



ARB CORPORATION LTD

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20 February 2019

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

**APPENDIX 4D, CHAIRMAN'S STATEMENT AND FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

ARB Corporation Limited herewith lodges:

1. Appendix 4D for the half year ended 31 December 2018;
2. Chairman's Statement for the half year ended 31 December 2018; and
3. Financial Report for the half year ended 31 December 2018.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'John Forsyth', written over a thin horizontal line.

John Forsyth
Company Secretary

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. The reporting period is the half year ended 31 December 2018.
The previous corresponding period is the half year ended 31 December 2017.

2. Results for announcement to the market
Six months ended

	Dec 2018	Dec 2017	% Change
	\$'000	\$'000	
Sales Revenue	217,582	206,065	Up 5.6%
2.1 Revenues from ordinary activities	218,733	207,382	Up 5.5%
Profit from ordinary activities before tax attributable to members	37,521	35,705	Up 5.1%
2.2 Profit from ordinary activities after tax attributable to members	27,317	23,447	Up 16.5%
2.3 Net profit for the period attributable to members	27,317	23,447	Up 16.5%
Add back: Underprovision of taxes in prior years (i)	-	3,041	
Net profit for the period attributable to members excluding the underprovision of taxes in prior years (i)	27,317	26,488	Up 3.1%

(i) Non-IFRS measures that have not been subject to audit or review.

2.4 Interim Dividend	Dec 2018	Dec 2017	% Change
Interim Dividend per Ordinary Share (fully franked)	18.5 cents	17.5 cents	Up 5.7%

- 2.5 Refer to section 5 below.

- 2.6 The reported results in the prior half year included a provision for additional taxes of \$3,041,000 in relation to the period from 1 July 2013 to 30 June 2017. Further explanation of the results is included in the attached Chairman's statement.

3. Net tangible assets per security

	Dec 2018	Dec 2017	% Change
Net tangible assets per security	\$3.75	\$3.27	Up 14.7%

4. There were no changes to controlled entities during the half year ended 31 December 2018.

5. Dividends	Amount per Security	Franked Amount per Security	Total \$'000	Record date	Payment date
Interim dividend - year ended 30 June 2018	17.5 cents	17.5 cents	13,861	6 Apr 2018	20 Apr 2018
Final dividend - year ended 30 June 2018	19.5 cents	19.5 cents	14,573	5 Oct 2018	19 Oct 2018
Interim dividend - year ending 30 June 2019	18.5 cents	18.5 cents	14,713	4 Apr 2019	18 Apr 2019

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

6. A Dividend Reinvestment Plan and Bonus Share Plan will be in operation for the interim dividend. The last date for the receipt of an election notice for participation in the plans is 9 April 2019.
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.



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CHAIRMAN'S STATEMENT

The Directors of ARB Corporation Limited (“**ARB**” or the “**Company**”) are pleased to report that the Company achieved a profit before tax of \$37.5 million for the half year ended 31 December 2018. This represents a 5.1% increase over the previous corresponding period. Sales for the half year were \$218 million, an increase of 5.6% over the prior corresponding period.

The Company achieved a net profit after tax of \$27.3 million for the half year ended 31 December 2018 which compares with a reported net profit after tax of \$23.4m in the previous corresponding period. The previous period however included an expense of \$3.0 million relating to an under-provision of taxes in prior years, the impact of which needs to be considered for comparative purposes.

The half year results are summarised below:

Six months ended	31 Dec 18 \$'000	31 Dec 17 \$'000	Change
Sales	217,582	206,065	5.6%
Other Revenue	1,151	1,317	
Total Revenue	218,733	207,382	
Profit before Tax	37,521	35,705	5.1%
Tax	(10,204)	(12,258)	
Profit after Tax	27,317	23,447	16.5%
Add back:			
Under-provision of taxes in prior years ¹	-	3,041	
Net profit excluding under-provision of taxes in prior years¹	27,317	26,488	3.1%
EPS - cents	34.40	29.61	
Interim Dividend (cps)	18.5	17.5	5.7%
Franking	100%	100%	

¹ The reported results in the prior corresponding half year include a provision for additional taxes of \$3.0 million in relation to the period from 1 July 2013 to 30 June 2017. The Board believes the results adjusted for the impact of this expense more accurately reflect the operating performance of the Company in the comparable period.

The Board has declared an interim fully franked dividend of 18.5 cents per share. The interim dividend will be paid on 18 April 2019 and the Record Date will be 4 April 2019. The ARB Dividend Reinvestment Plan and Bonus Share Plan (the “**Plans**”) will be in operation for the interim dividend to assist with the funding of ARB’s ongoing expansion programme.

Information about the Plans can be found on the Company's website at <http://www.arb.com.au/about/investor-relations>. Investors wishing to make or change an election to participate in the Plans can do so online via the Computershare Investor Centre website at www.computershare.com.au/easyupdate/arb or by phoning Computershare on 1300 850 505.

HIGHLIGHTS OF THE HALF YEAR TO 31 DECEMBER 2018

Sales

Sales for the period grew by a respectable 5.6% over the previous corresponding period.

Sales category performance for the period is summarised as follows:

Customer Category	Percentage of Sales		Sales Growth
	6 months to Dec 2018	6 months to Dec 2017	
Australian Aftermarket	64.7%	66.2%	3.2%
Exports	27.2%	26.7%	7.3%
Original Equipment	8.1%	7.1%	21.5%
	100.0%	100.0%	5.6%

Sales to the Australian aftermarket grew by 3.2%, cycling off strong growth of 10.0% in the corresponding period last year. Sales growth was achieved in all states of Australia, with above average growth in South Australia and Western Australia.

Export growth of 7.3% was achieved in total exports made from Australia, the USA, Europe, Thailand and the Middle East. Export growth was partially assisted by the weaker Australian dollar against the US dollar.

Strong growth of 21.5% was achieved in sales to Original Equipment Manufacturers (OEM's) as new contracts commenced during the year in line with our previous communications.

Distribution

In the Australian aftermarket, the Company distributes through its market leading ARB store network, to retail customers, to ARB stockists, to new vehicle dealers and to various fleet operators. Currently, there are 65 ARB stores in Australia, of which 25 are Company owned. This compares with 61 stores at this time last year. The Company expects a further three ARB stores will become operational in the second half of the current financial year.

Four new licensed ARB stores were opened during the period. These were at South Hedland in Western Australia, at Warragul in Victoria and at Narellan and Wollongong in New South Wales. These stores were all established in the new standardised ARB store presentation format requiring significant private investment, demonstrating the confidence and willingness of private ARB licensed store owners to invest in the ARB brand.

ARB has commenced building its new 20,000 sqm global warehousing facility in Thailand. The new facility, located in a free-trade zone, will create more space for the current Thai manufacturing and warehousing facilities. The location is integral to ARB's global activities and will increase the efficiency of the global distribution network by directly supplying a broader range of products from a more central location at lower cost. The new facility is expected to open in the first half of next financial year.

Products and Production

Product development is a key element in maintaining the Company's long term competitive advantage. The Company continues to focus on and increase its investment in research and development of new products and applications. New products are released weekly to the Company's factories as more new vehicle models and facelifts are released both in Australia and overseas.

ARB has successfully developed its product range to accommodate the increasingly sophisticated features of new vehicle models. ARB products now accommodate park assist sensors and radar and cameras used for adaptive cruise control, emergency braking and lane departure.

New product releases developed by the Kingsley Enterprises business have been well received by the market and have boosted growth in their segment.

Work is continuing on a number of long term development projects that will provide growth opportunities for the Company in the future. Shareholders can learn more about ARB's new product releases via the Company's website at www.arb.com.au.

Financial

As noted previously, profit before tax grew by 5.1% compared with profit after tax which grew by 3.1%, excluding the under-provision for additional taxes in the prior half year. Profit after tax was impacted by a higher average tax rate due to a larger proportion of Company profits being generated in higher taxing jurisdictions.

The weaker Australian dollar, particularly against the Thai baht, increased the cost of the Company's Thai manufactured product and negatively impacted on the half year result. At current foreign exchange levels, the Board expects the weaker Australian dollar to have less impact on the result in the second half of the financial year. The Board, however, remains cautious given the inherent volatility of the Australian dollar value against foreign currencies.

Net cash provided by operating activities increased \$5.3 million or 34% to \$21.2 million. The operating cash flow was generated notwithstanding a \$17.9 million increase in inventories on hand since 30 June 2018, primarily due to the Company's expanding distribution network, both domestically and internationally, and an increasing product range due to new motor vehicle model releases. The improved stock availability, combined with distribution efficiencies arising from the new Thai warehouse, will be an important driver of future sales growth.

At the end of the period the Company had no net debt.

THE FUTURE

The Board is pleased to report that sales in the first six weeks of the second half of the financial year have continued to grow. However, economic conditions in some of ARB's main markets, and the global environment more generally, remain unpredictable. As a result, the rate of growth and the Company's overall performance will continue to be influenced by external factors such as general economic activity, the value of the Australian dollar, steel prices and new vehicle sales.

Demand for ARB products remains healthy in many countries around the world. The Company continues to develop and pursue opportunities across its global network and believes that satisfactory growth remains achievable in the current 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 more efficient and 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 be 'R. Brown', enclosed within a large, hand-drawn oval shape.

Roger Brown
Chairman

20 February 2019



4X4 ACCESSORIES

ARB CORPORATION LTD
ABN 31 006 708 756

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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 2018.**

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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 2018 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
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

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AUDITORS

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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 2018 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 \$27,317,000 (2017: \$23,447,000).

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 \$1,000, 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, 20 February 2019

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Dec 2018 \$'000	Dec 2017 \$'000
Sales revenue		217,582	206,065
Other revenue		1,151	1,317
Total revenue		218,733	207,382
Materials and consumables used		(94,477)	(90,954)
Employee expenses		(52,903)	(50,164)
Depreciation and amortisation expense		(6,816)	(6,289)
Advertising expense		(3,753)	(3,251)
Distribution expense		(5,290)	(4,796)
Finance expense		(135)	(29)
Occupancy expense		(7,808)	(7,876)
Other expenses		(10,030)	(8,318)
Profit before income tax expense		37,521	35,705
Income tax expense	3	(10,204)	(12,258)
Profit attributable to members of the parent entity		27,317	23,447
Basic and Diluted Earnings per share (cents)		34.40	29.61

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Dec 2018	Dec 2017
	\$'000	\$'000
Profit attributable to members of the parent entity	27,317	23,447
Other comprehensive income		
Items that may be reclassified subsequently to Profit or Loss		
Movement in fair value of cash flow hedges	8	(48)
Exchange differences on translation of foreign operations	5,923	1,665
Other comprehensive income for the half year	5,931	1,617
Total comprehensive income for the half year attributable to members of the parent entity	33,248	25,064

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Dec 2018 \$'000	Jun 2018 \$'000
Current Assets		
Cash and cash equivalents	7,717	9,187
Receivables	47,179	55,819
Derivative financial instruments	3	-
Inventories	126,633	108,719
Other assets	5,844	4,167
Total current assets	187,376	177,892
Non-current assets		
Property, plant and equipment	162,790	157,696
Deferred tax assets	3,809	3,411
Intangible assets	25,574	25,657
Total non-current assets	192,173	186,764
Total assets	379,549	364,656
Current liabilities		
Payables	37,703	40,266
Derivative financial instruments	-	5
Borrowings	2,510	4,000
Current tax liabilities	1,307	3,323
Provisions	12,830	13,022
Total current liabilities	54,350	60,616
Non-current liabilities		
Provisions	1,058	978
Total non-current liabilities	1,058	978
Total liabilities	55,408	61,594
NET ASSETS	324,141	303,062
EQUITY		
Contributed equity	112,205	109,801
Reserves	18,762	12,831
Retained profits	193,174	180,430
TOTAL EQUITY	324,141	303,062

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2017	107,221	8,006	157,114	272,341
Profit for the half year	-	-	23,447	23,447
Movement in fair value of cash flow hedges, net of tax	-	(48)	-	(48)
Exchange differences on translation of foreign operations, net of tax	-	1,665	-	1,665
Total comprehensive income for the half year	-	1,617	23,447	25,064
Transactions with owners in their capacity as owners:				
Share issue	346	-	-	346
Dividends paid	-	-	(14,253)	(14,253)
Total transactions with owners in their capacity as owners	346	-	(14,253)	(13,907)
Balance as at 31 December 2017	107,567	9,623	166,308	283,498
Balance as at 1 July 2018	109,801	12,831	180,430	303,062
Profit for the half year	-	-	27,317	27,317
Movement in fair value of cash flow hedges, net of tax	-	8	-	8
Exchange differences on translation of foreign operations, net of tax	-	5,923	-	5,923
Total comprehensive income for the half year	-	5,931	27,317	33,248
Transactions with owners in their capacity as owners:				
Contributions	2,202	-	-	2,202
Share issue	202	-	-	202
Dividends paid	-	-	(14,573)	(14,573)
Total transactions with owners in their capacity as owners	2,404	-	(14,573)	(12,169)
Balance as at 31 December 2018	112,205	18,762	193,174	324,141

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Dec 2018 \$'000	Dec 2017 \$'000
Cash Flows From Operating Activities		
Receipts from customers	243,720	225,530
Payments to suppliers and employees	(209,831)	(198,774)
Interest received	36	39
Finance costs	(135)	(29)
Income tax paid	(12,618)	(10,930)
Net cash provided by Operating activities	21,172	15,836
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(8,575)	(26,641)
Payments for development costs	(994)	(1,157)
Proceeds from sales of property, plant & equipment	396	218
Net cash used in Investing activities	(9,173)	(27,580)
Cash Flows From Financing Activities		
Dividends paid	(12,371)	(14,253)
Repayment of borrowings	(1,490)	-
Net cash used in Financing activities	(13,861)	(14,253)
Foreign exchange differences	392	163
Net increase/(decrease) in cash held	(1,470)	(25,834)
Cash at the beginning of the financial year	9,187	27,643
Cash at the end of the half year	7,717	1,809
For the purposes of the statement of cash flows, cash includes cash on hand net of bank overdrafts:		
Cash per statement of financial position	7,717	8,059
Bank Overdraft included within Borrowings per Statement of Financial Position	-	(6,250)
Cash per statement of cash flows	7,717	1,809

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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 2018 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 20 February 2019.

(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 2018.

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.

In accordance with its application requirements, the Group adopted AASB 9 Financial Instruments from 1 July 2018. At the time of adoption, the Group did not have any investments in financial assets accounted for fair value through other comprehensive income, nor did it hold any during the period. Accordingly, first time application of AASB 9 had no impact on the Group's accounting for investments in financial assets. On initial application of AASB 9 the Company also adopted the expected credit loss model in AASB 9. As a consequence of the carrying amounts and the nature of the Group's receivables, initial application of the expected credit loss model did not have a material impact on the carrying amounts of the Group's receivables.

The Group has also adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018. First time application of AASB 15 had no impact on the Group's consolidated net income, statement of financial position or cash flows.

New accounting standards and interpretations issued but not operative at 31 December 2018

AASB 16 Leases requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term greater than 12 months. The Group is in the process of undertaking an assessment of the impact of AASB 16 and has not progressed to the point of quantifying the increase in total assets and total liabilities. A reliable estimate of the financial impact on the Group's consolidated results is dependent on a number of unresolved areas including finalisation of approach to discount rates and estimates of lease-term for leases with options.

(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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

2. DIVIDENDS	Dec 2018	Dec 2017
	\$'000	\$'000

Dividends paid or recommended by the Company are:

Recognised Amounts

(i) A final fully franked ordinary dividend of 19.5 per share paid on 19 October 2018 (2017: 18.0 cents per share fully franked)	14,573	14,253
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Unrecognised Amounts

(ii) An interim fully franked ordinary dividend of 18.5 per share to be paid on 18 April 2019 (2017: 17.5 cents per share fully franked)	14,713	13,861
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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% (2017: 30%) and the recommended interim dividend will be fully franked at the tax rate of 30%.

3. INCOME TAX EXPENSE

Income tax relating to current year	10,204	9,217
Income tax relating to prior years	-	3,041
Total income tax expense	10,204	12,258

The reported results in the prior half year included a provision for additional taxes of \$3,041,000 in relation to the period from 1 July 2013 to 30 June 2017.

4. ISSUES OF EQUITY SECURITIES

	No. of fully paid ordinary shares
Balance at the beginning of the half year	79,343,950
Dividend reinvestment plan and Bonus share plan	175,177
Other shares issued	12,650
Balance at the end of the half year	79,531,777

Weighted average number of ordinary shares used in the calculation of basic earnings per share is 79,415,158 (2017: 79,191,823).

5. FAIR VALUE MEASUREMENTS

As at 31 December 2018, the Company had foreign exchange contracts to buy various foreign currencies with a purchase value of A\$317,000 (2017: A\$910,000). The unrealised fair value gain of \$3,000 (2017: loss of \$400) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

6. 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.

The following table includes the disaggregation of revenue disclosures in line with AASB 15 Revenue from Contracts with Customers.

	Australia	USA	Thailand	Middle East & Europe	Eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Segment revenue						
Total segment revenue	209,679	27,730	36,462	9,920	(65,058)	218,733
Intersegmental revenues	(31,831)	-	(33,227)	-	65,058	-
Segment revenue from external source	177,848	27,730	3,235	9,920	-	218,733
Total segment result	21,350	584	5,160	1,062	(839)	27,317
Intersegmental eliminations	3,863	-	(4,702)	-	839	-
Segment result from external source	25,213	584	458	1,062	-	27,317
Total segment assets	323,690	27,880	83,878	12,430	(68,329)	379,549
Total segment liabilities	68,234	13,147	8,288	6,061	(40,322)	55,408
2017						
Segment revenue						
Total segment revenue	201,256	25,312	36,040	9,415	(64,641)	207,382
Intersegmental revenues	(31,658)	-	(32,983)	-	64,641	-
Segment revenue from external source	169,598	25,312	3,057	9,415	-	207,382
Total segment result	16,667	487	6,774	616	(1,097)	23,447
Intersegmental eliminations	5,102	-	(6,199)	-	1,097	-
Segment result from external source	21,769	487	575	616	-	23,447
Total segment assets	313,307	24,736	65,233	11,724	(73,026)	341,974
Total segment liabilities	79,030	13,207	7,324	7,561	(48,646)	58,476

7. SUBSEQUENT EVENTS

With the exception of the declaration of an interim dividend in Note 2, no other matters or circumstances have arisen since 31 December 2018 that have significantly affected or may significantly affect:

- the operations, in financial periods subsequent to 31 December 2018, of the consolidated entity, or
- the results of those operations, or
- the state of affairs, in financial periods subsequent to 31 December 2018, 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 2018 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, 20 February 2019

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

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ARB Corporation Limited, "the Company", and its controlled entities, "the Group", which comprises the condensed consolidated statement of financial position as at 31 December 2018, 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 Group's financial position as at 31 December 2018 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 the Group, 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.

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ARB Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



K L BYRNE
Partner



PITCHER PARTNERS
Melbourne

20 February 2019

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 2018, 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.



K L BYRNE
Partner

20 February 2019



PITCHER PARTNERS
Melbourne