Notes to the consolidated annual financial statements

for the year ended 30 September

	Continuing operations											
							Equipment and Handling					
	Consolidated			Eliminations			Equipment			Handling		
	2015 Rm	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm
1. Operating and geographical segments**												
Revenue												
Southern Africa	**54 911**	53 094	48 632				**20 307**	20 903	19 126	**1 919**	1 708	1 613
Europe@	**4 429**	5 012	6 210				**3 792**	4 134	4 377	**108**	220	910
Russia	**3 379**	3 994	4 645				**3 379**	3 994	4 645			
North America		1	11								1	11
Australia												
	62 720	62 101	59 498				**27 479**	29 031	28 148	**2 027**	1 929	2 534
Inter-segment revenue***				**(2 180)**	(1 775)	(1 533)	**1 373**	1 567	1 169	**96**	88	56
	62 720	62 101	59 498	**(2 180)**	(1 775)	(1 533)	**28 852**	30 598	29 317	**2 123**	2 017	2 590
Segment result												
Operating profit/(loss)												
Southern Africa	**3 695**	3 749	3 045				**1 894**	1 968	1 678	**69**	109	86
Europe@	**(99)**	(347)	(141)				**71**	(168)	(16)	**(65)**	(53)	(34)
Russia	**397**	429	407				**397**	429	407			
North America	**2**	(1)	2							**2**	(1)	2
Australia												
Operating profit/(loss)	**3 995**	3 830	3 313				**2 362**	2 229	2 069	**6**	55	54
B-BBEE charge	**(251)**											
Fair value adjustments on financial instruments	**(198)**	(156)	(47)				**(145)**	(113)	(31)	**(65)**	(48)	(23)
Total segment result	**3 546**	3 674	3 266				**2 217**	2 116	2 038	**(59)**	7	31
By geographical region												
Southern Africa	**3 277**	3 609	3 003				**1 787**	1 871	1 653	**4**	64	65
Europe@	**(97)**	(351)	(139)				**66**	(172)	(15)	**(65)**	(56)	(36)
Russia	**364**	417	400				**364**	417	400			
North America	**2**	(1)	2							**2**	(1)	2
Australia												
Total segment result	**3 546**	3 674	3 266				**2 217**	2 116	2 038	**(59)**	7	31
Income from associates and joint ventures	**287**	217	185				**294**	227	185		1	3
Segment result including associate income	**3 833**	3 891	3 541				**2 511**	2 343	2 223	**(59)**	8	34
Finance costs	**(1 252)**	(1 117)	(1 000)									
Income from investments	**67**	39	28									
Exceptional items	**(6)**	(66)	(79)									
	2 642	2 747	2 400									
Taxation	**(808)**	(837)	(729)									
Net profit	**1 834**	1 910	1 671									
Non-cash expenses per segment												
Depreciation	**2 355**	2 198	1 940				**681**	631	506	**36**	35	32
Amortisation of intangibles	**129**	142	136				**72**	84	73	**2**	2	1
Impairment losses	**37**	304	54					17				44

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

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

@Including Middle East and Asia and Iberia

Revenue generated in South Africa for the year was R45 447 million (2014: R43 616 million; 2013 R40 306 million)

Non-current assets based in South Africa was R13 246 million (2014: R11 596 million; 2013: R10 103 million)

Notes to the consolidated annual financial statements continued

for the year ended 30 September

Continuing operations															Discontinued operations		
Automotive and Logistics																	
Motor retail			Car Rental Southern Africa			Leasing			Logistics			Corporate			Automotive Car Trading: Australia		
2015 Rm	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm
20 140	19 173	17 465	**5 202**	4 510	4 069	**3 362**	3 087	2 895	**3 980**	3 709	3 454	**1**	4	10			
									529	658	923						
																2 783	5 503
20 140	19 173	17 465	**5 202**	4 510	4 069	**3 362**	3 087	2 895	**4 509**	4 367	4 377	**1**	4	10		2 783	5 503
204	34	25	**8**		6	**125**	87	76	**255**	281	242	**119**	190	201			
20 344	19 207	17 490	**5 210**	4 510	4 075	**3 487**	3 174	2 971	**4 764**	4 648	4 619	**120**	194	211			
487	542	421	**470**	421	317	**572**	559	484	**186**	174	137	**17**	(24)	(78)			
									(27)	(52)	(37)	**(78)**	(74)	(54)			
																86	145
487	542	421	**470**	421	317	**572**	559	484	**159**	122	100	**(61)**	(98)	(132)		86	145
												(251)					
	2	5			1	**1**			**(5)**	(1)	(2)	**16**	4	3			
487	544	426	**470**	421	318	**573**	559	484	**154**	121	98	**(296)**	(94)	(129)		86	145
487	544	426	**470**	421	318	**573**	559	484	**181**	174	136	**(225)**	(24)	(79)			
									(27)	(53)	(38)	**(71)**	(70)	(50)			
																86	145
487	544	426	**470**	421	318	**573**	559	484	**154**	121	98	**(296)**	(94)	(129)		86	145
(5)	(13)	(5)	**1**	1					**(3)**	1	2						
482	531	421	**471**	422	318	**573**	559	484	**151**	122	100	**(296)**	(94)	(129)		86	145
																(8)	(22)
																	1
																	40
																78	84
																(24)	(38)
																54	46
50	44	46	**560**	526	457	**830**	772	747	**185**	176	135	**12**	14	17		10	20
6	5	7	**2**	1	3	**7**	2	5	**38**	46	44	**2**	2	3			
					10	**33**				287		**4**					40

Notes to the consolidated annual financial statements continued

for the year ended 30 September

1. Operating and geographical segments** continued

	Continuing operations											
							Equipment and Handling					
	Consolidated			Eliminations			Equipment			Handling		
	2015 Rm	2014 Rm	2013 Rm	2015 Rm	2014 Rm	2013 Rm	2015 Rm	2014 Rm	2013 Rm	2015 Rm	2014 Rm	2013 Rm
Assets												
Property, plant and equipment	14 380	12 614	11 356				5 750	4 958	3 778	172	170	172
Intangible assets	1 500	1 380	1 399				1 232	1 132	1 132	4	5	5
Investment in associates and joint ventures	923	720	571				903	678	533			
Long-term finance lease receivables	142	123	115				22	24				
Long-term financial assets	438	94	108				366	35	42			
Vehicle rental fleet	2 488	2 307	2 081									
Inventories	13 767	11 814	11 688				9 566	7 786	7 661	1 142	1 139	851
Trade and other receivables	9 331	8 357	7 687				6 752	5 827	5 689	357	316	269
Assets classified as held for sale	154		371							57		125
Segment assets	43 123	37 409	35 376				24 591	20 440	18 835	1 732	1 630	1 422
By geographical region												
Southern Africa	35 134	30 061	26 340				16 867	13 621	12 321	1 631	1 379	1 039
Europe@	3 836	3 658	3 696				3 573	3 130	2 990	99	250	383
Russia	4 152	3 689	3 524				4 152	3 689	3 524			
North America	1	1								1	1	
Australia			1 816									
Total segment assets	43 124	37 409	35 376				24 591	20 440	18 835	1 731	1 630	1 422
Goodwill	1 769	1 661	1 820				251	206	184	11	9	
Taxation	94	79	62									
Deferred taxation assets	783	695	654									
Cash and cash equivalents	2 386	4 162	2 695									
Consolidated total assets	48 155	44 006	40 607									
Liabilities												
Long-term non-interest-bearing including provisions	2 433	2 402	1 905				92	129	172			6
Trade and other payables including provisions	11 589	12 309	11 775				5 820	6 247	6 786	598	849	542
Liabilities directly associated with assets classified as held for sale	43		106							8		82
Segment liabilities	14 065	14 711	13 786				5 912	6 376	6 958	606	849	630
By geographical region												
Southern Africa	10 225	11 059	10 300				4 107	4 851	5 419	560	801	451
Europe@	2 680	2 904	2 358				659	787	697	41	38	165
Russia	1 146	738	842				1 146	738	842			
North America	5	10	14							5	10	14
Australia	9		272									
Total segment liabilities	14 065	14 711	13 786				5 912	6 376	6 958	606	849	630
Interest-bearing liabilities (excluding held for sale amounts)	13 425	11 316	10 253									
Deferred taxation liabilities	571	377	421									
Taxation	52	116	240									
Consolidated total liabilities	28 113	26 520	24 700									
Capital additions												
Southern Africa	8 222	7 495	6 089				1 900	2 113	1 229	61	42	20
Europe@	343	319	296				329	311	274	3	1	16
Russia	102	261	235				102	261	235			
	8 667	8 075	6 628				2 331	2 685	1 738	64	43	36

***The geographical segments are determined by the location of assets.*
@Including Middle East and Asia and Iberia

Notes to the consolidated annual financial statements continued

for the year ended 30 September

Continuing operations															Discontinued operations		
Automotive and Logistics												Corporate			Automotive Car Trading: Australia		
Motor retail			Car Rental Southern Africa			Leasing			Logistics								
2015 Rm	2014 Rm	2013 Rm	2015 Rm	2014 Rm	2013 Rm	2015 Rm	2014 Rm	2013 Rm	2015 Rm	2014 Rm	2013 Rm	2015 Rm	2014 Rm	2013 Rm	2015 Rm	2014 Rm	2013 Rm
1 493	1 288	1 985	**331**	316	346	**4 111**	3 731	3 498	**1 818**	1 408	902	**704**	743	675			
52	48	15	**18**	5	5	**13**	8	5	**172**	170	223	**10**	12	14			
17	14	3	**1**	1	1					21	20	**2**	6	14			
						120	99	115									
44	39	44							**16**	8	6	**12**	12	16			
			2 488	2 307	2 081												
2 699	2 600	2 912	**308**	218	188	**59**	51	58	**31**	20	18	**(38)**					
650	628	650	**492**	422	378	**654**	527	540	**1 163**	1 072	961	**(737)**	(435)	(800)			
		203							**97**		43						
4 955	4 617	5 812	**3 638**	3 269	2 999	**4 957**	4 416	4 216	**3 297**	2 699	2 173	**(47)**	338	(81)			
4 955	4 617	3 996	**3 638**	3 269	2 999	**4 957**	4 416	4 216	**3 052**	2 407	1 844	**34**	352	(75)			
									245	292	329	**(81)**	(14)	(6)			
		1 816															
4 955	4 617	5 812	**3 638**	3 269	2 999	**4 957**	4 416	4 216	**3 297**	2 699	2 173	**(47)**	338	(81)			
198	191	194	**791**	791	791	**307**	292	292	**210**	171	359						
68	56	79		1	2	**323**	305	284		2	20	**1 950**	1 909	1 342			
2 318	2 303	2 242	**1 644**	1 460	1 134	**849**	793	741	**859**	936	999	**(499)**	(279)	(669)			
		6							**35**		18						
2 386	2 359	2 327	**1 644**	1 461	1 136	**1 172**	1 098	1 025	**894**	938	1 037	**1 451**	1 630	673			
2 377	2 359	2 055	**1 644**	1 461	1 136	**1 172**	1 098	1 025	**811**	789	852	**(446)**	(300)	(638)			
									83	149	185	**1 897**	1 930	1 311			
9		272															
2 386	2 359	2 327	**1 644**	1 461	1 136	**1 172**	1 098	1 025	**894**	938	1 037	**1 451**	1 630	673			
236	128	120	**3 340**	2 830	2 436	**2 010**	1 726	2 053	**654**	588	188	**21**	68	43			
									11	7	6						
236	128	128	**3 340**	2 830	2 436	**2 010**	1 726	2 053	**665**	595	194	**21**	68	43			

Notes to the consolidated annual financial statements continued

for the year ended 30 September

1. Operating and geographical segments** continued

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 statement of financial position and income statement in order to set appropriate gearing and interest cover targets. For this purpose three broad segments have been defined namely:

- Trading (dealership and logistics 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. Equipment rental businesses with a net book value of rental assets of R3 009 million (2014: R2 577 million; 2013: R1 719 million) are included as part of the Trading operations.

	Total group			Trading			Leasing			Car Rental		
	2015 Rm	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm
Consolidated statement of financial position												
Assets												
Property, plant and equipment												
Cost	**23 334**	20 826	18 991	**14 433**	12 628	11 354	**5 683**	5 195	4 868	**3 218**	3 003	2 769
Accumulated depreciation	**6 460**	5 885	5 449	**4 490**	4 040	3 737	**1 572**	1 464	1 370	**399**	381	342
Net book value	**16 873**	14 921	13 542	**9 943**	8 568	7 617	**4 111**	3 731	3 498	**2 819**	2 622	2 427
Less: Items reflected under current assets as vehicle rental fleet and assets classified as held for sale	**2 494**	2 307	2 186	**6**		105				**2 488**	2 307	2 081
Property, plant and equipment – net book value	**14 380**	12 614	11 356	**9 937**	8 567	7 512	**4 111**	3 731	3 498	**331**	316	346
Goodwill	**1 740**	1 661	1 820	**641**	578	737	**307**	292	292	**791**	791	791
Intangible assets	**1 500**	1 380	1 399	**1 470**	1 367	1 389	**13**	8	5	**18**	5	5
Finance lease receivables	**142**	123	115	**22**	24		**120**	99	115			
Long-term financial assets, investment in associates and joint ventures	**1 361**	814	679	**1 360**	813	678				**1**	1	1
Deferred taxation assets	**783**	695	654	**772**	689	651	**8**	2	2	**2**	4	1
Non-current assets	**19 906**	17 287	16 023	**14 204**	12 038	10 967	**4 559**	4 133	3 912	**1 144**	1 116	1 144
Current assets	**28 052**	26 719	24 213	**23 921**	22 843	20 880	**809**	887	652	**3 322**	2 989	2 681
Finance lease receivables	**258**	146	137	**107**	17		**151**	129	137			
Cash and cash equivalents	**2 372**	4 162	2 695	**2 280**	3 985	2 620	**66**	147	47	**25**	31	28
Other current assets	**25 422**	22 411	21 381	**21 533**	18 841	18 260	**592**	612	468	**3 296**	2 958	2 653
Assets classified as held for sale	**197**		371	**197**		371						
Total assets	**48 155**	44 006	40 607	**38 322**	35 010	32 218	**5 368**	4 891	4 564	**4 465**	4 105	3 825
Equity and liabilities												
Interest of all shareholders	**20 042**	17 486	15 907	**18 620**	16 154	14 674	**512**	474	437	**910**	858	796
Non-current liabilities	**12 078**	9 700	9 611	**6 286**	4 428	4 447	**3 922**	3 556	3 332	**1 870**	1 716	1 832
Deferred taxation liabilities	**571**	377	421	**414**	191	138	**157**	178	171		8	112
Interest-bearing	**9 074**	6 921	7 285	**3 762**	2 140	2 691	**3 442**	3 073	2 876	**1 870**	1 707	1 718
Non-interest-bearing	**2 433**	2 402	1 905	**2 110**	2 097	1 618	**323**	305	285		1	2
Current liabilities	**15 992**	16 820	14 983	**13 372**	14 428	12 991	**934**	861	795	**1 686**	1 531	1 197
Amounts due to bankers and short-term loans	**4 351**	4 395	2 968	**4 219**	4 276	2 867	**84**	63	33	**48**	56	68
Other current liabilities	**11 641**	12 425	12 015	**9 153**	10 152	10 124	**850**	798	762	**1 638**	1 475	1 129
Liabilities directly associated with assets classified as held for sale – Non-interest-bearing	**43**		106	**43**		106						
Total equity and liabilities	**48 155**	44 006	40 607	**38 322**	35 010	32 218	**5 368**	4 891	4 564	**4 465**	4 105	3 825

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

Notes to the consolidated annual financial statements continued

for the year ended 30 September

1. Operating and geographical segments** continued

1.1 Segmentation for purpose of gearing and interest cover targets continued

	Total group			Trading			Leasing			Car Rental		
	2015 Rm	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm	**2015 Rm**	2014 Rm	2013 Rm
Consolidated income statement												
Continuing operations												
Revenue	**62 720**	62 101	59 498	**54 156**	54 503	52 534	**3 362**	3 087	2 895	**5 202**	4 510	4 069
Operating profit before items listed below (EBITDA)	**6 479**	6 170	5 389	**4 036**	3 889	3 375	**1 409**	1 333	1 237	**1 033**	948	777
Depreciation	**(2 355)**	(2 198)	(1 940)	**(964)**	(900)	(735)	**(830)**	(772)	(748)	**(560)**	(526)	(457)
Amortisation of intangible assets	**(129)**	(142)	(136)	**(120)**	(139)	(128)	**(7)**	(2)	(5)	**(2)**	(1)	(3)
Operating profit	**3 995**	3 830	3 313	**2 952**	2 851	2 512	**572**	559	484	**471**	421	317
B-BBEE charge	**(251)**			**(251)**								
Fair value adjustments on financial instruments	**(198)**	(156)	(47)	**(199)**	(156)	(48)	**1**					1
Finance costs	**(1 252)**	(1 117)	(1 000)	**(737)**	(682)	(622)	**(306)**	(259)	(220)	**(210)**	(177)	(158)
Income from investments	**67**	39	28	**54**	37	31	**12**	7	2	**1**	(5)	(5)
Profit before exceptional items	**2 361**	2 596	2 294	**1 819**	2 051	1 873	**279**	307	266	**262**	239	155
Exceptional items	**(6)**	(66)	(79)	**(6)**	(65)	(72)			1		(1)	(8)
Profit before taxation	**2 355**	2 530	2 215	**1 814**	1 985	1 801	**279**	307	267	**262**	238	147
Taxation	**(808)**	(837)	(729)	**(714)**	(734)	(591)	**(54)**	(98)	(80)	**(40)**	(5)	(58)
Profit after taxation	**1 547**	1 693	1 486	**1 099**	1 251	1 210	**225**	209	187	**223**	233	89
Income from associates and joint ventures	**287**	217	185	**287**	216	185					1	
Net profit from continuing operations	**1 834**	1 910	1 671	**1 386**	1 468	1 395	**225**	209	187	**223**	233	89
Discontinued operation												
Profit from discontinued operation		428	46		428	46						
Net profit	**1 834**	2 338	1 717	**1 386**	1 896	1 441	**225**	209	187	**223**	233	89
Attributable to:												
Owners of Barloworld Limited	**1 713**	2 143	1 609	**1 281**	1 711	1 333	**210**	200	178	**221**	232	98
Non-controlling interests in subsidiaries	**121**	195	108	**105**	186	108	**14**	8	9	**1**	1	(9)
	1 834	2 338	1 717	**1 386**	1 896	1 441	**225**	209	187	**223**	233	89
Key financial ratios by segment												
Total borrowings to total shareholders' funds (%)*												
Actual	**67**	65	64	**43**	40	38	**688**	662	666	**211**	205	224
Target#		**#**			**30 – 50**			**600 – 800**			**200 – 300**	
Interest cover (times)*												
Actual	**2.9**	3.3	3.3	**3.5**	4.0	4.5	**1.9**	2.2	2.2	**2.3**	2.4	2.0
Target				**> 4**			**> 1**			**> 1.25**		
Net debt (%)	**55**	41	48	**31**	15	20	**675**	631	655	**208**	202	221

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

**Refer to www.barloworld.com for definitions.*

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