



4X4 ACCESSORIES

ARB CORPORATION LTD

ABN 31 006 708 756

AND CONTROLLED ENTITIES

**HALF YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016**

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A

**This half year financial report is to be read in conjunction with the
financial report for the year ended 30 June 2016.**

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1. The reporting period is the half year ended 31 December 2016.
The previous corresponding period is the half year ended 31 December 2015.

2. Results for announcement to the market

Six months ended	Dec 2016 \$'000	REPORTED		UNDERLYING ⁽ⁱ⁾	
		Dec 2015 \$'000	% Change	Dec 2015 \$'000	% Change
Sales Revenue	185,150	174,315	Up 6.2%	174,315	Up 6.2%
2.1 Revenues from ordinary activities	186,233	177,498	Up 4.9%	175,513	Up 6.1%
Profit from ordinary activities before tax attributable to members	32,189	31,748	Up 1.4%	29,763	Up 8.2%
2.2 Profit from ordinary activities after tax attributable to members	23,358	23,328	Up 0.1%	22,117	Up 5.6%
2.3 Net profit for the period attributable to members	23,358	23,328	Up 0.1%	22,117	Up 5.6%

⁽ⁱ⁾ Underlying results are non-IFRS measures that have not been subject to audit or review.

	Dec 2016	Dec 2015	% Change
2.4 Interim Dividend per Ordinary Share (fully franked)	16.0 cents	14.5 cents	Up 10.3%

2.5 Refer to section 5 below.

- 2.6 The Reported results in the prior half year included Revenues from Ordinary Activities and Profit before tax of \$1,985,000 (profit after tax of \$1,211,000) associated with the sale of the company's warehousing facility in Seattle, Washington, USA. The Underlying results adjust for the impact of this non-operational transaction on revenues and profit to more accurately reflect the company's underlying performance from ordinary activities.

Profit after tax has been impacted by a higher proportion of group profits generated in higher taxing jurisdictions.

Further explanation of the results is included in the attached Chairman's statement.

3. Net tangible assets per security	Dec 2016	Dec 2015
Net tangible assets per security	\$2.99	\$2.71

4. There were no changes to controlled entities during the half-year ended 31 December 2016.

5. Dividends	Amount per Security	Franked Amount per Security	Total \$'000	Record date	Payment date
Interim dividend - year ended 30 June 2016	14.5 cents	14.5 cents	11,479	8 Apr 2016	22 Apr 2016
Final dividend - year ended 30 June 2016	17.0 cents	17.0 cents	13,459	7 Oct 2016	21 Oct 2016
Interim dividend - year ending 30 June 2017	16.0 cents	16.0 cents	12,669	7 Apr 2017	21 Apr 2017

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

6. The Dividend Reinvestment Plan and Bonus Share Plan are suspended and will not operate for the interim dividend.
7. Details of associates or joint venture entities are not applicable.
8. Accounting standards used by foreign entities are not applicable.
9. The financial report has been independently reviewed and is not subject to a modified opinion or emphasis of matter paragraph.



ARB Corporation Ltd

4X4 ACCESSORIES

Head Office: ARB Corporation Ltd
Postal Address: PO Box 105, Kilsyth 3137 Australia
Street Address: 42 - 44 Garden Street
Kilsyth, Victoria 3137 Australia

Tel: +61 3 9761 6622 • Fax: +61 3 9761 6807

www.arb.com.au
ABN 31 006 708 756

Chairman's Statement

The Directors of ARB Corporation Limited ("ARB" or the "Company") are pleased to report that the Company achieved a net profit after tax of \$23.4 million for the half year ended 31 December 2016. After adjusting for a property sale in the previous corresponding period, underlying profit before tax for the period increased by 8.2% compared with the six months to December 2015. An increase in the average tax rate for the period limited the after tax increase to 5.6% on an adjusted basis.

Sales for the half year were \$185 million, an increase of 6.2% over the prior corresponding period.

The half year results are summarised below:

Six months ended	31 Dec 16 \$'000 Statutory	31 Dec 15 \$'000 Statutory	Change	31 Dec 15 \$'000 Underlying ¹	Change
Sales	185,150	174,315	6.2%	174,315	6.2%
Other Revenue	1,083	3,183		1,198	
Total Revenue	186,233	177,498		175,513	
Profit before Tax	32,189	31,748	1.4%	29,763	8.2%
Tax	(8,831)	(8,420)		(7,646)	
Profit after Tax	23,358	23,328	0.1%	22,117	5.6%
EPS (cents)	29.50	29.47		27.94	
Interim Dividend (cps)	16.0	14.5		14.5	
Franking	100%	100%		100%	

¹ Excludes Other Revenue and Profit before Tax of \$1,985,000 (Profit after Tax of \$1,211,000) associated with the sale of the Company's warehousing facility in Seattle, USA

The Company intends to pay an interim fully franked dividend of 16 cents per share. The interim dividend will be paid on 21 April 2017 and the Record Date will be 7 April 2017.

HIGHLIGHTS OF THE HALF YEAR TO 31 DECEMBER 2016

Sales

Sales for the period grew by a respectable 6.2% over the previous corresponding period. As can be seen in the table below, sales growth was not consistent across the Group.

A summary of sales category performance for the period is as follows:

Customer Category	Percentage of Sales		Sales Growth
	6 months to Dec 2016	6 months to Dec 2015	
Australian Aftermarket	67.5%	68.2%	5.0%
Exports	25.2%	23.9%	12.1%
Original Equipment	7.3%	7.9%	(1.5%)
	100.0%	100.0%	6.2%

Sales to the Australian aftermarket grew by 5%. Sales growth was above average in Victoria and New South Wales. In Queensland, South Australia, Northern Territory and Tasmania growth was flat and in Western Australia sales declined.

Excellent growth of 12.1% in total was achieved in exports made from Australia, the USA, Europe and Thailand as well as the recently established sales and warehousing operation in Dubai in the Middle East. The stubbornly high Australian dollar against the US dollar limited the impact of excellent growth achieved in the USA.

As we have forecast for some time, sales to Original Equipment Manufacturers (OEM's) finally fell. However, the Company is working on a number of new contracts with OEM's that should improve sales in this category in the 2017/18 year and beyond.

Distribution

In the Australian aftermarket, the Company distributes through its market leading ARB store network to ARB stockists, to new vehicle dealers and to various fleet operators. Currently, there are 58 ARB stores in Australia, of which 25 are Company owned. This compares with 56 stores at 30 June 2016. The two new stores began operating in December 2016. It is anticipated that a further three ARB stores will be opened in the second half of the 2016/17 year.

As advised at last year's AGM, the Company is building a new Victorian warehouse. This will be located at Keysborough, Victoria and will allow the Company to exit a number of leased premises and update the Head Office facility at Kilsyth over the next few years.

The new sales and distribution facility established in Dubai in June 2016 is already providing useful sales to the Company and is certainly giving ARB much more opportunity to grow in the region.

Profits

As noted above, pre tax profit on an underlying basis increased by 8.2% over the previous corresponding period. However, the average Company tax rate on an underlying basis increased from 25.7% to 27.4%, reducing the after tax profit growth to 5.6%. The tax rate increased as a higher proportion of Company profits were generated in higher taxing jurisdictions. The Board expects the tax rate to moderate over the second half.

Products and Production

ARB regards product development as a key element in maintaining the Company's long-term competitive advantage. Research and development expenditure is continuing to increase.

The Company's product development team has been busy completing the suite of new products for the large number of new four-wheel drive vehicle models that were released in 2015/16. During the half year, more new vehicle releases have occurred both in Australia and overseas and new products are being released into the Company's factories on a weekly basis.

Each year at the Company's manufacturing facility in Thailand an annual bonus is negotiated with staff. This occurs during the second quarter of the financial year. Negotiations this year severely disrupted production in the months of November and December 2016. Although difficult to quantify, this affected both sales and profit growth across the Company for the first half. Apart from this interruption, production was at near full capacity in both the Thai and Australian production facilities. Both plants should continue to be busy in the second half.

Financial

ARB continues to maintain a healthy balance sheet with no debt.

The Company's strong financial position ensures that ARB can react quickly to appropriate opportunities, such as further earnings accretive capital projects or suitable acquisitions.

Exchange rates have fluctuated significantly over the period under review. The Company has some natural hedges through its operations in Australia, USA and Thailand and also through its purchasing and selling arrangements. However, changes in exchange rates affect costs in different geographic markets and management believes that more stable currency markets generally create a better business environment for the Company over the longer term.

THE FUTURE

Sales in the first six weeks of the second half of the financial year have continued to grow, which is pleasing. In the medium term, economic conditions in ARB's main markets remain unpredictable. Together with fluctuating foreign exchange rates, these factors create some difficulties for business. Nonetheless, demand for the Company's products still remains healthy in many countries around the world and the Company believes that satisfactory growth remains achievable in this environment.

In the longer term, ARB has growth plans in place, both in Australia and in export markets, which include new products and improved distribution. The Company's significantly increased distribution capacity provides the platform for growth.

With strong brands around the world, very capable senior management and staff, a strong balance sheet and growth strategies in place, the Board believes ARB is well positioned to achieve on-going success.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'R. Brown', enclosed within a large, loopy oval scribble.

Roger Brown
Chairman

22 February 2017

TABLE OF CONTENTS

CONTENTS	PAGE
Corporate Information	2
Directors' Report	3
Financial Report for the Half Year Ended 31 December 2016	
Condensed Consolidated Income Statement	4
Condensed Consolidated Statement of Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	12
Independent Auditor's Review Report	13
Auditor's Independence Declaration	15

CORPORATE INFORMATION

The half year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2016 and any public announcements made by ARB Corporation Limited during the half year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

COMPANY ABN

31 006 708 756

DIRECTORS

Roger G Brown B.E., M.B.A.

Andrew H Brown

Adrian R Fitzpatrick B.Com., FCA, CPA, MAICD

John R Forsyth B.E., M.B.A.

Robert D Fraser B.Ec., LLB (Hons)

Andrew P Stott

COMPANY SECRETARY

John R Forsyth B.E., M.B.A.

PRINCIPAL REGISTERED OFFICE

42-44 Garden Street
Kilsyth Victoria 3137
Australia
Tel: +61 3 9761 6622
Fax: +61 3 9761 6807

AUDITORS

Pitcher Partners
Level 19
15 William Street
Melbourne Victoria 3000

LOCATION OF REGISTER OF SECURITIES

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067
Tel: 1300 850 505 (within Australia)
Tel: +61 3 9415 4000 (from overseas)
Fax: +61 3 9473 2500

STOCK EXCHANGE

Australian Securities Exchange
Level 4, North Tower
Rialto, 525 Collins Street
Melbourne Victoria 3000

DIRECTORS' REPORT

The Directors present their report together with the condensed financial report of the consolidated entity of ARB Corporation Limited, being the Company and its controlled entities ("the Group"), for the half year ended 31 December 2016 and the independent auditor's review report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors Names

The Directors listed below each held office as a Director of the Company at all times during or since the end of the financial half year.

Name	Period of Directorship
Mr. Roger G Brown	Since 1987
Mr. Andrew H Brown	Since 1987
Mr. Adrian R Fitzpatrick	Since 2016
Mr. John R Forsyth	Since 1987
Mr. Robert D Fraser	Since 2004
Mr. Andrew P Stott	Since 2006

Review of Operations

Further discussions on the Group's operations are disclosed in the attached half yearly results announcement.

The principal activities of the Group during the course of the half year remained unchanged and were the design, manufacture, distribution and sale of motor vehicle accessories and light metal engineering works.

The consolidated profit attributable to members of the parent entity after income tax expense for the half year was \$23,358,000 (2015: \$23,328,000).

Significant Changes in the State of Affairs

During the period, the Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Rounding Amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial statements have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half year is included at page 15 of this report.

Signed in accordance with a resolution of the Directors.



R.G. Brown
Director



J.R. Forsyth
Director

Melbourne, 22 February 2017

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	Dec 2016 \$'000	Dec 2015 \$'000
Sales revenue		185,150	174,315
Other revenue	3	1,083	3,183
Total revenue		186,233	177,498
Materials and consumables used		(83,554)	(79,118)
Employee expenses		(44,250)	(41,381)
Depreciation and amortisation expense		(5,655)	(4,955)
Advertising expense		(3,066)	(2,947)
Distribution expense		(4,340)	(4,057)
Finance expense		(9)	(96)
Occupancy expense		(6,318)	(6,456)
Other expenses		(6,852)	(6,740)
Profit before income tax expense		32,189	31,748
Income tax expense		(8,831)	(8,420)
Profit attributable to members of the parent entity		23,358	23,328
Basic and Diluted Earnings per share (cents)		29.50	29.47

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Dec 2016 \$'000	Dec 2015 \$'000
Profit attributable to members of the parent entity	23,358	23,328
Other comprehensive income		
Items that may be reclassified subsequently to Profit or Loss		
Movement in fair value of cash flow hedges, net of tax	(200)	(279)
Exchange differences on translation of foreign operations, net of tax	739	(55)
Other comprehensive income for the half year	539	(334)
Total comprehensive income for the half year attributable to members of the parent entity	23,897	22,994

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Dec 2016 \$'000	Jun 2016 \$'000
Current Assets		
Cash and cash equivalents	11,951	13,776
Receivables	41,443	44,425
Derivative financial instruments	122	336
Inventories	88,191	86,941
Other assets	3,229	2,988
Total current assets	<u>144,936</u>	<u>148,466</u>
Non-current assets		
Property, plant and equipment	128,247	116,977
Deferred tax assets	2,958	2,666
Intangible assets	23,812	23,699
Total non-current assets	<u>155,017</u>	<u>143,342</u>
Total assets	<u>299,953</u>	<u>291,808</u>
Current liabilities		
Payables	25,255	27,754
Derivative financial instruments	21	35
Current tax liabilities	2,310	2,482
Provisions	10,957	10,673
Total current liabilities	<u>38,543</u>	<u>40,944</u>
Non-current liabilities		
Provisions	1,081	1,256
Total non-current liabilities	<u>1,081</u>	<u>1,256</u>
Total liabilities	<u>39,624</u>	<u>42,200</u>
NET ASSETS	<u>260,329</u>	<u>249,608</u>
EQUITY		
Contributed equity	107,221	106,938
Reserves	9,118	8,579
Retained profits	143,990	134,091
TOTAL EQUITY	<u>260,329</u>	<u>249,608</u>

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2015	106,774	8,778	110,796	226,348
Profit for the half year	-	-	23,328	23,328
Movement in fair value of cash flow hedges, net of tax	-	(279)	-	(279)
Exchange differences on translation of foreign operations, net of tax	-	(55)	-	(55)
Total comprehensive income for the half year	-	(334)	23,328	22,994
Transactions with owners in their capacity as owners:				
Employee share issue	164	-	-	164
Dividends paid	-	-	(12,665)	(12,665)
Total transactions with owners in their capacity as owners	164	-	(12,665)	(12,501)
Balance as at 31 December 2015	106,938	8,444	121,459	236,841
Balance as at 1 July 2016	106,938	8,579	134,091	249,608
Profit for the half year	-	-	23,358	23,358
Movement in fair value of cash flow hedges, net of tax	-	(200)	-	(200)
Exchange differences on translation of foreign operations, net of tax	-	739	-	739
Total comprehensive income for the half year	-	539	23,358	23,897
Transactions with owners in their capacity as owners:				
Employee share issue	283	-	-	283
Dividends paid	-	-	(13,459)	(13,459)
Total transactions with owners in their capacity as owners	283	-	(13,459)	(13,176)
Balance as at 31 December 2016	107,221	9,118	143,990	260,329

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Dec 2016 \$'000	Dec 2015 \$'000
Cash Flows From Operating Activities		
Receipts from customers	203,363	189,022
Payments to suppliers and employees	(165,964)	(166,477)
Interest received	22	18
Finance costs	(9)	(96)
Income tax paid	(9,295)	(8,397)
Net cash provided by Operating activities	28,117	14,070
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(15,942)	(9,541)
Payments for research & development	(883)	(1,153)
Payments for investments & goodwill	-	(2,005)
Proceeds from sales of property, plant & equipment	290	5,424
Net cash used in Investing activities	(16,535)	(7,275)
Cash Flows From Financing Activities		
Dividends paid	(13,459)	(12,665)
Proceeds from borrowings	-	4,000
Net cash used in Financing activities	(13,459)	(8,665)
Foreign exchange differences	52	75
Net increase/(decrease) in cash held	(1,825)	(1,795)
Cash at the beginning of the financial year	13,776	10,054
Cash at the end of the half year	11,951	8,259

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1. BASIS OF PREPARATION

This half year financial report does not include all the notes of the type usually included in the annual financial report.

It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2016 and any public announcements made by ARB Corporation Limited during the half year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half year financial report was authorised for issue by the Directors on 22 February 2017.

(a) Basis of preparation of the half year financial report

This general purpose half year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Act 2001*.

The half year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Summary of the significant accounting policies

Accounting policies applied in this half year financial report are the same as those used in the annual financial report for the year ended 30 June 2016.

Where necessary, comparative information has been reclassified for consistency with current year disclosures.

New accounting standards and interpretations issued

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

(c) Rounding amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial statements have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

2. DIVIDENDS

Dec 2016	Dec 2015
\$'000	\$'000

Dividends paid or recommended by the Company are:

Recognised Amounts

(i) A final fully franked ordinary dividend of 17 cents per share paid on 21 October 2016 (2015: 16 cents per share fully franked)	13,459	12,665
--	---------------	--------

Unrecognised Amounts

(ii) An interim fully franked ordinary dividend of 16 cents per share (2015: 14.5 cents per share fully franked) to be paid on 21 April 2017	12,669	11,479
--	---------------	--------

The interim dividend proposed was declared subsequent to the reporting period and has therefore not been recognised as a liability.

The dividends paid by the Company were fully franked at the tax rate of 30% (2015: 30%) and the recommended interim dividend will be fully franked at the tax rate of 30%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

3. OTHER REVENUE

During the half year ended 31 December 2015, Other revenue included profit before tax of \$1,985,000 made on the sale of the company's sales and warehousing facility near Seattle, Washington, USA. The net proceeds were \$5,202,000.

4. ISSUES OF EQUITY SECURITIES

	No. of fully paid ordinary shares
Balance at the beginning of the financial year	79,168,214
Shares issued during the half year	<u>16,000</u>
Balance at the end of the half year	<u>79,184,214</u>

Weighted average number of ordinary shares used in the calculation of basic earnings per share is 79,174,823 (2015: 79,160,323).

5. SEGMENT INFORMATION

The major products/services from which the economic entity derived revenue during the half year remained unchanged and were the design, manufacture, distribution and sale of motor vehicle accessories and light metal engineering works.

The reportable segments of the consolidated entity are based on geographical locations comprising operations in Australia, USA, Thailand and Middle East & Europe (2015: Europe only as the Middle East had not yet been established).

	Australia \$'000	USA \$'000	Thailand \$'000	Middle East & Europe \$'000	Eliminations \$'000	Consolidated \$'000
2016						
Segment revenue						
Total segment revenue	178,590	22,290	26,594	6,874	(48,115)	186,233
Intersegmental revenues	(23,790)	-	(24,325)	-	48,115	-
Segment revenue from external source	154,800	22,290	2,269	6,874	-	186,233
Total segment result	18,529	312	3,897	388	232	23,358
Intersegmental eliminations	3,797	-	(3,565)	-	(232)	-
Segment result from external source	22,326	312	332	388	-	23,358
Total segment assets	278,341	22,576	50,439	8,983	(60,386)	299,953
Total segment liabilities	53,064	11,237	5,943	6,995	(37,615)	39,624
2015						
Segment revenue						
Total segment revenue	166,237	21,541	25,430	4,751	(40,461)	177,498
Intersegmental revenues	(17,112)	-	(23,349)	-	40,461	-
Segment revenue from external source	149,125	21,541	2,081	4,751	-	177,498
Total segment result	17,746	701	5,101	364	(584)	23,328
Intersegmental eliminations	4,100	-	(4,684)	-	584	-
Segment result from external source	21,846	701	417	364	-	23,328
Total segment assets	270,089	18,334	44,804	5,934	(52,906)	286,255
Total segment liabilities	59,940	6,078	9,779	4,969	(31,352)	49,414

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

6. FAIR VALUE MEASUREMENTS

As at 31 December 2016, the Company had foreign exchange contracts to buy various foreign currencies with a purchase value of A\$5,904,000 (2015: A\$8,496,000). The unrealised fair value gain of \$101,000 (2015: gain of \$60,000) is recorded in the cash flow hedge reserve.

The net fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the Condensed Consolidated Statement of Financial Position.

The fair values of derivative hedging instruments have been determined based on observable inputs including foreign currency forward exchange rates. Derivative hedging instruments are classified as Level 2 in the fair value measurement hierarchy. These foreign currency forward contracts are valued on a discounted cash flow basis using forward exchange rates. All other financial assets and liabilities carrying amounts are a reasonable approximation of fair values as they are short term trade receivables and payables.

7. SUBSEQUENT EVENTS

There have been no other matters or circumstances, other than mentioned elsewhere in this report, which have arisen since 31 December 2016 that have significantly affected or may significantly affect:

- (a) the operations, in financial periods subsequent to 31 December 2016, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial periods subsequent to 31 December 2016, of the consolidated entity.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, and:

- (a) comply with the Australian Accounting Standard AASB 134 "Interim Financial Reporting", and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the financial position of the consolidated entity as at 31 December 2016 and of its performance for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that ARB Corporation Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Roger G Brown
Director



John R Forsyth
Director

Melbourne, 22 February 2017

**ARB CORPORATION LIMITED
ABN 31 006 708 756
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ARB CORPORATION LIMITED**

We have reviewed the accompanying half-year financial report of ARB Corporation Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ARB Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**ARB CORPORATION LIMITED
ABN 31 006 708 756
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ARB CORPORATION LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ARB Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



M J HARRISON
Partner

22 February 2017



PITCHER PARTNERS
Melbourne

ARB CORPORATION LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ARB CORPORATION LIMITED

In relation to the independent auditor's review for the half year ended 31 December 2016, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of ARB Corporation Limited and the entities it controlled during the period.



M J HARRISON
Partner

22 February 2017



PITCHER PARTNERS
Melbourne