



ARB CORPORATION LTD

ABN 31 006 708 756

AND CONTROLLED ENTITIES

**HALF YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

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 2015.

Appendix 4D

Half Year Report for the six months to 31 December 2015

Name of entity

ARB CORPORATION LIMITED

ABN or equivalent company reference: 31 006 708 756

1. Reporting period

Report for the half year ended 31 DECEMBER 2015

 Previous corresponding period
 is the financial year ended 30 JUNE 2015
 and half year ended 31 DECEMBER 2014

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	Up	7.8%	to	\$177,498 ('000)
Profit (loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Up	14.0%	to	\$23,328 ('000)
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	Up	14.0%	to	\$23,328 ('000)
Dividends (<i>item 2.4</i>)		Amount per security		Franked amount per security
Interim dividend		14.5¢		14.5¢
Final dividend		N/A		N/A
Previous corresponding period (including Special Dividend of 100.0 cents)		113.0¢		113.0¢
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	8 APRIL 2016			
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):				
An explanation of the results is included in the attached Chairman's statement.				
The ARB Corporation Ltd Dividend Reinvestment Plan and Bonus Share Plan are suspended and will not operate for the interim dividend.				

3. Net tangible assets per security (item 3)

	Current period (Dec 15)	Previous corresponding period (Dec 14)
Net tangible asset backing per ordinary security	\$2.71	\$2.42

4. Details of entities over which control has been gained or lost during the period: (item 4)

Control gained over entities

Name of entities (item 4.1)	Nil	
Date(s) of gain of control (item 4.2)		
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)	\$	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	\$	

Loss of control of entities

Name of entities (item 4.1)	Nil	
Date(s) of loss of control (item 4.2)		
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).	\$	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	\$	

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Interim dividend – year ending 30 June 2016	22 APRIL 2016	\$11,479 ('000)
Final dividend – year ended 30 June 2015	23 OCTOBER 2015	\$12,665 ('000)

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign sourced dividend
Total dividend: Interim – year ending 30 June 2016	14.5¢	14.5¢	-
Final – year ended 30 June 2015	16.0¢	16.0¢	-
Current year total	30.5¢	30.5¢	-
Interim – year ended 30 June 2015	13.0¢	13.0¢	-
Special – year ending 30 June 2015	100.0¢	100.0¢	-
Final – year ended 30 June 2014	16.0¢	16.0¢	-
Previous year total	129.0¢	129.0¢	-

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	\$12,665	\$71,965
Preference securities <i>(each class separately)</i>		
Other equity instruments <i>(each class separately)</i>		
Total	\$12,665	\$71,965

6. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached), which has been prepared in accordance with Australian accounting standards.

7. Independent review of the financial report *(item 7)*

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.



ARB Corporation Ltd

4X4 ACCESSORIES

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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 \$23.3 million for the half year ended 31 December 2015. This represents a 14.0% increase over the previous corresponding period. Sales for the half year were \$174.3 million, an increase of 7.4% over the prior corresponding period.

The half year results are summarised below:

Six months ended	31 Dec 15	31 Dec 14	Change
	\$'000	\$'000	
Sales	174,315	162,312	7.4%
Other Revenue	3,183	2,403	
Total Revenue	177,498	164,715	7.8%
Profit before Tax	31,748	27,951	
Tax	(8,420)	(7,485)	
Profit after Tax	23,328	20,466	14.0%
EPS (cents)	29.47	27.85	
Interim Dividend (cents per share)	14.5	13.0	
Franking	100%	100%	

The reported profit for the half year includes an after tax profit of \$1.2 million relating to the sale of a property by the Company in the USA. Excluding the sale of this property, ARB's underlying profit after tax increased by 8.1% from \$20.5 million to \$22.1 million.

The Company intends to pay an interim fully franked dividend of 14.5 cents per share. The interim dividend will be paid on 22 April 2016 and the Record Date will be 8 April 2016.

HIGHLIGHTS OF THE HALF YEAR TO 31 DECEMBER 2015

Sales

Sales for the period grew by a respectable 7.4% over the previous corresponding period.

Sales growth was hampered by the unusually high number of new vehicle releases that occurred in Australia and around the world. The new vehicles included the Nissan Navara, Mitsubishi Triton, updated Ford Ranger, Toyota Hilux, Toyota Foretuner, Ford Everest and finally the updated Toyota LandCruiser 200 Series.

The releases of all of these vehicles over a short period made it impractical for the Company to supply a full range of accessories to its customers in a timely manner. However, ARB's product development and manufacturing teams are progressing well and should catch up over the second half.

Sales growth was achieved in all categories of the business. Excellent growth was achieved in exports, with sales through the Company's USA, European and Thai operations being highlights. Sales growth was satisfactory in the Australian aftermarket given the limited availability of products for new vehicles. OEM sales growth was also satisfactory despite the conclusion of some contracts.

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

Customer Category	Percentage of Sales		Sales Growth
	6 months to Dec 2015	6 months to Dec 2014	
Australian Aftermarket	68.2%	69.8%	5.0%
Exports	23.9%	22.3%	15.1%
Original Equipment	7.9%	7.9%	7.0%
	100.0%	100.0%	+7.4%

Profits

Late in the half the Company finalised the sale of its sales and warehousing facility near Seattle, Washington, USA. The Company recorded an after tax profit of \$A1.2 million from this transaction. The north-west USA sales and distribution business has leased a nearby facility which provides more than a 50% increase in warehousing capacity. Excluding the profit on the sale of this property, the 8.1% after tax profit growth was marginally above sales growth.

Financial

ARB continues to maintain a strong balance sheet with no net debt. Warehouse expansion and the introduction of many new products, as discussed above, resulted in inventory levels rising over the reporting period. In addition, new plant and equipment has been acquired to assist with the manufacturing of new and existing products.

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 year. 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.

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 53 ARB stores in Australia, of which 24 are Company owned. It is anticipated that a further three ARB stores will be opened in the second half of the 2015/16 year.

Strong growth in exports of 15.1% over the previous corresponding period was certainly assisted by the weaker Australian dollar. However, this was made possible by the Company's significant investment in new sales and warehousing facilities in the Czech Republic and in the USA.

Products and Production

ARB regards product development as a key element in maintaining the Company's long-term competitive advantage. Expenditure on research and development was increased over the period and new products are regularly being released to ARB's markets worldwide.

The current focus of the Company's R&D department is to develop a full suite of accessories for each of the new vehicle releases that occurred in the first half. It will require a considerable effort to develop all of these products in a timely manner to meet demand.

Both the Australian and Thai manufacturing plants have operated efficiently for the first half. Both plants will continue to be busy with new product implementation in the second half.

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 and the mining slowdown has affected sales in many regions. 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 shape.

Roger Brown
Chairman

17 February 2016

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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 2015 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*.

Directors

Roger G Brown B.E., M.B.A.
Andrew H Brown
John R Forsyth B.E., M.B.A.
Robert D Fraser B.Ec., LLB (Hons)
Ernest E Kulmar B.Com., FCPA, FAICD
Andrew P Stott

Company Secretary

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

Principal Registered Office

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Auditors

Pitcher Partners
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Melbourne Victoria 3000

Location of Register of Securities

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Abbotsford Victoria 3067
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Tel: +61 3 9415 4000 (from overseas)
Fax: (03) 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 2015 and the independent auditor's review report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors Names

The names of the Directors in office at any time during or since the end of the half year are:

Name	Period of Directorship
Mr. Roger G Brown	Since 1987
Mr. Andrew H Brown	Since 1987
Mr. John R Forsyth	Since 1987
Mr. Robert D Fraser	Since 2004
Mr. Ernest E Kulmar	Since 2006
Mr. Andrew P Stott	Since 2006

The Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

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 \$23,328,000 (2014: \$20,466,000).

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

The Group is of a kind referred to in ASIC Class Order 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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 provided with this report.

Signed in accordance with a resolution of the Directors.



R.G. Brown
Director



J.R. Forsyth
Director

Melbourne, 17 February 2016

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 2015, 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 any applicable code of professional conduct.

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



M J HARRISON
Partner

17 February 2016



PITCHER PARTNERS
Melbourne

Condensed Consolidated Income Statement
For the half year ended 31 December 2015

	Note	CONSOLIDATED	
		DEC 2015 (\$'000s)	DEC 2014 (\$'000s)
Sales revenue		174,315	162,312
Other revenue	3	<u>3,183</u>	<u>2,403</u>
Total revenue		177,498	164,715
Materials and consumables used		(78,224)	(74,130)
Employee expenses		(41,381)	(38,893)
Depreciation and amortisation expense		(4,955)	(3,921)
Advertising expense		(2,947)	(2,550)
Distribution expense		(4,057)	(4,118)
Finance expense		(96)	(41)
Occupancy expense		(6,456)	(6,206)
Other expenses		<u>(7,634)</u>	<u>(6,905)</u>
Profit before income tax expense		31,748	27,951
Income tax expense		<u>(8,420)</u>	<u>(7,485)</u>
Profit attributable to members of the parent entity		<u>23,328</u>	<u>20,466</u>
Basic and Diluted Earnings per share (cents)		<u>29.47</u>	<u>27.85</u>

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2015

	CONSOLIDATED	
	DEC 2015 (\$'000s)	DEC 2014 (\$'000s)
Profit attributable to members of the parent entity	23,328	20,466
Other comprehensive income		
Items that may be reclassified subsequently to Profit and (Loss)		
Movement in fair value of cash flow hedges, net of tax	(279)	270
Exchange differences on translation of foreign operations, net of tax	(55)	4,235
Other comprehensive income for the half year	(334)	4,505
Total comprehensive income for the half year attributable to members of the parent entity	<u>22,994</u>	<u>24,971</u>

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position
 As at 31 December 2015

	CONSOLIDATED	
	DEC 2015 (\$'000s)	JUN 2015 (\$'000s)
CURRENT ASSETS		
Cash and cash equivalents	8,259	10,054
Receivables	42,845	42,216
Derivative financial instruments	85	349
Inventories	91,250	77,821
Other assets	3,436	3,380
Total current assets	145,875	133,820
NON-CURRENT ASSETS		
Property, plant and equipment	115,353	113,968
Deferred tax assets	2,647	2,283
Intangible assets	22,380	19,798
Total non-current assets	140,380	136,049
Total assets	286,255	269,869
CURRENT LIABILITIES		
Payables	31,062	28,874
Derivative financial instruments	25	10
Borrowings	6,000	2,000
Current tax liabilities	1,262	902
Provisions	9,797	10,758
Total current liabilities	48,146	42,544
NON-CURRENT LIABILITIES		
Provisions	1,268	977
Total non-current liabilities	1,268	977
Total liabilities	49,414	43,521
Net assets	236,841	226,348
EQUITY		
Contributed equity	106,938	106,774
Reserves	8,444	8,778
Retained profits	121,459	110,796
Total equity	236,841	226,348

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2015

	Contributed equity (\$'000s)	Reserves (\$'000s)	Retained earnings (\$'000s)	Total equity (\$'000s)
Consolidated Entity				
Balance as at 1 July 2014	46,758	2,098	148,958	197,814
Profit for the half year	-	-	20,466	20,466
Movement in fair value of cash flow hedges, net of tax	-	270	-	270
Exchange differences on translation of foreign operations, net of tax	-	4,235	-	4,235
Total comprehensive income for the half year	-	4,505	20,466	24,971
Transactions with owners in their capacity as owners:				
Contributions	59,865	-	-	59,865
Employee share issue	151	-	-	151
Dividends paid	-	-	(71,965)	(71,965)
Total transactions with owners in their capacity as owners	60,016	-	(71,965)	(11,949)
Balance as at 31 December 2014	106,774	6,603	97,459	210,836
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

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2015

	CONSOLIDATED	
	DEC 2015 (\$'000s)	DEC 2014 (\$'000s)
Cash Flows From Operating Activities		
Receipts from customers	189,022	188,904
Payments to suppliers and employees	(166,477)	(168,281)
Interest received	18	228
Finance costs	(96)	(41)
Income tax paid	(8,397)	(7,691)
Other income received	-	1,025
Net cash provided by Operating activities	14,070	14,144
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(9,541)	(38,970)
Payments for research & development	(1,153)	(870)
Payments for investments & goodwill	(2,005)	(1,648)
Proceeds from sales of property, plant & equipment	5,424	266
Net cash used in Investing activities	(7,275)	(41,222)
Cash Flows From Financing Activities		
Dividends paid	(12,665)	(11,599)
Proceeds from borrowings	4,000	11,000
Net cash used in Financing activities	(8,665)	(599)
Foreign exchange differences	75	677
Net increase/(decrease) in cash held	(1,795)	(27,000)
Cash at the beginning of the financial year	10,054	38,835
Cash at the end of the half year	8,259	11,835

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
 For the half year ended 31 December 2015

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 2015 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 17 February 2016.

(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 2015.

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

The Group is of a kind referred to in ASIC Class Order 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2. Dividends

Dividends paid or recommended by the Company are:

Dividends Paid

	CONSOLIDATED	
	DEC 2015	DEC 2014
	(\$'000s)	(\$'000s)
(i) A final fully franked ordinary dividend of 16 cents per share paid on 23 October 2015 (2014: 16 cents per share fully franked)	12,665	11,599
(ii) A fully franked special dividend of \$nil paid during the half year (2014: \$1.00 per share fully franked)	-	60,366

Unrecognised Amounts

(iii) An interim fully franked ordinary dividend of 14.5 cents per share (2014: 13 cents per share fully franked) to be paid on 22 April 2016	11,479	10,290
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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% (2014: 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 2015

3. Other Revenue

During the half year ended 31 December 2015, Other revenue includes 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	79,156,214
Shares issued during the half year	12,000
	<u>79,168,214</u>
Balance at the end of the half year	<u>79,168,214</u>

Weighted average number of ordinary shares used in the calculation of basic earnings per share is 79,160,323 (2014: 73,473,751).

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 Europe.

	Australia (\$'000s)	USA (\$'000s)	Thailand (\$'000s)	Europe (\$'000s)	Eliminations (\$'000s)	Consolidated (\$'000s)
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	(584)	-	-	-	584	-
Segment result from external source	17,162	701	5,101	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
2014						
Segment revenue						
Total segment revenue	159,628	15,732	21,672	2,978	(35,295)	164,715
Intersegmental revenues	(15,377)	-	(19,918)	-	35,295	-
Segment revenue from external source	144,251	15,732	1,754	2,978	-	164,715
Total segment result	15,197	1,219	4,205	200	(355)	20,466
Intersegmental eliminations	(355)	-	-	-	355	-
Segment result from external source	14,842	1,219	4,205	200	-	20,466
Total segment assets	254,708	15,994	37,898	4,709	(49,893)	263,416
Total segment liabilities	58,020	7,258	12,780	4,602	(30,080)	52,580

Notes to the Financial Statements (continued)
 For the half year ended 31 December 2015

6. Business combinations

During the half year the consolidated entity purchased a retail store in Dandenong, Victoria (July 2015) and a manufacturing business, AutoXtras (September 2015).

A summary of these transactions is:

	\$'000s
Total cost of combination	<u>2,128</u>
Assets and liabilities acquired	
	Fair value at acquisition
	\$'000s
Assets and liabilities acquired:	
Inventory	377
Plant and equipment	245
Employee entitlements	(92)
Other assets/ (liabilities)	<u>(407)</u>
Net assets acquired	123
Goodwill	<u>2,005</u>

The goodwill on acquisition arises as a result of the reputation, employees and profitability of the businesses.

Contributions since acquisition

For the half year ended 31 December 2015, the businesses acquired contributed revenue of \$2,699,000 and a profit after tax of \$437,000 which is included within the consolidated profit for that period.

7. Fair value measurements

As at 31 December 2015, the Company had foreign exchange contracts to buy various foreign currencies with a purchase value of A\$8,496,000 (2014: A\$534,000). The unrealised fair value gain of \$60,000 (2014: loss of \$37,000) 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.

8. Subsequent events

There have been no other matters or circumstances, other than mentioned elsewhere in this report, which have arisen since 31 December 2015 that have significantly affected or may significantly affect:

- (a) the operations, in financial periods subsequent to 31 December 2015, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial periods subsequent to 31 December 2015, of the consolidated entity.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 5 to 12 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 2015 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, 17 February, 2016

**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 2015, the condensed consolidated income statement, the 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 2015 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*.

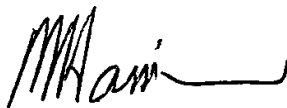
**ARB CORPORATION LIMITED
ABN 31 006 708 756
AND CONTROLLED ENTITIES**

**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 2015 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

17 February 2016



PITCHER PARTNERS
Melbourne