

## Condensed notes to the consolidated financial statements

for the year ended 30 September

### 1. Basis of preparation

"This report has been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and was extracted from the group consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS), in compliance with the Companies Act of South Africa and the Listing Requirements of the JSE Limited. The basis of preparation is consistent with the prior year.

For a better understanding of the group's financial position, the results of its operations and cash flows for the year, this summarised report should be read in conjunction with the annual financial statements from which it was derived."

R million	Audited	
	2009	2008
<b>2. Reconciliation of net profit to headline earnings</b>		
Net profit attributable to Barloworld Limited shareholders	671	1 232
Profit on disposal of discontinued operations (IFRS 5)	(60)	(168)
Realisation of translation reserve on disposal of offshore subsidiaries (IAS 21)		(201)
Profit on disposal of properties (IAS 16)	(14)	(30)
Impairment of goodwill (IFRS 3)		343
(Reversal of impairment)/impairment of investments in associates (IAS 28) and joint ventures (IAS 31)	(12)	37
Impairment of plant and equipment (IAS 16)		2
(Profit) /loss on sale of intangible assets (IAS 38)	(1)	2
Profit on sale of plant and equipment excluding rental assets (IAS 16)		(3)
Taxation effects of remeasurements	5	42
<b>Headline earnings</b>	<b>589</b>	<b>1 256</b>
Headline earnings from continuing operations	731	1 259
Headline loss from discontinued operations	(142)	(3)
<b>Weighted average number of ordinary shares in issue during the year (000)</b>		
– basic	208 518	204 559
– diluted	209 967	207 216
<b>Headline earnings per share (cents)</b>		
– basic	282.5	614.0
– diluted	280.5	606.1
<b>Headline earnings per share from continuing operations (cents)</b>		
– basic	350.6	615.5
– fully diluted	348.1	607.6
<b>Headline earnings per share from continuing operations (cents) excluding BEE charge (net of tax)</b>		
– basic	350.1	760.2
– fully diluted	347.6	750.4
<b>Headline loss per share from discontinued operations (cents)</b>		
– basic	(68.1)	(1.5)
– diluted	(67.6)	(1.5)

## Condensed notes to the consolidated financial statements (continued)

R million	Audited	
	2009	2008
<b>3. Exceptional items</b>		
Profit on disposal of properties, investments and subsidiaries	18	30
Impairment of goodwill		(10)
Reversal/(impairment) of investments	4	(35)
Impairment of property, plant and equipment		(2)
<b>Gross exceptional profit/(loss) from continuing operations</b>	<b>22</b>	(17)
Taxation (charge)/benefit on exceptional items	(5)	1
<b>Net exceptional profit/(loss) profit from continuing operations</b>	<b>17</b>	(16)
Gross exceptional loss from discontinued operations	(1)	(335)
<b>Net exceptional profit/(loss) – total group</b>	<b>16</b>	(351)
<b>4. Discontinued operations and assets classified as held for sale</b>		
Following the decision to dispose of the Car rental Scandinavia business, it has been classified as a discontinued operation. <b>Results from discontinued operations are as follows:</b>		
Revenue	1 121	1 900
Operating (loss)/profit	(135)	81
Fair value adjustments on financial instruments	(1)	(3)
Finance costs	(56)	(91)
Income from investments	11	13
Loss before exceptional items	(181)	—
Exceptional items (gross of taxation)	(1)	(335)
Loss before taxation	(182)	(335)
Taxation	39	(7)
Loss after taxation	(143)	(342)
Income from associates and joint ventures		5
Net loss of discontinued operations before profit on disposal	(143)	(337)
Profit on disposal of discontinued operations before taxation		168
Realisation of translation reserve		201
Taxation effect of profit on disposal		(43)
Release of contingency provision on prior year disposal	61	
Net profit on disposal of discontinued operations after taxation	61	326
Loss from discontinued operations per income statement	(82)	(11)

R million	Audited	
	2009	2008
<b>4. Discontinued operations and assets classified as held for sale</b> <i>(continued)</i>		
<b>The cash flows from the discontinued operations are as follows:</b>		
Cash flows from operating activities	147	289
Cash flows from investing activities	8	689
Cash flows from financing activities	(40)	(553)
<b>Assets classified as held for sale consist of the following:</b>		
– Car rental Scandinavia	2 345	2 680
– Subaru		186
– Rental fleets, leasing and other assets	312	290
	<b>2 657</b>	3 156
<b>Liabilities directly associated with assets classified as held for sale consist of the following:</b>		
– Car rental Scandinavia	1 509	1 880
– Subaru		116
	<b>1 509</b>	1 996
<b>5. Interest of all shareholders</b>		
<b>Balance at the beginning of the year</b>	<b>13 033</b>	11 221
Net (loss)/income recognised directly in equity	(1 239)	698
Net profit for the year	739	1 246
Purchase of minority shareholding in subsidiaries		136
Reclassifications and other reserve movements	(47)	63
Dividends on ordinary shares	(434)	(622)
Effect of Coatings unbundling		(69)
BEE charge in terms of IFRS 2	6	337
Shares issued in current year	12	23
<b>Interest of shareholders at the end of the year</b>	<b>12 070</b>	13 033

## Condensed notes to the consolidated financial statements (continued)

R million	Audited	
	2009	2008
<b>6. Dividends</b>		
<b>Ordinary shares</b>		
Final dividend No 160 paid on 19 January 2009: 150 cents per share (2008: No 158 – 200 cents per share)	312	409
Interim dividend No 161 paid on 8 June 2009: 40 cents per share (2008: No 159 – 100 cents per share)	84	205
	396	614
Paid to minority shareholders	38	8
	434	622
<b>Dividends per share (cents)</b>	110	250
– interim (declared May)	40	100
– final (declared November)	70	150
<b>7. Contingent liabilities</b>		
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims	1 212	1 066
Litigation, current or pending, is not considered likely to have a material adverse effect on the group.		
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.		
Buy-back and repurchase commitments not reflected on the balance sheet	294	517
The related assets are estimated to have a value at least equal to the repurchase commitment.		
There are no material contingent liabilities in joint venture companies.		

R million	Audited	
	2009	2008
<b>8. Commitments</b>		
<b>Capital expenditure commitments to be incurred:</b>		
Contracted	920	953
Approved but not yet contracted	503	131
	<b>1 423</b>	1 084
Operating lease commitments	<b>2 151</b>	2 278
Finance lease commitments	<b>986</b>	944
Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.		

#### 9. Accounting policies

The group adopted the following new and amended Standards and new Interpretations during the current year:

- IFRIC Interpretation 18 Transfers of Assets from Customers (IFRIC 18)
- The South African Institute of Chartered Accountants Circular 3/2009 on Headline Earnings
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Amended – April 2009) (IFRS 5)

The impact on the condensed consolidated financial statements of adoption of these standards and interpretations was not significant.

#### 10. Related party transactions

There has been no significant change in related party relationships since the previous year.

Other than in the normal course of business, there have been no other significant transactions during the year with associate companies, joint ventures and other related parties.

#### 11. Post balance sheet events

No material events have occurred between year-end and the date of these financial statements.

#### 12. Audit opinion

The consolidated financial statements for the year have been audited by Deloitte & Touche and the accompanying unmodified audit report as well as their unmodified audit report on this set of condensed financial information is available for inspection at the company's registered office.