

The group manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach.

The interest rate profile of total borrowings is as follows:

	Currency	Year of redemption/repayment	Interest rate (%)	2008 Rm	2007 Rm	2006 Rm
Liabilities in foreign currencies						
Secured loans	GBP	2007-2010	Libor* + 0.45			720
	NOK	2012	Nibor [~] + 0.4		488	536
	SEK	2012	Stibor% + 0.4		464	492
	BWP	2009 – 2013	15.4	20	16	15
	UAE	2009 – 2011	EIBOR** 3m + 2.5%	18		
Unsecured loans	USD	2010	Libor* + 0.45	522		
	GBP	2009 – 2010	Libor* + 0.475			148
	EUR	2009 – 2012	Euribor*** + .88	104	379	182
	USD	2007 – 2008	8.8		35	13
	USD	2007	7.6			8
	DKK	2009	Cibor [^] + 0.5			195
	USD	2009 – 2011	Libor* + 1.5	28		
Liabilities under capitalised finance leases	GBP	2009	6 to 7	270	341	384
	EUR	2020	Euribor*** + 5.68	89	83	89
	USD	2009 – 2014	US 3yr swap rate + 0.38%	69	64	73
	BWP	2009 – 2012	15.5	5	17	19
Total foreign currency liabilities (note 15)				1 125	1 887	2 874
Liabilities in South African rand						
Secured loans		2009 – 2013	9.8 – 14.3	105	60	4
Unsecured loans		2009 – 2013	7.9 – 11.78	3 454	2 590	2 855
Liabilities under capitalised finance leases		2009 – 2013	11.2 – 15.1	512	372	504
Total South African rand liabilities (note 15)				4 071	3 022	3 363
Total South African rand and foreign currency liabilities (note 15)				5 196	4 909	6 237

Notes to the consolidated annual financial statements *(continued)*

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33. Financial instruments (continued)

Interest rate risk (continued)

	2008 Rm	2007 Rm	2006 Rm
Interest rates			
Loans at fixed rates of interest	3 678	2 975	2 516
Loans linked to South African money market	734	473	1 323
Loans linked to offshore money markets	784	1 461	2 398
	5 196	4 909	6 237

* *Libor* – London inter-bank offered rate.

** *Nibor* – Norwegian inter-bank offered rate.

% *Stibor* – Swedish inter-bank offered rate.

** *EIBOR* – Emirates inter-bank overdraft rate.

^ *Cibor* – Copenhagen inter-bank offered rate.

Jibar – Johannesburg inter-bank acceptance rate.

*** *Euribor* – European inter-bank offered rate.

Hedge accounting applied in respect of interest rate risk

As at September 2008, the group had the following designated cash flow hedge interest rate swap contract:

	Currency	Amount notional (000's)	Interest rate %	Maturity date	2008 Rm	Fair value 2007 Rm	2006 Rm
Fair value of asset – designated cash flow hedge interest rate swap contract	ZAR	700 000	7.96 (fixed)	2010	24	17	8
Total					24	17	8
Cash flow hedges							
– fair value of interest rate swaps					24	17	8

The interest swap contract has been acquired to hedge the underlying interest rate risk arising from interest cash flows on the loans linked to the South African prime rate. The cash flows occur on a quarterly basis until June 2010.

Other interest rate derivatives

As at September 2008, the group had two other interest rate swap contracts. Details are as follows:

	Currency	Amount notional (000's)	Interest rate %	Maturity date	2008 Rm	Fair value 2007 Rm	2006 Rm
Fair value of asset/(liability) – interest rate swap contracts	ZAR	750 000	3m Jibar# + 55 bps	2011	(5)	10	33
Fair value of asset/(liability) – interest rate swap contracts	ZAR	750 000	7.83 (fixed)	2011	49	47	38
Total					44	57	71

The interest rate swap contracts have been acquired to hedge the interest rate risk arising from the Baw1 corporate bond (refer note 10 of the Company financial statements).

33. Financial instruments (continued)

Interest rate risk (continued)

	2008 Rm	2007 Rm	2006 Rm
Interest rate sensitivity analysis			
Impact of a 1% increase in South African interest rates			
– charge to profit or loss, and	43	42	30
– increase in equity	12	18	23
Impact of a 1% increase in offshore interest rates			
– charge to profit or loss	23	31	36
The above impact was calculated on the average opening and closing variable rate debt for the year.			
<i>iii) Other price risk</i>			
The group is exposed to price risk arising out of the following:			
PPC share price			
The group has a liability to option holders following the unbundling of PPC during 2007 and holds shares against the liability (refer note 7).			
PPC share price sensitivity analysis			
Impact of a 10% increase in the PPC share price as at 30 September			
– gain in profit or loss in respect of the shares	33	16	
– charge to profit or loss in respect of the liability	10	19	
Baw share price			
The group has a liability to option holders in terms of the Share Appreciation Right Scheme (refer note 34.2)			
Hedge accounting applied in respect of Baw share price risk			
Cash flow hedges			
– fair value of designated cash flow hedge – Baw share call options	3		

The call options have been acquired to hedge against future additional cash flows arising from increases in the Baw share price. The cash flows are expected to occur after the vesting of the rights as per note 34.2.

Baw share price sensitivity analysis

The impact of movement in the Baw share price is not significant due to the relatively low share as at 30 September 2008 as well as the fact that the share rights have not vested yet.

There has been no change during the current year in the group approach to managing other price risk.

c. Credit risk

Potential areas of credit risk consist of trade receivables and short-term cash investments. Trade receivables consist mainly of a large and widespread customer base. Group companies monitor the financial position of their customers on an ongoing basis. Where considered appropriate, use is made of credit guarantee insurance. The granting of credit is controlled by application and account limits. Provision is made for bad debts and at the year end management did not consider there to be any material credit risk exposure that was not already covered by credit guarantee insurance or a bad debt provision. It is group policy to deposit short-term cash investments with major banks and financial institutions with strong credit ratings.

The credit quality of assets that are neither past due nor impaired is considered to be good. Historical default rates vary per division from 0.2% to 3.5%.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	2008 Rm	2007 Rm	2006 Rm
33. Financial instruments (continued)			
Credit risk (continued)			
Maximum exposure to credit risk (excl collateral held)			
Trade receivables			
– Industry	5 059	4 214	4 723
– Government	202	177	116
– Consumers	309	468	576
Other loans and receivables, prepayments and cash balances	2 538	2 605	3 416
Finance lease receivables	597	769	788
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	144	48	277
– Interest rate swaps	40	40	83
– Other derivatives	1	3	0
Other financial assets at fair value	207	360	47
Other items, including financial guarantees	1 066	777	706
	10 163	9 461	10 732
Carrying value of financial assets, the terms of which have been renegotiated and would otherwise be past due or impaired			
Trade receivables			
– Industry	1		
– Government	3		
Impairment losses/(gains) on financial assets			
Trade receivables			
– Industry	58	36	8
– Government	(2)		1
– Consumers	7	20	12
Finance lease receivables	(10)	29	(5)
Fair value of collateral held on overdue or impaired amounts	1	5	15
Fair value of collateral held on amounts not overdue or impaired	123	145	150

The collateral for 2007 and 2008 consist largely of a mortgage in favour of the group as security against a property loan which arose with the disposal of the Steel business during November 2006. The loan is repayable by 2016. The 2006 collateral consist largely of various items held by the Cement division.

d. Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows, maintaining a balance between long-term and short-term debt and ensuring that adequate unutilised borrowing facilities are maintained. At 30 September 2008, unutilised borrowing facilities amounted to R7.8 billion. There has been no change to this approach during the current year.

Maturity profile of financial liabilities

The maturity profile of the financial instruments is summarised as follows (based on contractual undiscounted cash flows):

	Total owing 2008	Repayable during the year ending 30 September		
		2009	2009 to 2013	2014 and onwards
Interest-bearing liabilities	11 342	4 841	4 534	1 967
Trade payables and other non interest-bearing liabilities	7 968	7 328	220	420

	2008 Rm	2007 Rm	2006 Rm
34. Share incentive schemes and share-based payments			
34.1 Financial effect of share-based payment transactions			
Income statement effect			
Expense arising from share-based payment transactions	337	5	
Compensation expense arising from equity-settled share option incentive plan	2	16	20
Compensation (gain)/expense arising from cash-settled share appreciation rights incentive plan	(4)	20	
Share-based payment expense included in operating profit	335	41	20
Taxation benefit on cash-settled share appreciation rights and BEE transactions	(40)	(6)	
Net share-based payment expense after taxation	295	35	20
Balance sheet effect			
Non-current liability raised for cash-settled share appreciation rights granted (to be incurred within 2 – 5 years)	(16)	(20)	
Deferred taxation asset raised on share appreciation rights liability	40	6	
Net reduction in shareholders' interest as a result of share-based payment transactions	24	(14)	

34.2 Cash settled share appreciation rights scheme

During 2007 the group introduced the Barloworld cash-settled Share Appreciation Right Scheme.

The scheme allows executive directors and certain senior employees to earn a long-term incentive amount calculated based on the increase in the Barloworld Limited share price between the grant date and the vesting and exercise of such rights.

No shares are issued in terms of this scheme and all amounts payable will be settled in cash. The objective of the scheme is to recognise the contributions of senior staff to the group's financial position and performance and to retain key employees.

The vesting of the rights are subject to specific performance conditions, based on group headline earnings per share. Rights are granted for a period of six years and vest one-third after three years from grant date, a further one-third after four years and the final third after five years.

The grant price of these appreciation rights equals the volume weighted average market price of the underlying shares on the three trading days immediately preceding grant date.

On resignation, share appreciation rights which have not yet vested are forfeited. On death or retirement the Barloworld remuneration committee may permit a portion of unvested rights to be exercised within one year (or such extended period as the committee may decide) of the date of cessation of employment.

It is group policy that employees should not deal in Barloworld Limited shares (and this is extended to the share appreciation rights and share options schemes) for the periods from 1 April for half year end and 1 October for year end until 24 hours after publication of the results and at any other time during which they have access to price sensitive information.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

34. Share incentive schemes and share-based payments *(continued)*

34.2 Cash-settled share appreciation rights scheme *(continued)*

Fair value estimates

In terms of IFRS2, liabilities relating to cash-settled share-based payments are adjusted to fair value at balance sheet date.

The estimated fair value of the share appreciation rights was calculated using a binomial pricing model, with inputs as set out below.

Date of grant	15 Nov 2006*	12 July 2007*	29 Sept 2008
Number of share appreciation rights granted	624 929	3 730 345	2 987 635
Exercise price (R)	64.18	113.01	61.01
Share price at grant date (R)	140.00	123.88	61.01
Share price at balance sheet date (R)	64.50	64.50	64.50
Expected volatility (%)	35.0	35.0	35.0
Expected dividend yield (%)	6.9	7.5	8.0
Risk free rate (%)	9.8	9.0	8.9
Exercise multiple (share price at exercise date/option exercise price)	2.0	2.0	2.0
Estimated fair value per share appreciation right at grant date (R)	26.91	46.41	15.64
Estimated fair value per share appreciation right at year end (R)	16.50	7.02	16.39

* The 15 November 2006 and 12 July 2007 grants were modified due to the Cement and Coatings unbundlings as set out in note 35.4 and 35.5 below.

34.3 Equity-settled share option scheme

Equity-settled share options were granted to executive directors and senior employees in terms of the Barloworld Share Option Scheme 1985.

The objectives of the scheme are similar to that of the share appreciation rights scheme.

The options have a total contractual life of 10 years, with the exception of the May 2004 grant which has a six year contractual life.

The options vest one-third after three years from grant date, a further one-third after four years and the final third after five years.

Fair value estimates

Options granted after 7 November 2002 are expensed over their vesting period in terms of IFRS2. The estimated fair value of these equity-settled options were calculated at grant date using a binomial model with the following inputs:

Date of grant	1 April 2003	26 May 2004
Number of options granted	2 168 400	2 205 200
Exercise price (R)	47.50	67.80
Share price at grant date (R)	47.50	67.80
Expected volatility (%)	35.0	35.0
Expected dividend yield (%)	5.8	4.3
Risk free rate (%)	10.4	10.9
Exercise multiple (share price at exercise date/option exercise price)	2.0	2.0
Estimated fair value per option at grant date (R)	16.59	25.37

34. Share incentive schemes and share-based payments (continued)

34.4 Modification for Cement and Coatings unbundling

The equity-settled share options were modified in line with shareholder approval granted as a result of the unbundling of Cement in July 2007 and Coatings in December 2007. Cash-settled share appreciation rights awarded on 15 November 2006 and 12 July 2007 were modified in terms of the rules of the scheme.

The modifications did not result in any incremental fair value being granted to option or right holders, as the objective was to maintain intrinsic value at the same level before and after unbundling.

The modification for the Cement unbundling entailed a downward re-pricing of exercise prices combined with additional entitlements to compensate for the impact of a lower Barloworld share price after unbundling. The Cement unbundling resulted in an estimated 41.7% reduction in the Barloworld share price, based on the pre- and post-unbundling share price of R214.50 and R125 respectively.

The modification for the Coatings unbundling entailed a downward re-pricing of exercise prices only. The Coatings unbundling resulted in an estimated 6.2% reduction in the Barloworld share price, based on the pre- and post unbundling share price of R114.60 and R107.50 respectively.

Corresponding fair values were demonstrated before and after unbundling based on a binomial option pricing model, as were intrinsic values.

The modified option entitlement ratio for the Cement unbundling was as follows:

Entitlement before unbundling	Entitlement after unbundling
[1 Barloworld option]	[1 Barloworld option + 0.866 new Barloworld options] or [1 Barloworld option + 1.8555 PPC sub-divided options]

The modified exercise prices are indicated in the table of unexercised options below (note 34.5).

34.5 Total share options and appreciation rights unexercised

The following share options and share appreciation rights granted are unexercised:

Date of grant	Date from which exercisable	Contractual life remaining (years)	Original exercise price (R)	Modified exercise price (R)	Number of options/rights			Total unexercised**		
					Barloworld directors	Barloworld employees [†]	Ceded*			
29 May 2000	29 May 2003	29 May 2010	1.7	36.70	8.80		102 511		102 511	
25 Sept 2001	25 Sept 2004	25 Sept 2011	3.0	45.70	13.63		189 779	13 062	202 841	
25 Sept 2002	25 Sept 2005	25 Sept 2012	4.0	58.20	20.33		21 000	8 000	29 000	
1 April 2003	1 April 2006	1 April 2013	4.5	47.50	14.59	6 667	766 985	158 328	931 980	
26 May 2004	26 May 2007	26 May 2010	1.7	67.80	25.48	108 869	1 625 965	260 751	1 995 585	
Total equity-settled share options granted and unexercised							115 536	2 706 240	440 141	3 261 917
15 Nov 2006	15 Nov 2009	15 Nov 2012	4.1	140.00	64.18	335 783	289 146		624 929	
12 July 2007	12 July 2010	12 July 2013	4.8	123.88	113.01	372 968	3 129 353		3 502 321	
29 Sept 2008	29 Sept 2011	29 Sept 2014	6.0	61.01	n/a	539 822	2 447 813		2 987 635	
Total cash-settled share appreciation rights granted and unexercised							1 248 573	5 866 312		7 114 885
Total unexercised							1 364 109	8 572 552	440 141	10 376 802

The weighted average share price of options exercised during the period was R96.51 (2007: R174.67; 2006: R112.61)

[†] The unexercised share options granted to retired and ex-directors and -employees are included in this column.

* In terms of the rules of the Barloworld Share Option Scheme 1985 options may be ceded to an approved financial institution.

** Scheme rules dictate that the number of unexercised options may not exceed 10% of the total number of issued shares of the company at any time.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	Number of appreciation rights	Number of share options	Weighted average exercise price (R)
34. Share incentive schemes and share-based payments (continued)			
Share options and appreciation rights movement for the year 2008			
Unexercised at the beginning of the year	4 355 274	4 661 117	76.83
Rights granted in terms of cash-settled share appreciation rights scheme	2 987 635		61.01
Options forfeited		(52 075)	60.30
Appreciation rights forfeited	(228 024)		113.01
Options exercised		(1 347 125)	51.66
Options and appreciation rights unexercised at year end	7 114 885	3 261 917	66.19
Held by:			
Directors, employees and ex-employees of Barloworld Financial institutions	7 114 885	2 821 776 440 141	68.19 21.12
2007			
Unexercised at the beginning of the year		7 149 483	51.41
Additional option entitlements in terms of modification for Cement unbundling		875 670	31.33
Rights granted in terms of cash-settled share appreciation rights scheme	4 355 274		116.87
Options forfeited		(236 205)	30.19
Options exercised		(3 127 831)	25.22
Options unexercised at year end	4 355 274	4 661 117	76.83
Held by:			
Directors and employees of Barloworld	4 355 274	3 701 024	74.03
Employees of PPC		360 345	30.32
Financial institutions		599 748	30.04
2006			
Unexercised at the beginning of the year		9 449 266	48.71
Options forfeited		(52 334)	49.40
Options exercised		(2 247 449)	40.09
Options unexercised at year end		7 149 483	51.41
Held by:			
Directors and employees of Barloworld		5 888 750	53.00
Financial institutions		1 260 733	43.99



	Number of shares issued	Weighted average fair value per share (R)
34. Share incentive schemes and share-based payments (continued)		
34.6 Other share-based payment transactions		
The group implemented a Broad Based Black Economic Empowerment transaction during the year as set out in the Finance Director's Report on page 19.		
The impact of this transaction, calculated in terms of IFRS2 Share-based Payment, was a charge to profit or loss in the current year of R337 million which was determined on assumptions and inputs as set out below:		
Strategic black partners	12 331 337	10.02
The fair value is based on a Monte Carlo valuation model using an expected average dividend yield of 9.9% and a Barloworld share price volatility of 28.55% over the term of the lock-in period. The strategic black partners are permitted to receive all dividends paid in the lock-in period.		
Community service groups	2 153 676	10.02
The fair value is based on a Monte Carlo valuation model using an expected average dividend yield of 9.9% and a Barloworld share price volatility of 28.55% over the term of the lock-in period. The community service groups are permitted to receive all dividends paid in the lock-in period.		
Education trust	1 054 058	
No charge has been taken into account as no award to beneficiaries of the trust has been made to date. The shares awarded to the trust are treated as treasury shares.		
Black managers trust	3 060 166	4.67
The fair value is based on a valuation model using an expected average dividend yield of 9.9% and a Barloworld share price volatility of 28.55% over the term of the lock-in period. The trust is not entitled to receive dividends during the lock-in period.		
Black non-executive directors trust	108 030	83.31
The fair value is based on the 30 day volume weighted average share price of Barloworld Limited as at 9 July 2008, the date when the shares were donated to the trust. The three beneficiaries of the trust are DB Ntsebeza, S Baqwa and S Mkhabela, who are black non-executive directors of Barloworld Limited. The beneficiaries' shares are subject to a seven year lock-in period from 29 September 2008, during which period the beneficiaries will not be entitled to sell, cede, transfer or otherwise dispose of or encumber their Barloworld ordinary shares or their rights in the trust.		
General staff trust	2 980 829	64.50
The fair value is based on the Barloworld Limited closing share price on 30 September 2008, the date when the shares were allocated to staff members.		

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

35. Changes in accounting policy and disclosures

35.1 New standards and interpretations adopted

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board on a basis consistent with the prior year except for the adoption of the following new and amended standards and new interpretations:

IFRS 7 Financial Instruments: Disclosures; IAS 1 Presentation of Financial Statements (Amended) (IAS 1)

This Standard is effective for the group from the current year and adds new disclosures about financial instruments to those previously required by IAS 32 Financial Instruments: Disclosure and Presentation and IAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions. The disclosures required have been included under note 33 as well as the other relevant notes on financial instruments.

Related to this, in terms of an amendment to IAS 1, disclosures about capital in the group have been included in note 33.

IFRIC Interpretation 13 Customer Loyalty Programmes (IFRIC 13)

IFRIC 13 is effective for the group from the year ending 30 September 2009 and addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy other goods or services. The interpretation did not have a significant impact on the group and was early adopted in the current year.

IAS 32 Financial Instruments: Presentation (Revised) (IAS 32) and IAS 1 Presentation of Financial Statements (Amended) (IAS 1)

The amendments to IAS 32 and IAS 1 are effective for the group from the year ending 30 September 2010 and relate to financial instruments that are (i) puttable financial instruments, or (ii) instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation. Under the revised IAS 32, subject to specified criteria being met, these instruments will be classified as equity whereas, prior to these amendments, they would have been classified as financial liabilities. The amendments did not have a significant impact on the group and were early adopted in the current year.

IFRIC Interpretation 15 Agreements for the Construction of Real Estate (IFRIC 15)

IFRIC 15 is effective for the group from the year ending 30 September 2010 and provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and, accordingly, when revenue from the construction should be recognised. The interpretation did not have a significant impact on the group and was early adopted in the current year.

IAS 39 Financial Instruments: Recognition and Measurement (Amended) (IAS39)

The IASB recently published amendments to IAS 39, effective for the group from the year ending 30 September 2010, to clarify two hedge accounting issues relating to the treatment of inflation in a financial hedged item and a one-sided risk in a hedged item. The amendments did not have a significant impact on the group and were early adopted in the current year.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation (IFRIC 16)

IFRIC 16 is effective for the group from the year ending 30 September 2009 and provides guidance on the accounting for the treatment of the hedge of a net investment in a foreign operation in an entity's consolidated financial statements. The interpretation did not have a significant impact on the group and was early adopted in the current year.

35. Changes in accounting policy and disclosures (continued)

35.2 Changes to comparative information

Comparative information has been restated for the treatment of the Car Rental Scandinavia and Coatings businesses as discontinued operations (refer note 12) as well as for the treatment of inter group interest received from Leasing operations, which from the current year has been offset against finance costs rather than as an addition to income from investments.

The effect of the above changes on the annual financial statements for the years ended 30 September 2007 and 2006 is as follows:

	2007			2007	2006			2006
	Previously stated Rm	Reclassification of discontinued operations Rm	Reclassification of inter-group interest from Leasing operations Rm	Re-classified Rm	Previously stated Rm	Reclassification of discontinued operations Rm	Reclassification of inter-group interest from Leasing operations Rm	Re-classified Rm
Income statement								
Revenue	43 238	(3 481)		39 757	35 281	(2 829)		32 452
Operating profit	2 741	(464)		2 277	2 207	(400)		1 807
Fair value adjustments on financial instruments	287	8		295	233	(9)		224
Finance costs	(816)	88	97	(631)	(542)	52	55	(435)
Income from investments	272	(11)	(97)	164	202	(8)	(55)	139
Profit before exceptional items	2 484	(379)		2 105	2 100	(365)		1 735
Exceptional items	(160)	86		(74)	116			116
Profit before taxation	2 324	(293)		2 031	2 216	(365)		1 851
Taxation	(658)	109		(549)	(633)	104		(529)
Secondary taxation on companies	(151)	3		(148)	(27)			(27)
Profit after taxation	1 515	(181)		1 334	1 556	(261)		1 295
Income from associates and joint ventures	68	(15)		53	72	(18)		54
Net profit from continuing operations	1 583	(196)		1 387	1 628	(279)		1 349
Profit from discontinued operations	976	196		1 172	1 118	279		1 397
Net profit	2 559			2 559	2 746			2 746
Attributable to:								
Minority shareholders	289			289	389			389
Barloworld Limited shareholders	2 270			2 270	2 357			2 357
	2 559			2 559	2 746			2 746

The reclassifications have not impacted on the balance sheet and cash flow statement.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

35. Changes in accounting policy and disclosures (continued)

35.3 New standards and interpretations not yet adopted

The following standards and interpretations are not yet effective and will be adopted in future years:

IFRS 8 Operating Segments

This standard is effective for the group from the year ending 30 September 2010. It replaces IAS 14 Segment Reporting and requires an entity to adopt a "management approach" to reporting on the financial performance of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet. The standard therefore requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognised in the income statement and balance sheet. The group is in the process of evaluating the effects of this standard.

IAS 1 (Revised) Presentation of Financial Statements

This revised standard is effective for the group from the year ending 30 September 2010 and requires the preparation of a "Statement of comprehensive income" which replaces the income statement. All non-owner changes in equity (that is, "comprehensive income") must be recognised either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Comprehensive income for a period includes profit or loss for that period plus other comprehensive income recognised which includes revaluation surpluses, actuarial gains and losses, foreign currency translation reserves and hedge accounting reserves. The group is in the process of evaluating the effects of this standard.

IFRS 3 Business Combinations (Revised) (IFRS 3)

The revised IFRS 3 has been issued after completion of the International Accounting Standards Board's second phase of its business combinations project and is now largely aligned with US accounting. Consequential amendments were also made to IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures. The changes mainly relate to the treatment of acquisition costs (now to be expensed), contingent considerations, goodwill where minorities are involved, step acquisitions and partial disposals. The revised standards are effective from the year ending 30 September 2010 and the group is in the process of evaluating the requirements of the amendments.

Annual improvements project

The International Accounting Standards Board recently issued Improvements to IFRSs – a collection of amendments to International Financial Reporting Standards (IFRSs). These amendments consist of various necessary, but non-urgent, amendments to IFRSs that will not be part of another major project of the Board. These amendments are effective from the year ending 30 September 2010. The group is in the process of evaluating the detailed requirements of the amendments.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	Salary R000	Bonus R000	Retirement and medical contri- butions R000	Share appre- ciation rights awarded* R000	Car allow- ances R000	Other benefits R000	Total 2007 R000	Share options ceded^ R000	Share options exercised^ R000
36. Directors' remuneration and interests (continued)									
2007									
Executive directors									
PJ Blackbeard	2 958	3 395	310	1 357	331	1 254	9 605	2 789	6 820
MD Coward (resigned 4 December 2006)	359		316	42	40		757		
LS Day (retired 30 November 2006)	298		495	42	37	596	1 468		
BP Diamond	3 034	1 226	709	1 252	110	62	6 393		5 712
JE Gomersall (resigned 16 July 2007)	1 852	2 007	462	939	119	1 151	6 530		3 328
AJ Lamprecht	1 994	1 957	470	1 252	233	142	6 048	3 306	
M Laubscher	2 019	2 551	371	1 461	302	19	6 723	2 347	692
AJ Phillips (resigned 25 January 2007)	1 203		2 875	447	67	16 707	21 299		
OI Shongwe (appointed 26 January 2007)	978	1 562	137	84	152		2 913		
PM Surgey	2 100	2 545	464	1 377	242	14	6 742	707	3 740
CB Thomson	3 003	5 258	518	1 642	256	126	10 803		3 844
DG Wilson (appointed 29 September 2006)	1 984	2 390	399	1 186	240	16	6 215		
	21 782	22 891	7 526	11 081	2 129	20 087	85 496	9 149	24 136
				Fees R000	Car allow- ances R000	Fees for services to sub- sidiaries/ other services R000	Total 2007 R000		
Non-executive directors									
SAM Baqwa				172			172		
WAM Clewlow (retired 25 January 2007)				479	64	275	818		
AGK Hamilton				474			474		
MJ Levett				961			961		
S Mkhabela				172			172		
DB Ntsebeza (appointed as chairman 26 January 2007)				1 048	66		1 114		
HT Nyasulu (appointed 26 January 2007)				103			103		
SB Pfeiffer				781			781		
G Rodriguez de Castro Garcia de los Rios				627		3 103	3 730		
TS Munday (appointed 26 January 2007)				110		101	211		
EP Theron (retired 16 July 2007)				202		139	341		
RC Tomkinson				1 088			1 088		
				6 217	130	3 618	9 965		
Total directors' remuneration							95 461		

	Salary R000	Bonus R000	Retirement and medical contri- butions R000	Share appre- ciation rights awarded* R000	Car allow- ances R000	Other benefits R000	Total 2006 R000	Share options ceded^ R000	Share options exercised^ R000
36. Directors' remuneration and interests (continued)									
2006									
Executive directors									
PJ Blackbeard	2 387	2 255	268	288	277	919	6 394	1 563	943
MD Coward	1 552		354	339	231		2 476	2 013	
LS Day	1 740	2 179	434	339	218	9	4 919		2 002
BP Diamond	2 732	2 120	445	339	154		5 790	751	
JE Gomersall	2 137	2 676	514	339	140	233	6 039		10 238
AJ Lamprecht	1 737	1 549	391	339	235	145	4 396	2 413	
M Laubscher	1 500	1 350	270	257	186	10	3 573		1 176
AJ Phillips	3 119	3 908	764	485	231	96	8 603		3 015
PM Surgey	1 802	2 257	376	339	258	21	5 053	2 462	
CB Thomson	1 870	2 344	353	340	257	27	5 191		4 525
	20 576	20 638	4 169	3 404	2 187	1 460	52 434	9 202	21 899
						Fees for services to subsidiaries/other services	Total 2006 R000		
Non-executive directors									
SAM Baqwa				115			115		
WAM Clewlow				1 325	171	710	2 206		
MJ Levett				205			205		
S Mkhabela (appointed 27 January 2006)				79			79		
DB Ntsebeza				140			140		
SB Pfeiffer				625			625		
G Rodriguez de Castro Garcia de los Rios				550		316	866		
LA Tager (retired 26 January 2006)				36			36		
EP Theron				224		103	327		
RC Tomkinson				869		725	1 594		
				4 168	171	1 854	6 193		
Total directors' remuneration							58 627		

* This amount relates to the IFRS 2 Share-based Payment (credit) charge for the year on share appreciation rights awarded in the current and prior year and share options awarded in previous years.

^ These amounts relate to the gain made on share options issued in previous years exercised/ceded during the current year excluding gains realised after resignation as a director.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

36. Directors' remuneration and interests (continued)

Interest of directors in contracts

The group has guaranteed a loan from a financial institution amounting to R98 million (2007: R91 million; 2006: R120 million) to a controlled entity in which OI Shongwe has a 48% beneficial interest. The transaction was concluded before his appointment to the board.

The directors have certified that they did not have any other material interest in any transaction of any significance with the company or any of its subsidiaries.

A register detailing directors' and officers' interests is available for inspection at the company's registered office.

Interest of directors of the company in share capital

The aggregate beneficial holdings as at 30 September 2008 of the directors of the company and their immediate families (none of which has a holding in excess of 1%) in the issued ordinary shares of the company are detailed below. There have been no material changes in these shareholdings since that date.

	Number of shares at 30 September					
	2008 Direct	2008 Indirect	2007 Direct	2007 Indirect	2006 Direct	2006 Indirect
Executive directors						
PJ Blackbeard	38 334		73 334		13 334	
BP Diamond				11 766	8 667	11 766
AJ Lamprecht			3 000		13 000	
M Laubscher	46 101		15 000		33 332	
OI Shongwe	2 100					
PM Surgey (resigned 30 September 2008)	157 111		106 278		71 278	
CB Thomson	108 270	103	86 499	103	57 334	700
DG Wilson	5 000					
	356 916	103	284 111	11 869	196 945	12 466
Non-executive directors						
MJ Levett	25 630		25 630		25 630	
AGK Hamilton	1 850			1 000		
HT Nyasulu	100					
DB Ntsebeza	4 500		2 500		1 700	
SB Pfeiffer	10 000		10 000		8 000	
RC Tomkinson				2 000		2 000
	42 080		38 130	3 000	35 330	2 000
	398 996	103	322 241	14 869	232 275	14 466

36. Directors' remuneration and interests (continued)

Interest of directors of the company in share options and share appreciation rights

The interests of the executive and non-executive directors in shares of the company provided in the form of options and share appreciation rights are shown in the table below:

	Number of options/ rights as at 30 Sep 2007	Cash-settled share appreciation rights	Number of options exercised/ ceded during the year	Number of options/ rights as at 30 Sept 2008	Share price on day exercised/ cession/ price on day ceded	Option*/ rights price	Date from which exercisable
PJ Blackbeard	6 667			6 667		14.59	2006/04/01
	35 000			35 000		25.48	2007/05/26
	65 291			65 291		64.18	2009/11/14
	46 627			46 627		113.01	2010/07/12
	12 370		12 370		23.80	11.88	2006/04/01
	43 296			43 296		16.95	2007/05/26
		88 978		88 978		61.01	2011/09/29
M Laubscher	6 667		6 667		86.00	14.59	2006/04/01
	5 774		5 774		64.81	14.59	2006/04/01
	27 320		8 660	18 660	86.00	25.48	2007/05/26
	10 000		10 000		72.60	25.48	2007/05/26
	74 619			74 619		64.18	2009/11/14
	42 091			42 091		113.01	2010/07/12
		98 431		98 431		61.01	2011/09/29
OI Shongwe	37 229			37 229		113.01	2010/07/12
		62 176		62 176		61.01	2011/09/29
PM Surgey (resigned 30 September 2008)	27 500		27 500		87.94	14.59	2006/04/01
	35 000		23 333	11 667	59.25	25.48	2007/05/26
	65 291			65 291		64.18	2009/11/14
	44 354			44 354		113.01	2010/07/12
	64 943			64 943		11.88	2006/04/01
	64 943			64 943		16.95	2007/05/26
CB Thomson	21 771		21 771		100.75	14.59	2006/04/01
	43 542			43 542		25.48	2007/05/26
	65 291			65 291		64.18	2009/11/14
	137 870			137 870		113.01	2010/07/12
		201 259		201 259		61.01	2011/09/29
DG Wilson	65 291			65 291		64.18	2009/11/14
	64 797			64 797		113.01	2010/07/12
		88 978		88 978		61.01	2011/09/29
Directors resigned during 2008	318 928						
The outstanding options/rights consist of the following:							
Baw share options	219 241		103 705	115 536			
Baw share appreciation rights	708 751	539 822		1 248 573			
PPC options	185 552		12 370	173 182			

* The original option price has been modified for the changes in share price as a result of the PPC and Coatings unbundlings.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	Type	Issued capital	
		Currency	Local currency amount
37. Principal subsidiary companies			
Avis Southern Africa Limited**	H	ZAR	17 883 036
Barloworld Australia (Pty) Limited ⁵	O	AUD	82 275 501
Barloworld Botswana (Pty) Limited ³	H	BWP	35 329 536
Barloworld Capital (Pty) Limited	F	ZAR	30 000 000
Barloworld Coatings (Australia) (Pty) Limited ⁵	O	AUD	27 246 000
Barloworld Coatings (Pty) Limited ⁴			
– Ord	O	ZAR	2 197 295
– 'A' Ord		ZAR	527 705
– 'B' Ord		ZAR	1 952 509
Barloworld Equipment (Pty) Limited	O	ZAR	2
Barloworld Equipment UK Limited ¹	O	GBP	4 500 000
Barloworld Holdings PLC ¹	H	GBP	213 301 000
Barloworld Handling Limited ^{1^}	O	GBP	22 125 000
Barloworld Insurance Limited ¹	O	GBP	4 100 000
Barloworld International Investment PLC ¹	F	GBP	50 000
Barloworld Investments (Pty) Limited	H	ZAR	900
Barloworld Logistics (Pty) Limited	O	ZAR	100
Barloworld South Africa (Pty) Limited [^]	O	ZAR	600 000
Barloworld Investments Namibia (Pty) Limited ⁴	H	NAD	1 450 000
Barloworld Scientific Group Limited ¹	O	GBP	17 000 000
Finanzauto SA ²	O	EUR	41 382 127
Freeworld Coatings Limited [#]	O	ZAR	1 813 198
Pretoria Portland Cement Company Limited	O	ZAR	53 761 239
RIH Investments (Pty) Limited			
– Ord	O	ZAR	3 264 730
– 'A' Ord		ZAR	5 876 514
Sociedade Technica De Equipamentos e Tractores SA ⁶	O	EUR	4 000 000
Zeda Car Leasing (Pty) Limited t/a Avis Fleet Services	O	ZAR	100
Barloworld Siyakhula (Pty) Limited	O	ZAR	100
Other foreign subsidiaries*			
Other subsidiaries*			

All companies are incorporated in (or operate principally in) the Republic of South Africa except where otherwise indicated as follows:

1. United Kingdom
2. Spain
3. Botswana
4. Namibia
5. Australia
6. Portugal

Keys to type of subsidiary

H – Holding companies
O – Operating companies
F – Finance companies

Any material changes which have taken place during the year are dealt with in the appropriate operational reviews.

* A full list of subsidiaries and a list of the special resolutions of those companies are available to the shareholders, on request, from the registered office of the company.

The group's coatings businesses were transferred at market value in 2007 to Freeworld Coatings Limited, the shares of which were unbundled subsequent to 30 September 2007 (refer note 42).

^ These companies have changed their names in the current year.

** The interest of holding company in the shares in Avis Southern Africa Limited for 2007 and 2006 has been restated as per note 23 of the Company financial statements.

	Interest of holding company			Shares			Indebtedness			Amounts owing to subsidiaries		
	Effective percentage holdings			2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm	2008 Rm	2007 Rm	2006 Rm
	2008 %	2007 %	2006 %									
	100	100	100	107	477	471	70	70	70			
	100	100	100								32	
	100	100	100									
	100	100	100	30	30	30		3 647	3 191		1 159	700
		100	100									
		100	100			37						
		100	100									
	100	100	100							46	46	46
	100	100	100									
	100	100	100	63	63	63						
	100	100	100									
	100	100	100	108	108	108	2 642	2 963	2 986			
	100	100	100									
	100	100	100	1	1	1	5 326			5	5	5
	100	100	100	4	4	4					32	
		100	100									
	99.7	99.7	99.7									
		100			2 419			686				
			71.7			35			9			
	100	100	100	131	131	131			202			
	100	100	100									
	99	99	99									
	100	100	100									
	100	100							2			
				31	31	31					23	
				56	55	74	360	367	1 083	73	86	74
				531	3 319	985	8 398	7 733	7 543	124	1 383	825

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

	Securities exchange	Number of shares		
		2008	2007	2006
38. Listed and unlisted investments				
Number of shares held by the holding company and by subsidiaries, where significant, are as follows:				
Listed investments				
Astra Industries Limited*	Zimbabwe	15 311 155	15 311 155	15 311 155
Cairns Holdings Limited*	Zimbabwe	15 311 155	15 311 155	15 311 155
Tractive Power Holdings Limited*	Zimbabwe	15 311 155	15 311 155	15 311 155
Pretoria Portland Cement Company Limited	South Africa	5 131 797	6 952 955	
Unlisted investments				
BOE Bank Trust – preference shares				246 850 000
Holcim (Reunion)				1 350
Business Partners Limited		2 209 594	2 209 594	2 209 594
U.R.D Investments (Pty) Limited – preference shares		20 000 000	20 000 000	
First Rand Bank – preference shares		20 000 000		

The detailed registers of investments are open for inspection at the registered office of the companies.

* The group's investment in these companies were fully impaired during 2007 due to the uncertain economic conditions in Zimbabwe (refer note 5).

39. Investment in associate companies

Investor company/associate	Principal products or activities	Issued share capital	Percentage held by investors		
			2008 %	2007 %	2006 %
Barloworld Australia (Pty) Limited					
CAN 082 879 031 (Pty) Limited ¹ (Formerly Mercedes-Benz of Melbourne (Pty) Limited)	Motor retailer	7 295	49	49	49
Barloworld Coatings (Pty) Limited					
Du Pont Barloworld (Pty) Limited	Automotive coatings	21		49	49
International Paints (Pty) Limited	Industrial coatings	20		49	49
Jatran Logistics (Pty) Limited	Transport			25	25
Sizwe Paints (Pty) Limited	Decorative paint distributor	1		30	30
Valspar (SA) (Pty) Limited	Can coatings manufacturer	17		20	20
Barloworld Equipment Company					
Barloworld Equipment Energy (Pty) Limited [^]	Generator set manufacturing	3			50
Barloworld Holdings PLC					
Barzem Enterprises (Pty) Limited ²	Caterpillar dealer	48	35	35	35
Energyst B.V. ⁴	Caterpillar engines rental	5 041	22	22	22
Barloworld Automotive (Pty) Limited[^]					
Investment Facility Company 383 (Pty) Limited t/a Sizwe Car Rental	Short-term car rental		49	49	49
Midlands Car Hire Limited t/a Avis Rent a Car Zambia ³	Short-term car rental	100			45
Barloworld Robor (Pty) Limited					
Mine Support Products (Pty) Limited	Pit props	1			50

All companies are incorporated in (or operate principally in) the Republic of South Africa except where otherwise indicated as follows:

1. Australia
2. Zimbabwe
3. Netherlands
4. Zambia

[^] This company changed its name in the current year.



Investor company/joint venture	Principal products or activities	Percentage held by investors		
		2008 %	2007 %	2006 %
40. Significant joint ventures				
Barloworld Equipment Company				
Barloworld Optron Technologies (Pty) Limited	GPS technology on earthmoving equipment		50	50
The Used Equipment Company (Pty) Limited	Traders in used Caterpillar equipment		50	50
Bartrac Equipment (Includes Democratic Republic of Congo)	Caterpillar dealer	50	50	
Barloworld Automotive (Pty) Limited				
NMI Durban South Motors (Pty) Limited*	Motor retailer		50	50
Auric Auto (Pty) Limited	Motor retailer			49
PhakisaWorld Fleet Solutions	Fleet leasing	50	50	50
Barloworld Holdings PLC				
Finaltair SA [#]	Energy generation	50	50	50
Vostochnaya Technica UK	Caterpillar dealer	50	50	50
Barloworld Heftruck Verhuur BV	Hire of fork-lift trucks	50		

* Became a subsidiary during the current year. Refer note 42.

[#] To be liquidated in the future.

41. Related party transactions

Various transactions are entered into by the company and its subsidiaries during the year with related parties. Unless specifically disclosed these transactions occurred under terms that are no less favourable than those entered into with third parties. Intra-group transactions are eliminated on consolidation.

The following is a summary of other transactions with related parties during the year and balances due at year end:

R million	Associates of the group	Joint ventures in which the group is a venturer
2008		
Goods and services sold to		
Bartrac Equipment		87
The Used Equipment Company (Pty) Limited		9
Vostochnaya Technica UK		7
Energyst B.V.	3	
Barloworld Heftruck Verhuur B.V.		12
PhakisaWorld Fleet Solutions		101
	3	216
Goods and services purchased from		
The Used Equipment Company (Pty) Limited		94
Barloworld Heftruck Verhuur B.V.		29
		123
Other transactions		
Management fees received from joint ventures		11
		11
Amounts due from related parties as at end of year		
Vostochnaya Technica Siberia loan		275
PhakisaWorld Fleet Solutions loan		221
Other loans to joint venturers		10
		506

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

R million	Associates of the group	Joint ventures in which the group is a venturer
41. Related party transactions (continued)		
2007		
Goods and services sold to		
Barzem Enterprises (Pty) Limited	26	
Du Pont Barloworld (Pty) Limited (Herberts)	89	
International Paints (Pty) Limited	38	
NMI Durban South Motors (Pty) Limited		8
Sizwe Paints (Pty) Limited	20	
The Used Equipment Company (Pty) Limited		34
PhakisaWorld Fleet Solutions	39	
Other sales to related parties	6	
	218	42
Goods and services purchased from		
NMI Durban South Motors (Pty) Limited		4
Du Pont Barloworld (Pty) Limited (Herberts)	4	
	4	4
Other transactions		
Management fees received from associates	4	
	4	
Amounts due (to)/from related parties as at end of year		
Barzem Enterprises (Pty) Limited	(15)	
Du Pont Barloworld (Pty) Limited (Herberts)	9	
International Paints (Pty) Limited	10	
NMI Durban South Motors (Pty) Limited		1
PhakisaWorld Fleet Solutions	22	
PhakisaWorld Fleet Solutions loan	184	
The Used Equipment Company (Pty) Limited		127
Vostochnaya Technica Siberia loan		100
Other loans to associates	19	
	229	228

R million	Associates of the group	Joint ventures in which the group is a venturer
41. Related party transactions (continued)		
2006		
Goods and services sold to		
Barzem Enterprises (Pty) Limited	25	
Du Pont Barloworld (Pty) Limited (Herberts)	76	
International Paints (Pty) Limited	31	
Mine Support Products (Pty) Limited	31	
NMI Durban South Motors (Pty) Limited		7
Sizwe Paints (Pty) Limited	18	
The Used Equipment Company (Pty) Limited		4
Umndeni Circon (Pty) Limited	78	
Other sales to related parties	3	1
	262	12
Goods and services purchased from		
NMI Durban South Motors (Pty) Limited		5
Umndeni Circon (Pty) Limited	11	
The Used Equipment Co (Pty) Limited		2
International Paints (Pty) Limited	1	
	12	7
Other transactions		
Management fees received from associates	8	
	8	
Amounts due (to)/from related parties as at end of year		
Barzem Enterprises (Pty) Limited	(11)	
Du Pont Barloworld (Pty) Limited (Herberts)	11	
Finaltair Barloworld SA		98
International Paints (Pty) Limited	18	
Mine Support Products (Pty) Limited	5	
Sizwe Paints (Pty) Limited	3	
The Used Equipment Company (Pty) Limited		139
Umndeni Circon (Pty) Limited	18	
Loans and other trade-related amounts due from related parties	2	
	46	237

Notes to the consolidated annual financial statements *(continued)*

for the year ended 30 September

41. Related party transactions (continued)

Terms on other outstanding balances

Unless otherwise noted, all outstanding balances are payable within 30 days, unsecured and not guaranteed.

Except for the impairment of the Finaltair loan, there are no doubtful debt provisions raised in respect of amounts due to/from related parties and no bad debts incurred during the year on these balances.

Associates and joint ventures

The loans to associates and joint ventures are repayable on demand and bears interest at market related rates.

The loan to Finaltair was fully impaired during 2007 as per note 5.

Details of investments in associates and joint ventures are disclosed in notes 5, 39 and 40.

Subsidiaries

Details of investments in subsidiaries are disclosed in note 37.

Directors

Details regarding directors' remuneration and interests are disclosed in note 36, and share options are disclosed in note 34.

Transactions with key management and other related parties (excluding directors)

There were no material transactions with key management or close family members of related parties.

Shareholders

The principal shareholders of the company are disclosed on page 82.

Barloworld Medical Scheme

Contributions of R73 million were made to the Barloworld Medical Scheme on behalf of employees (2007: R92 million; 2006: R83 million).

42. Acquisitions

The group exchanged its 65% interest in Garden City Motors (GCM) for additional shares in the NMI Durban South Motors business (NMI) effective 1 March 2008. The group's shareholding in NMI increased from 50% to 51.18% as a result of this transaction. Goodwill arising on the acquisition of NMI amounting to R4 million is attributable to gaining control of the business. The business was previously jointly controlled and therefore equity accounted in the group results up to 29 February 2008. The NMI result has been fully consolidated in the group results effective 1 March 2008. The disposal of GCM to NMI had no profit or loss effect for the group.

Agreements for the acquisition by the group's Logistics business of the Hong Kong based Flynt group as well as the Dubai-based Swift Group and its affiliates in the Far East, India, United Arab Emirates (UAE), Africa and Germany were concluded during the year with an effective date of 1 April 2008. The cost of the acquisition was R711 million which includes goodwill of R558 million and is subject to final adjustment based on profit and other warranties to be achieved.

The profit after tax of the acquisitions since the acquisition date included in the group results amounts to R16 million. If the above transactions had taken place at the beginning of the current period, the group would have reported total revenue of R48 782 million and profit after tax of R1 225 million for the 12 months to 30 September 2008.

43. Post balance sheet events

Subsequent to the year end the following material events have occurred:

- A corporate bond of R750 million was issued on 2 October 2008, and is listed on the South African Bond Exchange under the code BAW2. The bond carries a fixed coupon of 11.67% per annum and matures on 2 October 2015.
- An agreement has been signed for the disposal of 50% of the group's interest in Subaru Southern Africa with effect from 1 November 2008. The transaction was concluded at net asset value.