



ARB CORPORATION LTD
ABN 31 006 708 756
AND CONTROLLED ENTITIES

HALF YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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 2011.

Appendix 4D

Half Year Report for the six months to 31 December 2011

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 2011

 Previous corresponding period
 is the financial year ended 30 JUNE 2011
 and half year ended 31 DECEMBER 2010

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	Up	2.7%	to	\$133,754 (‘000)
Profit (loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Up	1.6%	to	\$18,258 (‘000)
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	Up	1.6%	to	\$18,258 (‘000)
Dividends (<i>item 2.4</i>)	Amount per security		Franked amount per security	
Interim dividend	11.0¢		11.0¢	
Final dividend	N/A		N/A	
Previous corresponding period	10.0¢		10.0¢	
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	4 APRIL 2012			
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 11)	Previous corresponding period (Dec 10)
Net tangible asset backing per ordinary security	\$1.75	\$1.47

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 2012	20 APRIL 2012	\$ 7,973 ('000)
Final dividend – year ended 30 June 2011	21 OCTOBER 2011	\$ 9,423 ('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 2012	11.0¢	11.0¢	-
Final – year ended 30 June 2011	13.0¢	13.0¢	-
Current year total	24.0¢	24.0¢	-
Interim – year ended 30 June 2011	10.0¢	10.0¢	-
Final – year ended 30 June 2010	12.0¢	12.0¢	-
Previous year total	22.0¢	22.0¢	-

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	\$9,423	\$8,698
Preference securities <i>(each class separately)</i>		
Other equity instruments <i>(each class separately)</i>		
Total	\$9,423	\$8,698

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 2011

The Directors of ARB Corporation Limited (“**ARB**” or the “**Company**”) report that the Company achieved a net profit after tax of \$18.3 million for the half year ended 31 December 2011. This represented a 1.6% increase over the previous corresponding period and was achieved on a 2.3% increase in sales revenue to \$132.1 million.

The half year results are summarised below:

Six Months ended	31 Dec 11 \$'000	31 Dec 10 \$'000	Change
Sales	132,104	129,164	2.3%
Other Revenue	1,650	1,069	
Total Revenue	133,754	130,233	2.7%
Net Profit before Tax	25,275	24,866	1.7%
Tax	(7,017)	(6,899)	
Net Profit after Tax	18,258	17,967	1.6%
EPS (cents)	25.19	24.79	
Interim Dividend (cents per share)	11.0	10.0	10.0%
Franking	100%	100%	

Cash flow from operations in the December 2011 half year of \$16.1 million remained strong. ARB had a cash balance of \$32.5m as at 31 December 2011 with no debt.

The Company intends to pay an interim fully franked dividend of 11 cents per share, up from 10 cents per share in the previous corresponding period. The interim dividend will be paid on the 20th April 2012 and the Record Date will be the 4th April 2012.

HIGHLIGHTS OF THE HALF YEAR TO 31 DECEMBER 2011

Sales

The overall sales increase of 2.3% was achieved despite some significant adverse impacts on the supply of new 4WD vehicles worldwide. Two major natural disasters affected new vehicle supply during the period. Early in the half, supply of 4WD vehicles from both Japan and Thailand continued to be impacted by the Japanese earthquake and tsunami which occurred in March 2011. Vehicle supply problems were compounded by the floods in Thailand which reduced vehicle availability worldwide from November 2011.

Vehicle availability is now beginning to recover and ARB believes that supply will be back to normal before the end of the current half. ARB's strong aftermarket presence around the world certainly helped to counter the impact of these events on the Company's sales.

ARB's market leading store network and warehousing operations throughout Australia were further expanded and strengthened during the period. The Company opened a new ARB store at Orange, NSW and ARB licensed stores were established at Burleigh Heads, Qld and Welshpool, WA during the half. As at 31 December 2011 there were 43 ARB stores in Australia, 16 of which were Company owned.

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 sales levels were maintained.

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 2011/12 year is one in which a significant number of new vehicle releases are being made and these provide opportunities for ARB. Consequently, the Company's R&D department is actively developing both aftermarket and OEM products. It is also continuing to work on a number of long term product development projects.

Demand for the Company's manufactured products was variable throughout the half. However ARB's manufacturing plants in both Australia and Thailand are now operating at 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 global business environment and the disruptions and uncertainty from external events.

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. The Company expects to benefit from continuing strong activity in the oil & gas and mining sectors. In export markets and in the USA, modest growth is also beginning to return. To provide for this expected future growth, ARB is building additional warehousing capacity in Thailand to improve supply to the Company's markets.

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 be 'Roger Brown', written over a large, light-colored oval shape.

Roger Brown
Chairman

15 February 2012

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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 2011 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 2587

Stock Exchange

Australian Securities Exchange
Level 45, South 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 2011 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 \$18,258,000.

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.

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, 15 February 2012

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of ARB Corporation Limited

In relation to the independent review for the half-year ended 31 December 2011, 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

15 February 2012



PITCHER PARTNERS

Melbourne

Condensed Consolidated Income Statement
For the half year ended 31 December 2011

	CONSOLIDATED	
	DEC 2011	DEC 2010
	(\$'000s)	(\$'000s)
Sales revenue	132,104	129,164
Other revenue	1,650	1,069
Total revenue	133,754	130,233
Materials and consumables used	(63,252)	(61,946)
Employee expenses	(28,004)	(25,558)
Depreciation and amortisation expense	(3,169)	(2,948)
Advertising expense	(2,174)	(1,793)
Distribution expense	(3,670)	(3,108)
Finance costs	-	(48)
Occupancy costs	(4,272)	(4,324)
Other expenses	(3,938)	(5,642)
Profit before income tax expense	25,275	24,866
Income tax expense	(7,017)	(6,899)
Profit attributable to members of the parent entity	18,258	17,967
Basic and Diluted Earnings per share (cents)	25.19	24.79

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2011

	CONSOLIDATED	
	DEC 2011	DEC 2010
	(\$'000s)	(\$'000s)
Profit attributable to members of the parent entity	18,258	17,967
Other comprehensive income		
Movement in fair value of cash flow hedges, net of tax	(172)	(56)
Exchange differences on translation of foreign operations, net of tax	556	(2,710)
Other comprehensive income for the half year	384	(2,766)
Total comprehensive income for the half year attributable to members of the parent entity	18,642	15,201

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position
As at 31 December 2011

	CONSOLIDATED	
	DEC 2011	JUN 2011
	(\$'000s)	(\$'000s)
CURRENT ASSETS		
Cash and cash equivalents	32,497	30,695
Receivables	32,862	31,796
Inventories	47,105	42,077
Other assets	447	268
Total current assets	112,911	104,836
NON-CURRENT ASSETS		
Property, plant and equipment	48,366	46,174
Deferred tax assets	2,694	2,415
Intangible assets	11,408	11,199
Total non-current assets	62,468	59,788
Total assets	175,379	164,624
CURRENT LIABILITIES		
Payables	25,732	23,381
Current tax liabilities	3,221	4,846
Provisions	7,370	6,655
Total current liabilities	36,323	34,882
NON-CURRENT LIABILITIES		
Provisions	562	467
Total non-current liabilities	562	467
Total liabilities	36,885	35,349
Net assets	138,494	129,275
EQUITY		
Contributed equity	46,618	46,618
Reserves	248	(136)
Retained profits	91,628	82,793
Total equity	138,494	129,275

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2011

	Contributed equity (\$'000s)	Reserves (\$'000s)	Retained earnings (\$'000s)	Total equity (\$'000s)
Consolidated Entity				
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
Balance as at 1 July 2010	46,618	3,903	60,885	111,406
Profit for the half year	-	-	17,967	17,967
Movement in fair value of cash flow hedges, net of tax	-	(56)	-	(56)
Exchange differences on translation of foreign operations, net of tax	-	(2,710)	-	(2,710)
Total comprehensive income for the half year	-	(2,766)	17,967	15,201
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(8,698)	(8,698)
Total transactions with owners in their capacity as owners	-	-	(8,698)	(8,698)
Balance as at 31 December 2010	46,618	1,137	70,154	117,909

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2011

	CONSOLIDATED	
	DEC 2011	DEC 2010
	(\$'000s)	(\$'000s)
Cash Flows From Operating Activities		
Receipts from customers	145,654	143,116
Payments to suppliers and employees	(122,115)	(125,833)
Interest received	781	382
Finance costs	-	(48)
Income tax paid	(8,921)	(9,185)
Other income received	710	677
Net cash provided by Operating activities	16,109	9,109
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(4,745)	(3,968)
Payments for research & development	(678)	(609)
Payments for investments & goodwill	-	(851)
Proceeds from sales of property, plant & equipment	181	99
Net cash used in Investing activities	(5,242)	(5,329)
Cash Flows From Financing Activities		
Dividends paid	(9,423)	(8,698)
Net cash used in Financing activities	(9,423)	(8,698)
Foreign exchange differences	358	1,563
Net increase/(decrease) in cash held	1,802	(3,355)
Cash at the beginning of the financial year	30,695	20,903
Cash at the end of the half financial year	32,497	17,548

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the half year ended 31 December 2011

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 2011 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 15 February 2012.

(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 2011.

(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 2011	DEC 2010
		(\$'000s)	(\$'000s)
2. Dividends			
Dividends recommended or paid by the Company are:			
(i)	a final fully franked ordinary dividend of 13 cents per share (2010: 12 cents fully franked) paid on 21 October 2011.	9,423	8,698
(ii)	an interim fully franked ordinary dividend of 11 cents per share (2010: 10 cents fully franked) has been recommended by the Directors	7,973	7,248

The dividends paid by the Company were fully franked at the tax rate of 30% (2010: 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 2011

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)
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
Total segment result	16,503	27	1,931	18,461
Intersegmental eliminations	(263)	-	60	(203)
Segment result from external source	16,240	27	1,991	18,258
Total Segment Assets	151,342	11,626	12,411	175,379
2010				
Segment revenue				
Total segment revenue	130,050	11,922	8,559	150,531
Intersegmental revenues	(12,512)	-	(7,786)	(20,298)
Segment revenue from external source	117,538	11,922	773	130,233
Total segment result	15,940	(267)	2,367	18,040
Intersegmental eliminations	(73)	-	-	(73)
Segment result from external source	15,867	(267)	2,367	17,967
Total Segment Assets	130,756	11,138	11,348	153,242

4. Significant items

There have been no significant items during the half year ended 31 December 2011.

5. Subsequent events

Subsequent to the balance date, the consolidated entity has entered into contractual capital commitments in relation to land and buildings and plant and equipment for a total value of approximately \$6,000,000.

There have been no other matters or circumstances, which have arisen since 31 December 2011 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2011, of the consolidated entity, or
- the results of those operations, or
- the state of affairs, in financial years subsequent to 31 December 2011, of the consolidated entity.

Directors' Declaration

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 2011 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, 15 February, 2012

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ARB Corporation Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2011, 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 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 2011 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 2011 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

15 February 2012



PITCHER PARTNERS

Melbourne