
Barloworld sees challenging year ahead in 2010

Tuesday, 17 Nov, 2009

Reuters reported that South African industrial group Barloworld expects 2010 to be challenging after posting a drop in full year profit, hit by restructuring charges and a stronger domestic currency.

Barloworld, which represents brands such as Caterpillar earthmoving machines and Avis car hire, said that headline earning per share from continuing operations for the year to end September 2009 fell 43%, in line with its own forecast range of 40% to 50%. Revenue fell by 10% to ZAR 42.2 billion and operating profit dropped by 25% to ZAR 2 billion.

Barloworld has suffered in recent times as a recession in South Africa hit car sales and slowed demand for earthmoving equipment products, but a building boom ahead of the 2010 World Cup has helped cushion the blow.

The company said that it expected its car rental business to remain under pressure in the first half of its new financial year, but said the build up to the 2010 soccer World Cup would help boost business in the second half.

(Sourced from www.reuters.com)

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