



ARB CORPORATION LTD

ABN 31 006 708 756

AND CONTROLLED ENTITIES

**HALF YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

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 2012.

Appendix 4D

Half Year Report for the six months to 31 December 2012

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 2012

 Previous corresponding period
 is the financial year ended 30 JUNE 2012
 and half year ended 31 DECEMBER 2011

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	Up	10.0%	to	\$147,077 ('000)
Profit (loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Up	14.5%	to	\$20,910 ('000)
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	Up	14.5%	to	\$20,910 ('000)
Dividends (<i>item 2.4</i>)		Amount per security		Franked amount per security
Interim dividend		12.5¢		12.5¢
Final dividend		N/A		N/A
Previous corresponding period		11.0¢		11.0¢
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	5 APRIL 2013			
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.				

3. Net tangible assets per security (item 3)

	Current period (Dec 12)	Previous corresponding period (Dec 11)
Net tangible asset backing per ordinary security	\$2.06	\$1.75

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 ended 30 June 2013	19 APRIL 2013	\$9,060 ('000)
Final dividend – year ended 30 June 2012	19 OCTOBER 2012	\$10,147 ('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 2013	12.5¢	12.5¢	-
Final – year ended 30 June 2012	14.0¢	14.0¢	-
Current year total	26.5¢	26.5¢	-
Interim – year ended 30 June 2012	11.0¢	11.0¢	-
Final – year ended 30 June 2011	13.0¢	13.0¢	-
Previous year total	24.0¢	24.0¢	-

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	\$10,147	\$9,423
Preference securities <i>(each class separately)</i>		
Other equity instruments <i>(each class separately)</i>		
Total	\$10,147	\$9,423

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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ARB Corporation Limited Half Year Results Announcement – December 2012

The Directors of ARB Corporation Limited (“**ARB**” or the “**Company**”) are pleased to report that the Company achieved a net profit after tax of \$20.9 million for the half year ended 31 December 2012. This represented a 14.5% increase over the previous corresponding period and was achieved on a 10.3% increase in sales revenue to \$145.7 million.

The half year results are summarised below:

Six Months ended	31 Dec 12	31 Dec 11	Change
	\$'000	\$'000	
Sales	145,700	132,104	10.3%
Other Revenue	1,377	1,650	
Total Revenue	147,077	133,754	10.0%
Net Profit before Tax	28,632	25,275	13.3%
Tax	(7,722)	(7,017)	
Net Profit after Tax	20,910	18,258	14.5%
EPS (cents)	28.8	25.2	
Interim Dividend (cents per share)	12.5	11.0	13.6%
Franking	100%	100%	

Cash flow from operations in the December 2012 half year of \$18.2 million remained strong. ARB had a cash balance of \$32.2m as at 31 December 2012 and no debt.

The Company intends to pay an increased interim fully franked dividend of 12.5 cents per share, up from 11 cents per share in the previous corresponding period. The interim dividend will be paid on the 19 April 2013 and the Record Date will be the 5 April 2013.

HIGHLIGHTS OF THE HALF YEAR TO 31 DECEMBER 2012

Sales

The group sales increase of 10.3% was achieved on continuing strength in the Australian market and the enduring popularity of the classes of vehicles which benefit from the Company’s products.

Australian sales growth to the aftermarket was the Company’s strongest sales segment for the period. Export sales around the world continued to be affected by the very strong Australian dollar. However, the Company is pleased to advise that export and USA sales levels were maintained.

With the rebound in vehicle availability after the Thai floods, the Company had some capacity constraints in Australia during the half as anticipated.

Distribution

ARB's market leading store network and warehousing operations throughout Australia were further expanded and strengthened during the period. The Company acquired a new ARB store in Alice Springs, Northern Territory and as at 31 December 2012 there were 45 ARB stores in Australia, 17 of which were Company owned. At least one additional Company owned store is expected to be established during the current financial year and further ARB stores will continue to be added to the distribution network.

Late in the half a new warehouse and factory building of 17,500 square metres in Thailand was completed ready for fit out and use in 2013. This facility is expected to reduce distribution costs and improve shipping times for customers around the world.

Products and Production

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

The Company's R&D department is actively developing both aftermarket and OEM products and is also continuing to work on a number of long term product development projects.

Demand for the Company's manufactured products was strong throughout the half. ARB's manufacturing plants in both Australia and Thailand are close to full capacity. Accordingly, the Company is making further investments in plant and equipment in both countries to increase capacity.

THE FUTURE

The Board is pleased with ARB's operational performance given the uncertain global business environment.

Demand for new 4WD vehicles in Australia and other parts of the world remains strong and ARB intends to release further new products and establish new stores in Australia. In export markets and in the USA, modest growth is also beginning to return.

The combination of these factors provides the Board with confidence that ARB should achieve reasonable growth for the full financial year compared with the previous corresponding year.

Yours faithfully,

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

Roger Brown
Chairman

20 February 2013

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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 2012 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
Andrew P Stott

Company Secretary

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

Principal Registered Office

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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: +61 (0)3 9415 4000 (investors)
Tel: 1300 850 505 (investors within Australia)
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, for the half year ended 31 December 2012 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 entity's operations are disclosed in the attached half yearly results announcement.

The principal activities of the consolidated entity 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 of the group for the half year after providing for income tax amounted to \$20,910,000.

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 off 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, 20 February 2013

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of ARB Corporation Limited

In relation to the independent review for the half-year ended 31 December 2012, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.



A R FITZPATRICK

Partner

20 February 2013



PITCHER PARTNERS

Melbourne

Condensed Consolidated Income Statement
For the half year ended 31 December 2012

	CONSOLIDATED	
	DEC 2012	DEC 2011
	(\$'000s)	(\$'000s)
Sales revenue	145,700	132,104
Other revenue	1,377	1,650
Total revenue	147,077	133,754
Materials and consumables used	(66,242)	(63,252)
Employee expenses	(32,467)	(28,004)
Depreciation and amortisation expense	(3,135)	(3,169)
Advertising expense	(2,103)	(2,174)
Distribution expense	(4,397)	(3,670)
Occupancy costs	(4,797)	(4,272)
Other expenses	(5,304)	(3,938)
Profit before income tax expense	28,632	25,275
Income tax expense	(7,722)	(7,017)
Profit attributable to members of the parent entity	20,910	18,258
Basic and Diluted Earnings per share (cents)	28.85	25.19

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Comprehensive Income
 For the half year ended 31 December 2012

	CONSOLIDATED	
	DEC 2012	DEC 2011
	(\$'000s)	(\$'000s)
Profit attributable to members of the parent entity	20,910	18,258
Other comprehensive income		
Items that may be reclassified subsequently to Profit/(Loss)		
Movement in fair value of cash flow hedges, net of tax	24	(172)
Exchange differences on translation of foreign operations, net of tax	(45)	556
Other comprehensive income for the half year	(21)	384
Total comprehensive income for the half year attributable to members of the parent entity	20,889	18,642

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position
 As at 31 December 2012

	CONSOLIDATED	
	DEC 2012	JUN 2012
	(\$'000s)	(\$'000s)
CURRENT ASSETS		
Cash and cash equivalents	32,163	33,234
Receivables	33,811	36,979
Inventories	58,840	50,870
Other assets	502	384
Total current assets	125,316	121,467
NON-CURRENT ASSETS		
Property, plant and equipment	57,621	52,596
Deferred tax assets	2,804	2,748
Intangible assets	12,324	11,297
Total non-current assets	72,749	66,641
Total assets	198,065	188,108
CURRENT LIABILITIES		
Payables	24,332	25,179
Other financial liabilities	46	70
Current tax liabilities	3,055	3,343
Provisions	8,062	7,730
Total current liabilities	35,495	36,322
NON-CURRENT LIABILITIES		
Provisions	652	610
Total non-current liabilities	652	610
Total liabilities	36,147	36,932
Net assets	161,918	151,176
EQUITY		
Contributed equity	46,618	46,618
Reserves	641	662
Retained profits	114,659	103,896
Total equity	161,918	151,176

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2012

	Contributed equity (\$'000s)	Reserves (\$'000s)	Retained earnings (\$'000s)	Total equity (\$'000s)
Consolidated Entity				
Balance as at 1 July 2012	46,618	662	103,896	151,176
Profit for the half year	-	-	20,910	20,910
Movement in fair value of cash flow hedges, net of tax	-	24	-	24
Exchange differences on translation of foreign operations, net of tax	-	(45)	-	(45)
Total comprehensive income for the half year	-	(21)	20,910	20,889
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(10,147)	(10,147)
Total transactions with owners in their capacity as owners	-	-	(10,147)	(10,147)
Balance as at 31 December 2012	46,618	641	114,659	161,918
Balance as at 1 July 2011	46,618	(136)	82,793	129,275
Profit for the half year	-	-	18,258	18,258
Movement in fair value of cash flow hedges, net of tax	-	(172)	-	(172)
Exchange differences on translation of foreign operations, net of tax	-	556	-	556
Total comprehensive income for the half year	-	384	18,258	18,642
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(9,423)	(9,423)
Total transactions with owners in their capacity as owners	-	-	(9,423)	(9,423)
Balance as at 31 December 2011	46,618	248	91,628	138,494

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2012

	CONSOLIDATED	
	DEC 2012	DEC 2011
	(\$'000s)	(\$'000s)
Cash Flows From Operating Activities		
Receipts from customers	160,701	145,654
Payments to suppliers and employees	(135,860)	(122,115)
Interest received	625	781
Income tax paid	(8,066)	(8,921)
Other income received	758	710
	<hr/>	<hr/>
Net cash provided by Operating activities	18,158	16,109
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(7,656)	(4,745)
Payments for research & development	(943)	(678)
Payments for investments & goodwill	(565)	-
Proceeds from sales of property, plant & equipment	198	181
	<hr/>	<hr/>
Net cash used in Investing activities	(8,966)	(5,242)
Cash Flows From Financing Activities		
Dividends paid	(10,147)	(9,423)
	<hr/>	<hr/>
Net cash used in Financing activities	(10,147)	(9,423)
Foreign exchange differences	(116)	358
	<hr/>	<hr/>
Net increase/(decrease) in cash held	(1,071)	1,802
Cash at the beginning of the financial year	33,234	30,695
	<hr/>	<hr/>
Cash at the end of the half financial year	32,163	32,497

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the half year ended 31 December 2012

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 2012 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 2013.

(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 2012.

(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 off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

	CONSOLIDATED	
	DEC 2012	DEC 2011
	(\$'000s)	(\$'000s)
2. Dividends		
Dividends recommended or paid by the Company are:		
Dividend Paid		
a final fully franked ordinary dividend of 14 cents per share (2011: 13 cents fully franked) paid on 19 October 2012	10,147	9,423
Dividend Recommended		
an interim fully franked ordinary dividend of 12.5 cents per share (2011: 11 cents fully franked) has been recommended by the Directors after the reporting period	9,060	7,973

The dividends paid by the Company were fully franked at the tax rate of 30% (2011: 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 2012

3. 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 and Thailand.

	Australia (\$'000s)	USA (\$'000s)	Thailand (\$'000s)	Consolidated (\$'000s)
2012				
Segment revenue				
Total segment revenue	146,778	12,516	13,436	172,730
Intersegmental revenues	(13,440)	-	(12,213)	(25,653)
Segment revenue from external source	133,338	12,516	1,223	147,077
Segment result from external source	18,002	27	2,881	20,910
Total Segment Assets	166,646	11,631	19,788	198,065
2011				
Segment revenue				
Total segment revenue	132,822	12,436	8,976	154,234
Intersegmental revenues	(12,297)	-	(8,183)	(20,480)
Segment revenue from external source	120,525	12,436	793	133,754
Segment result from external source	16,240	27	1,991	18,258
Total Segment Assets	151,342	11,626	12,411	175,379

4. Significant items

During the half year, the construction of a warehouse and factory in Thailand was substantially completed. The group's capital expenditure commitments at 31 December 2012 were approximately \$1.2 million.

There have been no other significant items during the half year ended 31 December 2012.

Notes to the Financial Statements (continued)
For the half year ended 31 December 2012

5. Business combinations

During the half year the consolidated entity purchased a retail business in Australia.

A summary of this transaction is:

	\$'000s
Total cost of combination	<u>854</u>

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	Fair value at acquisition \$'000s
Assets and liabilities acquired	
Inventory	272
Plant and equipment	27
Deferred Tax Asset	5
Employee Entitlements	<u>(15)</u>
Net assets acquired	289
Goodwill	<u>565</u>

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

6. Subsequent events

There have been no matters or circumstances, which have arisen since 31 December 2012 that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2012, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2012, 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 2012 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, 2013

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

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 2012, 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 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 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 2012 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 AND ITS CONTROLLED ENTITIES
ABN 31 006 708 756

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 2012 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*.



A R FITZPATRICK
Partner

20 February 2013



PITCHER PARTNERS
Melbourne