



**ARB CORPORATION LTD**

**ABN 31 006 708 756**

**AND CONTROLLED ENTITIES**

**HALF YEAR INFORMATION  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013**

**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 2013.**

# Appendix 4D

## Half Year Report for the six months to 31 December 2013

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 2013

 Previous corresponding period  
 is the financial year ended 30 JUNE 2013  
 and half year ended 31 DECEMBER 2012

### 2. Results for announcement to the market

Revenues from ordinary activities ( <i>item 2.1</i> )	Up	1.0%	to	\$148,506 ('000)
Profit (loss) from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	Down	3.6%	to	\$20,148 ('000)
Net profit (loss) for the period attributable to members ( <i>item 2.3</i> )	Down	3.6%	to	\$20,148 ('000)
<b>Dividends (<i>item 2.4</i>)</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Interim dividend		13.0¢		13.0¢
Final dividend		N/A		N/A
Previous corresponding period		12.5¢		12.5¢
Record date for determining entitlements to the dividend ( <i>item 2.5</i> )	3 APRIL 2014			
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 13)	Previous corresponding period (Dec 12)
Net tangible asset backing per ordinary security	\$2.38	\$2.06

**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)	ARB EUROPE s.r.o.	
Date(s) of gain of control (item 4.2)	July 2013	
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)	\$0	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	\$0	

**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)*

	<b>Date of payment</b>	<b>Total amount of dividend</b>
Interim dividend – year ended 30 June 2014	17 APRIL 2014	\$9,423 ('000)
Final dividend – year ended 30 June 2013	18 OCTOBER 2013	\$11,235 ('000)

**Amount per security**

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign sourced dividend
<b>Total dividend:</b> Interim – year ending 30 June 2014	13.0¢	13.0¢	-
Final – year ended 30 June 2013	15.5¢	15.5¢	-
Current year total	28.5¢	28.5¢	-
Interim – year ended 30 June 2013	12.5¢	12.5¢	-
Final – year ended 30 June 2012	14.0¢	14.0¢	-
Previous year total	26.5¢	26.5¢	-

**Total dividend on all securities**

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	\$11,235	\$10,147
Preference securities <i>(each class separately)</i>		
Other equity instruments <i>(each class separately)</i>		
<b>Total</b>	<b>\$11,235</b>	<b>\$10,147</b>

**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

## ARB Corporation Limited Half Year Results Announcement – December 2013

The Directors of ARB Corporation Limited (“**ARB**” or the “**Company**”) report that the Company achieved a net profit after tax of \$20.1 million for the half year ended 31 December 2013. This represented a 3.6% decrease over the previous corresponding period. Sales revenue achieved a 1.0% increase to \$147.1 million for the period.

The half year results are summarised below:

<b>Six Months ended</b>	<b>31 Dec 13</b>	<b>31 Dec 12</b>	<b>Change</b>
	\$'000	\$'000	
<b>Sales</b>	<b>147,094</b>	<b>145,700</b>	<b>1.0%</b>
Other Revenue	1,412	1,377	
<b>Total Revenue</b>	<b>148,506</b>	<b>147,077</b>	<b>1.0%</b>
<b>Net Profit before Tax</b>	<b>27,172</b>	<b>28,632</b>	<b>-5.1%</b>
Tax	(7,024)	(7,722)	
<b>Net Profit after Tax</b>	<b>20,148</b>	<b>20,910</b>	<b>-3.6%</b>
EPS (cents)	27.8	28.8	
<b>Interim Dividend (cents per share)</b>	<b>13.0</b>	<b>12.5</b>	<b>4.0%</b>
Franking	100%	100%	

Cash flow from operations in the December 2013 half year of \$16.5 million remained strong. ARB had a cash balance of \$36.7m as at 31 December 2013 and no debt.

The Company intends to pay an increased interim fully franked dividend of 13.0 cents per share, up from 12.5 cents per share in the previous corresponding period. The interim dividend will be paid on 17 April 2014 and the Record Date will be 3 April 2014.

### HIGHLIGHTS OF THE HALF YEAR TO 31 DECEMBER 2013

#### Sales

Sales for the period grew by a modest 1% over the previous corresponding period.

The Company experienced large declines in sales to original equipment manufacturers in Australia due to falling demand, and reductions in sales to customers associated with the mining industry, especially in Queensland and Western Australia. This was offset by an overall strengthening of sales to the Australian aftermarket and an excellent increase in export sales assisted by the falling value of the Australian dollar.

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

Customer Category	Percentage of Sales		Sales Growth
	6 months to Dec 2013	6 months to Dec 2012	
Australian Aftermarket	70.0%	69.4%	+1.5%
Exports	23.7%	19.7%	+20.5%
Original Equipment	6.3%	10.9%	-41.5%
	100.0%	100.0%	+1.0%

## Distribution

ARB's market-leading store network is pivotal to the Company's strength in the Australian aftermarket. Currently there are 47 ARB stores in Australia, of which 19 are Company owned. It is expected that a further two new independently operated ARB stores will be established this financial year and the Company has agreed to purchase the independently operated store at Welshpool in Western Australia.

The Australian warehousing capacity will be increased over the next 12 months. In Queensland a new Company owned warehouse will be established at Brendale and in New South Wales the sales facility at Moorebank has been purchased by the Company and will be upgraded.

To enhance supply to the Company's export customers, the Directors are pleased to advise that ARB Europe has been established in Prague in the Czech Republic. The establishment of this warehouse facility will provide better access to the Company's products for all European customers. In addition, ARB has established a second warehouse in the USA, based in Jacksonville, Florida to service customers in the south-east USA and Central and South America. Both of these operations will commence trading in March 2014.

## 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. Two of these long term development projects should be released to market prior to the end of this financial year.

Demand for the Company's manufactured products made by the Australian plant was subdued during the period, primarily due to the lower demand from original equipment customers. However, demand on the Thailand plants continued to be strong and the recent expansion of ARB's warehouse capacity to improve supply chain efficiencies and to meet increased export demand has been timely.

## THE FUTURE

The demise of the local vehicle manufacturing industry in Australia will have almost no direct impact on ARB. However, the Company will continue to monitor the opportunities

and threats from the changing manufacturing landscape in Australia as industry transition takes place over the next few years.

Demand for the Company's products currently remains healthy in many countries around the world. ARB has long term expansion plans in place, both in Australia and in export markets, which include new products and improved distribution.

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

19 February 2014

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## **Corporate Information**

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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 2013 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**

42-44 Garden Street  
Kilsyth Victoria 3137 Australia  
Tel: (03) 9761 6622  
Fax: (03) 9761 6807

### **Auditors**

Pitcher Partners  
Level 19  
15 William Street  
Melbourne Victoria 3000

### **Location of Register of Securities**

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford Victoria 3067  
Tel: +61 (0)3 9415 4000 (investors)  
Tel: 1300 850 505 (investors within Australia)  
Fax: (03) 9473 2555

### **Stock Exchange**

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

## Directors' Report

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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 2013 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 \$20,148,000.

### 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.



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R.G. Brown  
Director



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J.R. Forsyth  
Director

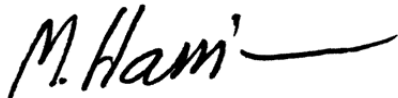
Melbourne, 19 February 2014

## AUDITOR'S INDEPENDENCE DECLARATION

### To the Directors of ARB Corporation Limited

In relation to the independent review for the half-year ended 31 December 2013, 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.



M J HARRISON  
Partner

19 February 2014



PITCHER PARTNERS  
Melbourne

**Condensed Consolidated Income Statement**  
**For the half year ended 31 December 2013**

	<b>CONSOLIDATED</b>	
	<b>DEC 2013</b>	<b>DEC 2012</b>
	<b>(\$'000s)</b>	<b>(\$'000s)</b>
Sales revenue	<b>147,094</b>	145,700
Other revenue	<b>1,412</b>	1,377
Total revenue	<b>148,506</b>	147,077
Materials and consumables used	<b>(66,362)</b>	(66,242)
Employee expenses	<b>(34,000)</b>	(32,467)
Depreciation and amortisation expense	<b>(3,645)</b>	(3,135)
Advertising expense	<b>(1,988)</b>	(2,103)
Distribution expense	<b>(3,618)</b>	(4,397)
Occupancy costs	<b>(5,617)</b>	(4,797)
Other expenses	<b>(6,104)</b>	(5,304)
<b>Profit before income tax expense</b>	<b>27,172</b>	28,632
Income tax expense	<b>(7,024)</b>	(7,722)
<b>Profit attributable to members of the parent entity</b>	<b>20,148</b>	20,910
<b>Basic and Diluted Earnings per share (cents)</b>	<b>27.80</b>	28.85

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Comprehensive Income  
 For the half year ended 31 December 2013

	<b>CONSOLIDATED</b>	
	<b>DEC 2013</b>	<b>DEC 2012</b>
	<b>(\$'000s)</b>	<b>(\$'000s)</b>
<b>Profit attributable to members of the parent entity</b>	<b>20,148</b>	20,910
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to Profit and (Loss)</b>		
Movement in fair value of cash flow hedges, net of tax	<b>50</b>	24
Exchange differences on translation of foreign operations, net of tax	<b>(161)</b>	(45)
<b>Other comprehensive income for the half year</b>	<b>(111)</b>	(21)
<b>Total comprehensive income for the half year attributable to members of the parent entity</b>	<b>20,037</b>	20,889

The accompanying notes form part of these financial statements.

**Condensed Consolidated Statement of Financial Position  
 As at 31 December 2013**

	<b>CONSOLIDATED</b>	
	<b>DEC 2013</b>	<b>JUN 2013</b>
	<b>(\$'000s)</b>	<b>(\$'000s)</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	36,657	43,764
Receivables	35,813	37,010
Other financial assets	27	-
Inventories	62,198	58,728
Other assets	525	366
<b>Total current assets</b>	<b>135,220</b>	<b>139,868</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	71,493	63,156
Deferred tax assets	2,022	2,780
Intangible assets	13,531	13,247
<b>Total non-current assets</b>	<b>87,046</b>	<b>79,183</b>
<b>Total assets</b>	<b>222,266</b>	<b>219,051</b>
<b>CURRENT LIABILITIES</b>		
Payables	24,964	28,222
Other financial liabilities	-	23
Current tax liabilities	2,058	3,833
Provisions	8,229	8,738
<b>Total current liabilities</b>	<b>35,251</b>	<b>40,816</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	670	692
<b>Total non-current liabilities</b>	<b>670</b>	<b>692</b>
<b>Total liabilities</b>	<b>35,921</b>	<b>41,508</b>
<b>Net assets</b>	<b>186,345</b>	<b>177,543</b>
<b>EQUITY</b>		
Contributed equity	46,618	46,618
Reserves	3,767	3,878
Retained profits	135,960	127,047
<b>Total equity</b>	<b>186,345</b>	<b>177,543</b>

The accompanying notes form part of these financial statements.

**Condensed Consolidated Statement of Changes in Equity**  
**For the half year ended 31 December 2013**

<b>Consolidated Entity</b>	<b>Contributed equity (\$'000s)</b>	<b>Reserves (\$'000s)</b>	<b>Retained earnings (\$'000s)</b>	<b>Total equity (\$'000s)</b>
<b>Balance as at 1 July 2013</b>	<b>46,618</b>	<b>3,878</b>	<b>127,047</b>	<b>177,543</b>
Profit for the half year	-	-	20,148	20,148
Movement in fair value of cash flow hedges, net of tax	-	50	-	50
Exchange differences on translation of foreign operations, net of tax	-	(161)	-	(161)
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>(111)</b>	<b>20,148</b>	<b>20,037</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid	-	-	(11,235)	(11,235)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(11,235)</b>	<b>(11,235)</b>
<b>Balance as at 31 December 2013</b>	<b>46,618</b>	<b>3,767</b>	<b>135,960</b>	<b>186,345</b>
<b>Balance as at 1 July 2012</b>	<b>46,618</b>	<b>662</b>	<b>103,896</b>	<b>151,176</b>
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)
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>(21)</b>	<b>20,910</b>	<b>20,889</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid	-	-	(10,147)	(10,147)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(10,147)</b>	<b>(10,147)</b>
<b>Balance as at 31 December 2012</b>	<b>46,618</b>	<b>641</b>	<b>114,659</b>	<b>161,918</b>

The accompanying notes form part of these financial statements.

**Condensed Consolidated Statement of Cash Flows**  
**For the half year ended 31 December 2013**

	<b>CONSOLIDATED</b>	
	<b>DEC 2013</b>	<b>DEC 2012</b>
	<b>(\$'000s)</b>	<b>(\$'000s)</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	164,334	160,701
Payments to suppliers and employees	(141,179)	(135,860)
Interest received	682	625
Income tax paid	(7,895)	(8,066)
Other income received	510	758
	<hr/>	<hr/>
Net cash provided by Operating activities	16,452	18,158
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	(11,779)	(7,656)
Payments for research & development	(806)	(943)
Payments for investments & goodwill	-	(565)
Proceeds from sales of property, plant & equipment	212	198
	<hr/>	<hr/>
Net cash used in Investing activities	(12,373)	(8,966)
<b>Cash Flows From Financing Activities</b>		
Dividends paid	(11,235)	(10,147)
	<hr/>	<hr/>
Net cash used in Financing activities	(11,235)	(10,147)
Foreign exchange differences	49	(116)
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash held</b>	<b>(7,107)</b>	<b>(1,071)</b>
Cash at the beginning of the financial year	43,764	33,234
	<hr/>	<hr/>
<b>Cash at the end of the half financial year</b>	<b>36,657</b>	<b>32,163</b>

The accompanying notes form part of these financial statements.



**Notes to the Financial Statements  
For the half year ended 31 December 2013**

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**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 2013 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 19 February 2014.

**(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 2013, except as described below.

**AASB 10 Consolidated Financial Statements**

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and of all entities the parent controls.

Under AASB 10, the group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The group has applied AASB 10 retrospectively in accordance with the transition provisions. The group has determined that AASB 10 has no impact on the composition of the consolidated group. Therefore, no adjustments to any of the carrying amounts are required.

**(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.

**2. Dividends**

Dividends recommended or paid by the Company are:

	<b>CONSOLIDATED</b>	
	<b>DEC 2013</b>	<b>DEC 2012</b>
	<b>(\$'000s)</b>	<b>(\$'000s)</b>
Dividend Paid		
a final fully franked ordinary dividend of 15.5 cents per share (2012: 14 cents fully franked) paid on 18 October 2013	<u>11,235</u>	<u>10,147</u>
Dividend Recommended		
an interim fully franked ordinary dividend of 13 cents per share (2012: 12.5 cents fully franked) has been recommended by the Directors after the reporting period	<u>9,423</u>	<u>9,060</u>

The dividends paid by the Company were fully franked at the tax rate of 30% (2012: 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 2013**

**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.

During the period, the Company has established a subsidiary in the Czech Republic. This entity did not trade in the half year.

	Australia (\$'000s)	USA (\$'000s)	Thailand (\$'000s)	Consolidated (\$'000s)
<b>2013</b>				
<b>Segment revenue</b>				
Total segment revenue	143,107	14,836	17,783	175,726
Intersegmental revenues	(11,035)	-	(16,185)	(27,220)
<b>Segment revenue from external source</b>	<b>132,072</b>	<b>14,836</b>	<b>1,598</b>	<b>148,506</b>
<b>Segment result from external source</b>	<b>16,285</b>	<b>818</b>	<b>3,045</b>	<b>20,148</b>
<b>Total Segment Assets</b>	<b>180,354</b>	<b>12,004</b>	<b>29,908</b>	<b>222,266</b>
<b>Total Segment Liabilities</b>	<b>33,469</b>	<b>481</b>	<b>1,971</b>	<b>35,921</b>
<b>2012</b>				
<b>Segment revenue</b>				
Total segment revenue	146,778	12,516	13,436	172,730
Intersegmental revenues	(13,440)	-	(12,213)	(25,653)
<b>Segment revenue from external source</b>	<b>133,338</b>	<b>12,516</b>	<b>1,223</b>	<b>147,077</b>
<b>Segment result from external source</b>	<b>18,002</b>	<b>27</b>	<b>2,881</b>	<b>20,910</b>
<b>Total Segment Assets</b>	<b>166,646</b>	<b>11,631</b>	<b>19,788</b>	<b>198,065</b>
<b>Total Segment Liabilities</b>	<b>33,527</b>	<b>304</b>	<b>2,316</b>	<b>36,147</b>

**4. Significant items**

During the period, the Company purchased two properties in Australia for the purpose of developing increased warehouse capacity, at a combined cost of \$8.8 million.

There have been no other significant items during the half year ended 31 December 2013.

**5. Fair value measurements**

As at 31 December 2013, the Company had foreign exchange contracts to buy various foreign currencies with a purchase value of A\$2.1 million. The unrealised fair value gain of \$27,000 is recorded in the cash flow hedge reserve.

The fair values of foreign exchange contracts have been determined based on observable inputs including foreign currency forward exchange rates. These instruments are classified as Level 2 in the fair value measurement hierarchy.

**6. Subsequent events**

The Company has agreed to acquire the business of ARB Welshpool, Western Australia. The acquisition is not material to the performance of the Company.

The group has established a second Warehouse in USA.

There have been no other matters or circumstances, other than mentioned elsewhere in this report, which have arisen since 31 December 2013 that have significantly affected or may significantly affect:

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

**Directors' Declaration**

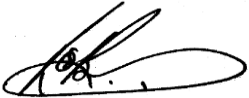
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The directors declare that the financial statements and notes set out on pages 5 to 11 are in accordance with the Corporations Act 2001, and:

- (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 2013 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.



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Roger G Brown  
Director



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John R Forsyth  
Director

Melbourne, 19 February, 2014

**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 2013, 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 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 2013 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*.

*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 2013 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*.



M J HARRISON  
Partner



PITCHER PARTNERS  
Melbourne

19 February 2014