

Summary of 2012/13 Result

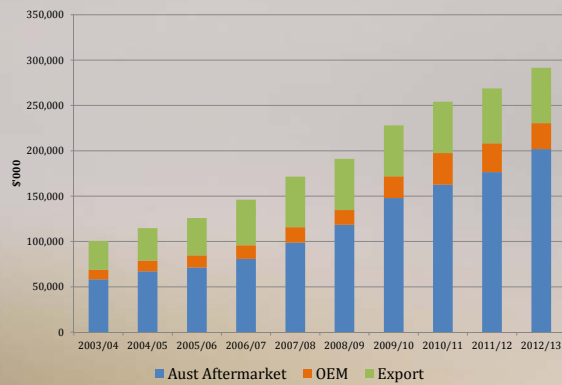
- Sales Revenue up 8.5% to \$291.5 million
- Pre Tax Profit up 9.8% to \$57.97 million
- Net Profit After Tax up 10.0% to \$42.36 million

Dividend

- The Company declared an increased final fully franked dividend of 15.5 cps, payable on 18th October 2013.
- This brings total ordinary dividends for the year to 28 cps fully franked, compared with 25 cps last year - an increase of 12%.
- The dividend payout ratio is 48% which is up on last year.

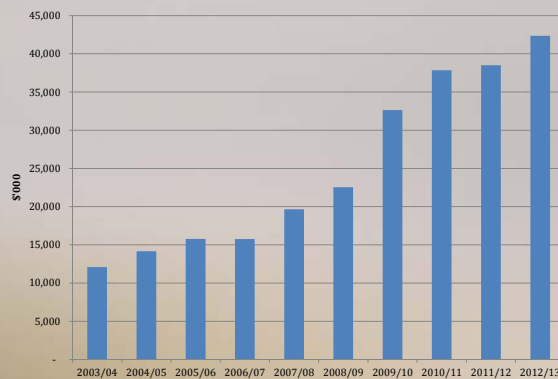
Sales Revenue

Annual sales revenue has grown at an average annual compound rate of 12.5% over the past 10 years



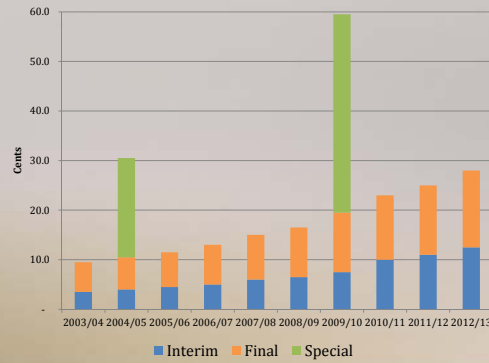
Net Profit After Tax

Net profit after tax has grown at an average annual compound rate of 14.9% over the past 10 years



Dividends

Dividends per share have grown steadily over the past 10 years with Special Dividends paid in 2004/5 and 2009/10. All dividends have been fully franked



Sales Growth by Market Segment 2012/13 compared with 2011/12

Australian Aftermarket Sales (including Thule & Kingsley)	up 15.1%
Export Sales (ex Australia & Thailand)	flat
Export Sales (ex USA subsidiary)	up 1%
Australian Original Equipment Sales	down 10.1%
TOTAL SALES	up 8.5%

Sales Mix by Market Segment 2012/13 compared with 2011/12

	2012/13	2011/12	Change
Australian Aftermarket	69.6%	65.8%	↑
Exports (ex Australia & Thailand)	11.2%	12.2%	↓
Exports (ex USA subsidiary)	9.3%	10.0%	↓
Australian Original Equipment	9.9%	12.0%	↓
TOTAL	100%	100%	

Australian New Vehicle Sales

	2012/13 (units sold)	2011/12 (units sold)	Change
4WD Utilities	138,521	106,469	+30.1%
Total 4WD and Utilities	510,553	437,333	+16.7%
All Vehicles	1,137,889	1,060,055	+7.3%

ARB's Australian Aftermarket Distribution

- Sales to the Australian Aftermarket were up by a very strong 15.1% over the year.
- Solid contributions are included in these figures from Kingsley Enterprises and Thule Roof Rack Systems.
- ARB distributes throughout Australia from state sales offices with attached warehouses.
- Distribution is to ARB stores, independent 4WD stockists and new vehicles dealers throughout each state.
- As at 30th June 2013 there were 47 ARB stores in Australia (compared with 44 at the same time last year) and well over 100 independent stockists.

ARB's Australian Aftermarket Distribution

- New ARB stores were established at:
 - Alice Springs, NT (company owned);
 - Wangara, WA (company owned); and
 - Hoppers Crossing, Vic (independent store).
- The ARB store in Ballarat, Vic was purchased by the Company in the second half of the year.
- Of the present 47 ARB stores in Australia 19 are owned by the Company.
- Sales to the Australian Aftermarket certainly benefitted from the strong growth in new vehicle sales, especially 4WD Utilities.
- The Australian Aftermarket represented almost 70% of our business during the year, up from 66% last year.

Australian Export Sales

- Export sales were flat compared with the prior year.
- The continued strength in the Australian Dollar for most of the financial year was a major impediment to export growth.
- Economic gloom in many markets around the world also constrained demand.
- Maintaining sales at last year's level under the circumstances was a good result.
- Sales made by ARB Thailand are included in these figures and are becoming a useful contributor.
- During the year ARB considerably strengthened its sales presence in many markets around the world which will contribute to growth in future periods.
- For the full year, exports ex Australia plus Thailand sales represented 11.2% of total sales.

USA Sales

- Air Locker Inc, the Company's subsidiary in the USA, services markets in the USA, Canada and Central and South America.
- Sales were up by 1% in Australia Dollar terms.
- Profitability was improved over the year through the introduction of better cost controls.
- In the middle of last year, Air Locker Inc appointed a new President who is responsible for growing the business.
- The Board is pleased to advise that this business unit is starting to show growth potential.
- Demand in the market is showing signs of improvement.
- For the full year, sales ex the US subsidiary represented 9.3% of total sales.

Original Equipment Sales

- These sales comprise all the products and services ARB supplies direct to Original Equipment Manufacturers (OEM's) predominantly in Australia.
- The customers include companies such as Toyota, Nissan, Isuzu, Suzuki etc.
- Sales to OEM's were down 10% over the prior year after a fall of 8% last year.
- Sales have been seriously impacted by the decline in demand due to cutbacks in the mining industry and by associated contractors.
- Sales to OEM's now represent less than 10% of the Company's sales.

Manufacturing and Warehousing

- In December 2012 the Company completed the construction of an additional new factory and warehouse of 17,500 square meters in Rayong, Thailand.
- The factory component of this facility will provide space for growth as required over the next few years.
- Production output has been reduced at the Kilsyth, Melbourne plant due to the drop in demand from Original Equipment customers in Australia who are mainly serviced by this plant.

Manufacturing and Warehousing

- Demand on production capacity at the Thailand plant is still very solid.
- The warehousing component at the new facility is reducing distribution costs and improving supply times to Company owned and customer warehouses around the world.
- Warehousing capacity is still a bottleneck in both Brisbane and Sydney.

Products

- 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 again over the period and new products are regularly being released to ARB's markets.
- The 2012/13 year was a year of further new vehicle releases of interest to the Company's customers, providing new product development opportunities for ARB.
- Consequently, the Company's R&D department was very busy developing both aftermarket and OEM products for these new vehicle releases around the world.
- ARB is also continuing to work on a number of long-term product development projects which should result in product releases over the 2013/14 year.

Financial – Balance Sheet

- ARB strengthened its balance sheet during the period and had a net cash surplus of \$43.8 million at the 30th June 2013.
- This compares with a net cash surplus of \$33.2 million at the 30th June 2012.
- The Company's strong financial position ensures that ARB can react quickly to appropriate opportunities, such as further earnings accretive capital projects, suitable acquisitions of products or businesses or reviewing capital management opportunities.

Financial – Exchange Rates

- Exchange rates have fluctuated significantly over the year.
- The Company has some natural exchange rate hedges through its operations in Australia, USA and Thailand and also through its overseas purchasing and selling arrangements.
- The recent decline in the value of the Australian dollar has certainly improved our export prospects but has slightly reduced our gross margins in Australia.

IT Progress

- The Company commenced implementation of a Group wide ERP system in February 2013.
- Implementation is progressing well. As anticipated, minor issues arise but the project remains close to budget.
- Implementation will be progressive through divisions with the whole Group operating on the new system by 2016.

Trading Update

- ARB advised in the 2013 annual report that it would provide a first quarter update at today's meeting.
- It is disappointing to report that sales for the first quarter to the 30th September 2013 are less than 1% ahead of the prior corresponding period.
- As operating costs have continued to rise in most areas, profits will be down on the corresponding prior period.
- No audited results will be available until February 2014, however the Board would expect profits to be down for the first quarter by as much as 10%.

Trading Update

The table below outlines the sales trends for the first quarter of 2013/14 compared with the prior corresponding period:

	1st Quarter 2014 (% of Sales)	1st Quarter 2013 (% of Sales)	Sales Growth
Aust Aftermarket	71.6%	68.4%	+4.7%
Exports	12.0%	10.1%	+20.4%
Exports via USA	9.9%	8.4%	+17.8%
OEM	6.5%	13.1%	-50.0%

Trading Update

- Continued deterioration in sales to OEM's and a slowing of growth to the Australian aftermarket, primarily in the mining focused states of Western Australia and Queensland, have caused the drop in sales growth.
- Growth in exports have certainly been helped by the recent fall in the Australian dollar.
- Both OEM and Australian aftermarket sales have been affected by the uncertainty created by the lengthy Federal election campaign, falling mining demand and the adverse impact on fleet demand of the hastily proposed changes to the Fringe Benefits Tax rules for motor vehicles which have since been scrapped.

Growth Strategy

ARB's main growth strategies can be summarised as follows:

- Continuing the development of new products - ARB is clearly a world leader in the development of accessories for 4WD vehicles and the Company's focus on new product development is being increased.
- Further expanding ARB's store network throughout Australia, particularly in areas where 4WD vehicle sales are strong.
- Expanding distribution both in Australia and around the world by strengthening ARB's sales teams, increasing marketing efforts and broadening distribution arrangements in a number of markets over the next year.

Growth Strategy (cont.)

- Expanding the recently established ARB Off Road business, which distributes ARB's product to the Thai market via existing resellers. The market for ARB's products in Thailand is continuing to grow.
- Selectively acquiring new products or businesses if suitable opportunities arise.
- Concentrating ARB's sales efforts in areas of the world where oil extraction, mining, aid and relief and agriculture are creating high demand for 4WD vehicles.

Outlook

- The Company's record 2012/13 result was achieved in the face of very challenging global market conditions.
- The Board is optimistic about the future outlook for the Company but remains cautious in the short term given the current economic environment.
- Uncertainty regarding future exchange rates is making forecasting demand in all markets difficult at present.

Outlook (cont.)

- ARB is well positioned to achieve on-going success despite the present economic challenges:
 - strong brands around the world;
 - experienced and capable staff, with additional senior management in key areas;
 - strong cash flows and a strong balance sheet; and
 - well defined and flexible growth strategies.

Thank you for your attendance