

ANNUAL REPORT / 2015



ARB Corporation Limited
ABN: 31 006 708 756

ARB
4X4 ACCESSORIES

A YEAR IN REVIEW



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1. Following an exhaustive development process, ARB releases the new BP-51 range of high performance, bypass shock absorbers, delivering the ultimate in both comfort and control.
2. ARB redefines frontal protection with the release of an all new Alloy Bull Bar, produced specifically to satisfy customer's desire for a greater selection of design and material options.
3. After more than 18 months of research, planning, design, fabrication and building, ARB launches its completely redesigned website.
4. ARB releases the cleverly engineered Summit bar and Summit side rails and steps. Redesigned from the ground up to provide a bolder presence and higher level of detail to suit today's range of larger, more sophisticated 4WDs.
5. ARB introduces the Summit Rear Step Tow Bar, a stunning new design that offers 4WD ute owners unparalleled protection along with smart and innovative styling.



5.

6. Completely redesigned with a modern and clean creative direction, ARB released the all new 2015/2016 product catalogue. Designed to complement the new ARB website, the catalogue is an invaluable reference tool for anyone looking to accessorise their 4WD.
7. Following the hugely successful release of the AR32 Intensity lights, ARB release the AR21 Intensity driving lights, manufactured smaller to fit all bull bars on the market.
8. ARB celebrates its 40th year with a very special Off Road Icons project.
9. ARB teams up with Northern Territory Tourism to showcase its rich heritage, beautiful scenery and great 4WD destinations.



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Corporate Information

Directors

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

Company Secretary

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

Principal Registered Office

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: 1300 850 505 (within Australia)
Tel: +61 3 9415 4000 (from overseas)
Fax: (03) 9473 2500

Stock Exchange

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

Chairman's Statement

RESULTS

The Directors of ARB Corporation Limited ("ARB" or the "Company") are pleased to report that the Company achieved a net profit after tax of \$44.1 million for the year ended 30th June 2015. This represented a 3.6% increase over the previous corresponding period. The Company's profit was achieved on a 10.7% increase in sales to \$329.8 million from \$297.8 million last year.

A summary of the 2014/15 result is presented below:

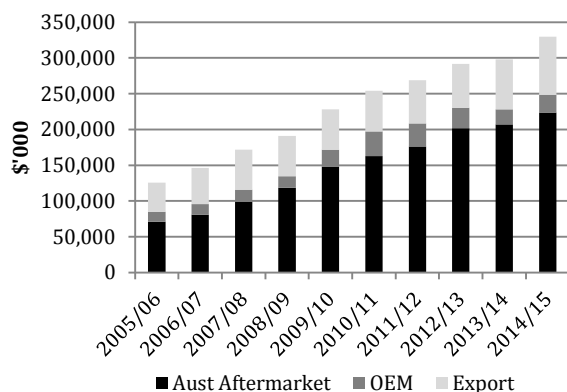
Year to 30 June	2015 \$'000	2014 \$'000	Change
Sales Revenue	329,755	297,779	+ 10.7%
Total Revenue	333,356	299,947	+11.1%
Profit Before Tax	60,016	57,291	+4.8%
Less Tax	15,923	14,721	
Net Profit After Tax	44,093	42,570	+ 3.6%
Basic EPS – cents	57.8*	58.7	
DPS – cents			
Interim	13.0	13.0	
Special	100.0	-	
Final	<u>16.0</u>	<u>16.0</u>	
Total	<u>129.0</u>	<u>29.0</u>	
Franked Amount	100%	100%	

*During the year the number of issued shares increased from 72.5 million to 79.2 million mainly as a result of the special dividend initiative in December 2014. Basic EPS has been calculated using the weighted average number of shares of 76.3 million.

The Company intends to pay a final fully franked dividend of 16.0 cents per share on the 23rd October 2015. This brings total dividends for the year to \$1.29 per share fully franked. This includes ordinary dividends of 29 cents per share and a special dividend of \$1.00 per share paid in December 2014. The Record Date for the final dividend will be the 9th October 2015.

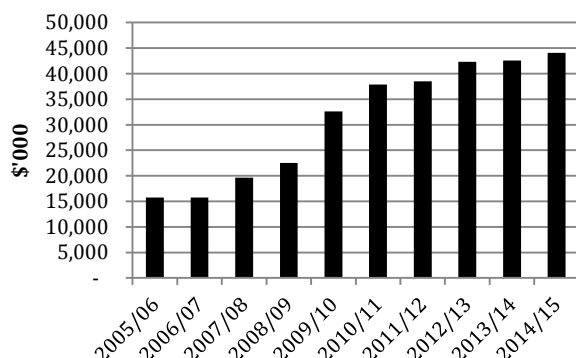
10 YEAR HISTORICAL PERFORMANCE

The sales, profits and dividends per share performance of the Company over the past 10 years are illustrated in the graphs below:



SALES REVENUE

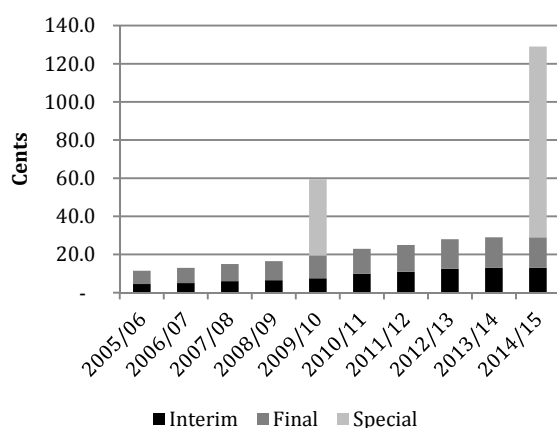
Annual sales revenue has grown at an average compound rate of 11.3% over the past 10 years.



NET PROFIT AFTER TAX

Net profit after tax has grown at an average compound rate of 12.1% over the past 10 years.

Chairman's Statement (continued)



DIVIDENDS PER SHARE

Dividends per share have grown steadily over the past 10 years with special dividends paid in 2009/10 and 2014/15. All dividends have been fully franked.

HIGHLIGHTS OF THE 2014/15 YEAR

Sales and Distribution

Sales for the period grew by 10.7% over the previous corresponding period. Sales growth was achieved in all categories of the business despite demand from customers around the world associated with the mining industry continuing to be weak. As can be seen from the table below, sales growth in the Australian aftermarket was 7.6%, while sales to export and original equipment customers grew by 17.8% and 18.5% respectively.

Customer Category	Percentage of Total Sales		Sales Growth
	12 months to June 2015	12 months to June 2014	
Australian Aftermarket	67.6%	69.6%	+7.6%
Exports	24.9%	23.4%	+17.8%
Original Equipment	7.5%	7.0%	+18.5%
	100.0%	100.0%	+10.7%

In the Australian aftermarket the Company distributes through an ARB store network, to ARB stockists, to new vehicle dealers and to various fleet operators. ARB's market-leading store network is pivotal to the Company's strength in the Australian aftermarket. Currently there are 52 ARB stores in Australia, of which 24 are Company owned. It is expected that at least 3 new ARB stores will be established over the 2015/16 financial year.

As advised in the half-year announcement, Australian warehousing capacity has been substantially increased since the beginning of the financial year. New warehouses were opened in Adelaide, South Australia, in August 2014, Liverpool, NSW, in November 2014 and Brendale, Queensland, in March 2015. All warehouses are now fully operational enabling the Company to service the Australian aftermarket more effectively.

The growth in export sales was certainly assisted by the lower Australian dollar. The new sales and warehousing facilities in the Czech Republic and in the USA also made useful contributions. Exports now represent almost 25% of the Company's sales and further growth opportunities exist with the Australian dollar at current levels.

Sales to original equipment manufacturers grew well off a low base with the run out of some important vehicles occurring in the last half.

Chairman's Statement (continued)

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.

Over the past 18 months some very important market leading products have been released by ARB after significant investment in development. These include:

- The ARB Ascent canopy;
- The OME BP51 shock absorber;
- The ARB Summit bull bar;
- The ARB Summit rear bar; and
- The ARB aluminium bull bar.

These new products are available for a limited range of vehicles at present but releases for more vehicle fitments are occurring every month. Currently there is a significant number of new vehicle releases occurring and this provides opportunities for ARB. Consequently, the Company's R&D department is actively developing both aftermarket and OEM products for these new releases. It is also continuing to work on a number of long term product development projects.

Both the Australian and Thai manufacturing plants have operated efficiently for the full year. Both plants will be busy with new product implementation for the foreseeable future.

Financial

Profit growth was less than sales growth over the year, primarily due to higher input costs resulting from the decline in the value of the Australian dollar against both the US dollar and the Thai baht. Also, above average increases in some expense categories were incurred, largely relating to increased resourcing in key areas.

Cash flows from operating activities increased to \$40.4 million from \$36.5 million last year.

ARB invested over \$46 million in additional property, plant and equipment during the year which has significantly expanded the Company's future capacity in local and overseas markets. Notwithstanding this major capital investment programme, ARB has maintained its strong balance sheet. As at 30 June 2015, the Company had a net cash balance of \$8.1 million.

The strong financial position of the Company ensures that ARB can react quickly to appropriate opportunities, including further capital projects or suitable acquisitions.

THE FUTURE

The Company's growth in 2014/15 was achieved in the face of difficult local and global market conditions. The current economic environment remains challenging. However, the outlook for the Company is positive and the Board is optimistic about the future.

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

With strong brands around the world, 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.

A first quarter trading update will be provided to shareholders at the AGM in October 2015.



Roger Brown
Chairman
19th August 2015

Directors' Report

The Directors present their report together with the financial report of the consolidated entity of ARB Corporation Limited, being the Company and its controlled entities, for the financial year ended 30 June 2015 and the auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Principal Activities

The principal activities of the consolidated entity during the course of the financial year remained unchanged and were the design, manufacture, distribution and sale of motor vehicle accessories and light metal engineering works.

Results

The consolidated profit attributable to members of the parent entity after income tax expense for the year was \$44,093,000 (2014: \$42,570,000).

Review of Operations

A review of the consolidated entity's operations is included in the Chairman's Statement on pages 3 to 5.

Significant Changes in the State of Affairs

There have been no significant changes in the consolidated entity's state of affairs during the financial year.

Subsequent Events

With the exception of the declaration of a final dividend detailed in Note 6, no other matters or circumstances have arisen since the end of the financial year, that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely Developments

The Company will continue to pursue its operating and financial strategies to create shareholder value. Further information is included in the Chairman's Statement.

Environmental Regulation

The consolidated entity's operations are not subject to any significant Commonwealth or State environmental regulations or laws.

Dividends Paid, Recommended and Declared

Dividends paid or proposed by the Company since the end of the previous financial year were:

In respect of the prior financial year:	\$'000s
- A final fully franked ordinary dividend of 16 cents per share was paid on 24 October 2014	<u>11,599</u>
In respect of the current financial year:	
- A fully franked special dividend of \$1.00 per share was paid on 5 December 2014	60,366
- An interim dividend of 13 cents per share fully franked was paid on 17 April 2015	10,290
- The final dividend proposed by the Directors of the Company to be paid on 23 October 2015 is a fully franked dividend of 16 cents per share	<u>12,665</u>
Total dividends in respect of the year ended 30 June 2015	<u>83,321</u>

The final dividend proposed by the Directors of the Company has not been provided for in the Consolidated Statement of Financial Position as at 30 June 2015 as it was declared subsequent to 30 June 2015.

Directors' Report (continued)

Information on Directors and Company Secretary

The qualifications, experience and special responsibilities of each person who has been a Director of ARB Corporation Limited at any time during or since the end of the financial year are provided below, together with details of the Company Secretary as at the financial year end.

NAME & QUALIFICATIONS

EXPERIENCE AND SPECIAL RESPONSIBILITIES

Mr. Roger G Brown
B.E., M.B.A.
Executive Chairman

Wide range of experience within the automotive industry in Australia and overseas. Non-executive Director of Amcil Limited.
Executive Chairman of ARB Corporation Limited since 1987.
Managing Director of ARB Corporation Limited from 1987 to 2012.
Member of the Risk Management Committee.

Mr. Andrew H Brown
Managing Director

Wide range of experience in automotive engineering and marketing.
Managing Director of ARB Corporation Limited since 2012.
Executive Director of ARB Corporation Limited from 1987 to 2012.
Member of the Risk Management Committee.

Mr. John R Forsyth
B.E., M.B.A.
Executive Director
Company Secretary

Director of ARB Corporation Limited since 1987.
Executive Director of ARB Corporation Limited since 1989.
Chairman of the Risk Management Committee.
Company Secretary of ARB Corporation Limited since 2004.

Mr. Robert D Fraser
B.Ec., LLB (Hons)
Independent Non-executive Director

Company Director and corporate adviser. Director of Taylor Collison Limited and Non-executive Director of F.F.I. Holdings Limited, Gowing Bros Limited and Magellan Financial Group Limited.
Non-executive Director of ARB Corporation Limited since 2004.
Chairman of the Audit Committee and the Remuneration and Nomination Committee.

Mr. Ernest E Kulmar
B Com., FCPA, FAICD
Independent Non-executive Director

Business consultant with experience in a range of industries.
Non-executive Director of ARB Corporation Limited since 2006.
Member of the Remuneration and Nomination Committee and the Audit Committee.

Mr. Andrew P Stott
Independent Non-executive Director

Wide 4WD industry experience.
Non-executive Director of ARB Corporation Limited since 2006.
Member of the Remuneration and Nomination Committee and the Audit Committee.

Share Options

No options over unissued shares or interests in the consolidated entity were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

Indemnification and Insurance of Directors, Officers and Auditors

The Company has, during the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate:

- paid a premium in respect of Directors' and Officers' Liability insurance which indemnifies the Directors and Officers of the Company for any claims made against the Directors and Officers of the Company, subject to conditions contained in the insurance policy. Further disclosures required under Section 300(1)(g) of the Corporations Act 2001 are prohibited under the terms of the contract.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for the auditors of the consolidated entity.

Directors' Report (continued)

Directors' Meetings

The number of Board of Directors and Board Committee meetings held during the financial year, and each director's attendance at these meetings were:

	Directors'	Audit Committee	Remuneration & Nomination Committee
Number of meetings held	13	5	2
Mr. Roger G Brown	13	•	•
Mr. Andrew H Brown	13	•	•
Mr. John R Forsyth	13	•	•
Mr. Robert D Fraser	13	5	2
Mr. Ernest E Kulmar	11	5	2
Mr. Andrew P Stott	12	5	2

The Risk Management Committee meetings occur in conjunction with the weekly Management meetings. There were 50 Risk Management meetings during the year. These were attended by the Executive Directors with representation by Mr. R Brown on 43 occasions, Mr A Brown on 45 occasions and Mr J Forsyth on 45 occasions.

In addition to scheduled meetings, the Board has informal discussions on a regular basis to consider relevant issues. It also discusses strategic, operational and risk matters with senior management and undertakes site visits.

- Not a member of the committee

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 audit for the financial year is included at page 39 of this report.

Non-Audit Services

Non-audit services are approved by resolution of the Audit Committee and approval is provided in writing to the Board of Directors. Non-audit services provided by the auditors of the consolidated entity during the year, Pitcher Partners, are detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to an auditor for non-audit services provided during the year by the auditor to any entity that is part of the consolidated entity for:	2015 (\$'000s)	2014 (\$'000s)
Taxation services	31	20
Other compliance and advisory services	18	5

Directors' Interests and Contracts

As at the date of this report, the number of ordinary shares of ARB Corporation Limited held by each Director, either directly or indirectly were:

Roger G. Brown (Executive)	7,898,790 (a)
Andrew H. Brown (Executive)	7,897,150 (a)
John R. Forsyth (Executive)	2,117,845
Robert D. Fraser	27,376
Ernest E. Kulmar	17,345

- (a) Common to each Director are shares held in associated entities of Rogand Unit Trust, a trust that holds 7,851,183 ordinary shares and Rogand Superannuation Fund that holds 28,089 ordinary shares. In addition, R.G. Brown holds 9,759 shares directly and A.H. Brown holds 8,939 shares directly.

R.G. Brown is a Director and member of Saharat Pty Ltd., the holder of 9,759 (2014: 8,939) ordinary shares.

A.H. Brown is a Director and member of Thirty Third Jabot Nominees Pty Ltd., the holder of 8,939 (2014: 8,939) ordinary shares.

Since the end of the previous financial year no Director of the Company, other than as disclosed in Note 27, has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the consolidated financial report) because of a contract made by the Company, its controlled entities or a related body corporate with a Director or with a firm of which a Director is a member, or with an entity in which the Director has a substantial interest.

Proceedings on Behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

Directors' Report (continued)

Remuneration Report - Audited

Key Management Personnel

'Key Management Personnel' are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity. Being a working Board, strategic direction and decision making is exercised by the Directors.

Remuneration Policies

The Board's policy for determining the nature and amount of remuneration of Key Management Personnel is agreed by the Board of Directors as a whole based on the recommendations of the Remuneration and Nomination Committee. The Board obtains professional advice where necessary to ensure that the Company attracts and retains talented and motivated Key Management Personnel who can enhance Company performance through their contributions and leadership.

For Executive Directors and Key Management Personnel, the Company provides a remuneration package that incorporates both cash-based and non cash-based remuneration. The contracts for service between the Company and specified Key Management Personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. The remuneration policy is not directly related to Company performance. The Board considers a remuneration policy based on short-term returns may not be beneficial to the long-term creation of wealth by the Company for shareholders.

The Company determines the amount of remuneration for Directors by resolution.

Details of the nature and amount of each major element of the remuneration of each Director of the Company and each of the Key Management Personnel of the Company and the consolidated entity for the financial year are:

	Salary & Fees \$	Non-cash Benefits \$	Super contributions \$	Total \$
2015				
Directors				
Roger G. Brown (Executive)	272,935	28,035	35,000	335,970
Andrew H. Brown (Executive)	319,651	29,437	30,367	379,455
John R. Forsyth (Executive)	272,935	28,035	35,000	335,970
Robert D. Fraser	75,080	-	7,133	82,213
Ernest E. Kulmar	62,886	-	5,974	68,860
Andrew P. Stott	51,088	-	4,853	55,941
Total	1,054,575	85,507	118,327	1,258,409
2014				
Directors				
Roger G. Brown (Executive)	272,935	28,035	35,000	335,970
Andrew H. Brown (Executive)	303,974	28,035	25,000	357,009
John R. Forsyth (Executive)	272,935	28,035	35,000	335,970
Robert D. Fraser	73,429	-	6,792	80,221
Ernest E. Kulmar	61,503	-	5,689	67,192
Andrew P. Stott	49,965	-	4,622	54,587
Total	1,034,741	84,105	112,103	1,230,949

Key Management Personnel do not receive any short term or long term incentive arrangements.

The following table summarises the Company's performance and key performance indicators:

	2015	2014	2013	2012	2011
Revenue (\$'000)	333,356	299,947	294,509	271,843	256,553
Increase in revenue (%)	11.1%	1.8%	8.3%	6.0%	11.4%
Profit before tax (\$'000)	60,016	57,291	57,965	52,788	51,315
Increase/(decrease) in profit before tax (%)	4.8%	(1.2%)	9.8%	2.9%	14.5%
Change in share price (%)	6.5%	7.4%	25.3%	20.2%	30.1%
Dividend paid to Shareholders (\$'000)	82,255	20,659	19,207	17,396	15,946
Total remuneration of Key Management Personnel	1,258,409	1,230,949	1,215,474	1,185,375	1,121,645

Related party transactions

An importing and distribution company of which A.P. Stott was a Director to December 2014, supplied product to ARB Corporation Limited and Kingsley Enterprises Pty Ltd and was paid a royalty during the year on an arms length basis. The total value of the royalty was \$147,921 (2014: \$323,585).

Directors' Report (continued)

Directors' holdings of shares

The ordinary shares of ARB Corporation Limited held by each Director, either directly or indirectly were:

	JUN 2015	JUN 2014
R.G. Brown (Executive)	7,898,790	8,150,994
A.H. Brown (Executive)	7,897,150	8,150,994
J.R. Forsyth (Executive)	2,117,845	2,214,667
R.D. Fraser	27,376	25,077
E.E. Kulmar	17,345	15,888

Common to each of R.G. Brown and A.H. Brown, are shares held in associated entities of Rogand Unit Trust, a trust that holds 7,851,183 ordinary shares and Rogand Superannuation Fund that holds 28,089 ordinary shares. In addition, R.G. Brown holds 9,759 shares directly and A.H. Brown holds 8,939 shares directly.

R.G. Brown is a Director and member of Saharaton Pty Ltd., the holder of 9,759 (2014: 8,939) ordinary shares.

A.H. Brown is a Director and member of Thirty Third Jabot Nominees Pty Ltd., the holder of 8,939 (2014: 8,939) ordinary shares.

J.R. Forsyth, the holder of 10,277 (2014: 9,414) ordinary shares, is a Director and member of Formax Pty Ltd, the holder of 9,414 (2014: 9,414) ordinary shares, Formax Superannuation Pty Ltd, the holder of 192,874 (2014: 192,874) ordinary shares and Formax Pty Ltd (Reparar Account) the holder of 1,905,280 (2014: 2,002,965) ordinary shares.

R.D. Fraser, the holder of 6,758 (2014: 6,191) ordinary shares is a trustee and a member of the Fraser Family Superannuation Fund, the holder of 20,618 (2014: 18,886) ordinary shares.

E.E. Kulmar is a Director of Kulmar Pty Ltd which is the holder of 17,345 (2014:15,888) ordinary shares as trustee of the Kulmar Superannuation Fund of which he is a member.

***** End of the Remuneration Report *****

Corporate Governance Statement

The Company's Corporate Governance Statement is available on its website at <http://www.arb.com.au/about/investor-relations/>.

Rounding of Amounts

The amounts contained in the Directors' report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order CO 98/0100. The Company is an entity to which the class order applies.

Signed in accordance with a resolution of the Directors.



R.G. Brown
Director



J.R. Forsyth
Director

Melbourne, 19 August, 2015

Consolidated Income Statement
For the Year Ended 30 June 2015

		CONSOLIDATED	
	Note	JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
Sales revenue		329,755	297,779
Other income		3,601	2,168
Total revenue and other income	3	333,356	299,947
Materials and consumables used		(149,646)	(131,764)
Employee expenses		(77,012)	(67,191)
Depreciation and amortisation expense	4	(8,331)	(7,402)
Advertising expense		(5,394)	(4,745)
Distribution expense		(7,738)	(7,237)
Finance expense		(220)	-
Occupancy expense		(12,251)	(11,618)
Other expenses		(12,748)	(12,699)
Profit before income tax expense		60,016	57,291
Income tax expense	5	(15,923)	(14,721)
Profit attributable to members of the parent entity		44,093	42,570
Basic and Diluted Earnings per share (cents)	23	57.8	58.7

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2015

		CONSOLIDATED	
	Note	JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
Profit attributable to members of the parent entity		44,093	42,570
Other comprehensive income			
Items that may be reclassified subsequently to Profit/(Loss)			
Movement in fair value of cash flow hedges, net of tax	17	647	(285)
Exchange differences on translation of foreign operations, net of tax	17	6,033	(1,495)
Other comprehensive income for the year		6,680	(1,780)
Total comprehensive income for the year attributable to members of the parent entity		50,773	40,790

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2015

		CONSOLIDATED	
	Note	JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
CURRENT ASSETS			
Cash and cash equivalents	20	10,054	38,835
Receivables	7	42,216	39,762
Derivative financial instruments	13	349	-
Inventories	8	77,821	70,443
Other assets	9	3,380	1,580
Total current assets		133,820	150,620
NON-CURRENT ASSETS			
Property, plant and equipment	10	113,968	71,943
Deferred tax assets	5	2,283	2,167
Intangible assets	11	19,798	17,034
Total non-current assets		136,049	91,144
Total assets		269,869	241,764
CURRENT LIABILITIES			
Payables	12	28,874	30,202
Derivative financial instruments	13	10	308
Borrowings	14	2,000	-
Current tax liabilities		902	3,192
Provisions	15	10,758	9,528
Total current liabilities		42,544	43,230
NON-CURRENT LIABILITIES			
Provisions	15	977	720
Total non-current liabilities		977	720
Total liabilities		43,521	43,950
Net assets		226,348	197,814
EQUITY			
Contributed equity	16	106,774	46,758
Reserves	17	8,778	2,098
Retained earnings	18	110,796	148,958
Total equity		226,348	197,814

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2015

Consolidated Entity	Contributed equity (\$'000s)	Reserves (\$'000s)	Retained earnings (\$'000s)	Total equity (\$'000s)
Balance as at 1 July 2014	46,758	2,098	148,958	197,814
Profit for the year	-	-	44,093	44,093
Movement in fair value of cash flow hedges, net of tax	-	647	-	647
Exchange differences on translation of foreign operations, net of tax	-	6,033	-	6,033
Total comprehensive income for the year	-	6,680	44,093	50,773
Transactions with owners in their capacity as owners:				
Contributions (net of underwriter's fee)	59,865	-	-	59,865
Employee share issue	151	-	-	151
Dividends paid	-	-	(82,255)	(82,255)
Total transactions with owners in their capacity as owners	60,016	-	(82,255)	(22,239)
Balance as at 30 June 2015	106,774	8,778	110,796	226,348
Balance as at 1 July 2013	46,618	3,878	127,047	177,543
Profit for the year	-	-	42,570	42,570
Movement in fair value of cash flow hedges, net of tax	-	(285)	-	(285)
Exchange differences on translation of foreign operations, net of tax	-	(1,495)	-	(1,495)
Total comprehensive income for the year	-	(1,780)	42,570	40,790
Transactions with owners in their capacity as owners:				
Employee share issue	140	-	-	140
Dividends paid	-	-	(20,659)	(20,659)
Total transactions with owners in their capacity as owners	140	-	(20,659)	(20,519)
Balance as at 30 June 2014	46,758	2,098	148,958	197,814

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2015

		CONSOLIDATED	
	Note	JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
Cash Flows From Operating Activities			
Receipts from customers		352,697	319,047
Payments to suppliers and employees		(294,524)	(269,045)
Interest received		485	1,206
Finance costs		(220)	-
Income tax paid		(18,084)	(14,702)
Net cash provided by Operating activities	20	40,354	36,506
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(46,492)	(16,298)
Payments for development costs		(1,994)	(1,856)
Payments for investments & goodwill	21	(1,648)	(3,006)
Proceeds from sales of property, plant & equipment		438	303
Net cash used in Investing activities		(49,696)	(20,857)
Cash Flows From Financing Activities			
Dividends paid		(21,889)	(20,659)
Proceeds from borrowings		16,000	-
Repayment of borrowings		(14,000)	-
Net cash used in Financing activities		(19,889)	(20,659)
Foreign exchange differences		450	81
Net increase/(decrease) in cash held		(28,781)	(4,929)
Cash at the beginning of the financial year		38,835	43,764
Cash at the end of the financial year	20	10,054	38,835

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements
For the Year Ended 30 June 2015

1. Statement of significant accounting policies

The following is a summary of significant accounting policies adopted by the consolidated entity ("the Group") in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated entity is a for-profit entity for the purpose of preparing the financial statements.

The financial report covers ARB Corporation Limited and its controlled entities as a consolidated entity. ARB Corporation Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors as at the date of the Directors' report.

Compliance with IFRS

The consolidated financial statements of ARB Corporation Limited also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

The 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) Going concern

The financial report has been prepared on a going concern basis.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the Company and all entities which the Company controls. ARB Corporation Limited has the power to control the financial and operating policies so as to obtain benefits from the activities of its subsidiaries. Details of the controlled entities are contained in Note 25.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are fully consolidated from the date on which control is established.

(d) Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at transfer of ownership of the goods to the customer.

Revenue from rendering services to customers is recognised upon delivery of the service to the customer.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of six months or less held at call with financial institutions, and bank overdrafts.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and consumables: purchase cost on a first-in-first-out basis;
- Finished goods and work in progress: cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

1. Statement of significant accounting policies (continued)

(g) Property, plant and equipment

Cost and valuation

Freehold land and buildings are shown at cost less accumulated depreciation for buildings and accumulated impairment losses.

All other classes of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

Land is not depreciated. The depreciable amounts of all other fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

The useful lives for each class of assets are:

	<u>2015</u>	<u>2014</u>
- Buildings:	40 years	40 years
- Plant and equipment:	3 to 10 years	3 to 10 years

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the term of the lease.

(i) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control. Deferred consideration payable is discounted to present value using the Group's incremental borrowing rate.

Goodwill is recognised initially at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed.

Acquisition related costs are expensed as incurred.

(j) Intangibles

Goodwill

Goodwill is initially measured as described in Note 1 (i).

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Research and Development

Expenditure on research activities is recognised as an expense when incurred.

Expenditure on motor vehicle accessories design and development activities is capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost of the intangible asset over its estimated useful lives, which range from 3 to 5 years. Amortisation commences when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

Distribution Rights

Distribution rights are recorded at fair value on acquisition.

Amortisation is calculated using a straight-line method to allocate the cost over the period of the distribution rights.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

1. Statement of significant accounting policies (continued)

(k) Impairment of non-financial assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(l) Taxes

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation

The parent entity and its controlled Australian entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered into a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(m) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(n) Financial instruments

Loans and Receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method. Loans and receivables are tested for impairment. Any impairment loss is recognised in the profit and loss.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties.

Hedge Accounting

Certain derivatives are designated as hedging instruments and are classified as cash flow hedges.

At the inception of each hedging transaction the Group documents the relationship between the hedging instruments and hedged items, its risk management objective and its strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

Cash flow hedge

To qualify as a cash flow hedge the underlying transactions generating the cash flows must be highly probable.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity in the cash flow hedging reserve. The gain or loss is released to profit or loss in the same period when the forecast transactions occur, thereby mitigating any exchange fluctuations that would have transpired in the absence of the hedge.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

1. Statement of significant accounting policies (continued)

(o) Foreign currency

Functional and presentation currency

The financial statements of each Group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated entity are translated into their functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different to the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate prevailing on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised as Other Comprehensive Income.

(p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(r) Rounding amounts

The Group is of a kind referred to in ASIC Class Order CO 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.

(s) New accounting standards and interpretations issued but not operative at 30 June 2015

AASB 9 *Financial Instruments*, simplifies the approach for classification and measurement of financial assets and financial liabilities, when compared with AASB 139. When adopted, the standard could change the classification and measurement of financial assets. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income for equity investments that are not held for trading. The new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. Therefore, there will be no impact on the consolidated entity's accounting for financial liabilities.

In December 2013, new general hedge accounting requirements are also incorporated in AASB 9. The new model aligns hedge accounting more closely with risk management, and will be easier to apply and reduce the costs of implementation. However, the new model requires extended disclosure. The standard is not applicable until 1 January 2018 but is available for early adoption. The consolidated entity has yet to assess the impact of new general hedge accounting model on its hedge arrangements. The consolidated entity has decided not to early adopt AASB 9 at 30 June 2015.

AASB 15 *Revenue from contracts with customers* introduces a five step process for revenue recognition with the core principle being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. The five step approach is as follows:

- Step 1: Identify the contracts with the customer;
- Step 2: Identify the separate performance obligations;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price; and
- Step 5: Recognise revenue when a performance obligation is satisfied.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The effective date is annual reporting periods beginning on or after 1 January 2017.

A number of other accounting standards and interpretations have been issued at the reporting date but are not yet effective. The Directors have not yet assessed the impact of these standards or interpretations.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

2. Financial risk management

The consolidated entity is exposed to a variety of financial risks comprising:

- (a) Currency risk
- (b) Interest rate risk
- (c) Credit risk
- (d) Liquidity risk
- (e) Fair values

The Board of Directors has overall responsibility for ensuring that the risk mitigation actions recommended by the Risk Management Committee are implemented. The Board's policy with respect to the Group's exposure to financial risks is to seek to minimise potential adverse effects on the financial performance as a result of risks arising from financial instruments.

(a) Currency risk

Derivative financial instruments are used by the Group to hedge exposure to exchange rate risk associated with foreign currency transactions. Transactions for hedging purposes are undertaken without the use of collateral as the Group only deals with reputable institutions with sound financial positions.

The Group enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the consolidated entity against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies.

Forward exchange contracts as at 30 June were:

	JUN 2015 A(\$'000s)	JUN 2014 A(\$'000s)	JUN 2015 Forward Exchange Rate \$	JUN 2014 Forward Exchange Rate \$
Settlement - less than 6 months				
Sell AUD/Buy JPY	316	182	90.88	92.37
Sell AUD/Buy SEK	2,694	3,089	6.4953	5.9885
Sell AUD/Buy THB	10,854	6,585	26.2572	29.6117

The Group trades in various foreign currencies for both sales and purchases.

The Group purchases some equipment and products in New Zealand Dollars (NZD), Japanese Yen (JPY), Thai Baht (THB), Swedish Krona (SEK) and Euro (EUR). To minimise the risk on the exposure to these currencies, the Group may take out hedge contracts.

There is a net deficit of United States Dollars (USD) received over the Group's United States Dollars payments. Accordingly, the Group monitors the foreign currency exchange rates and may take out hedge contracts to stabilise the Group's purchase of United States Dollars.

If the Group considers its exposure in a foreign currency to be significant it will consider the use of hedging contracts.

Sensitivity

No reasonable movement in the Australian dollar (AUD) rates used to determine the fair value of the consolidated entity's financial instruments would result in a significant impact on profit or equity.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

2. Financial risk management (continued)

(b) Interest rate risk

The Group monitors its cash flow on a daily basis. Borrowings as at the year ended 30 June 2015 were \$2.0 million (2014: \$nil). Finance facilities available and used as at the reporting date are disclosed in Note 14.

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the balance date, are as follows:

Consolidated Entity	Note	Weighted Average Interest rate	Floating Interest rate (\$'000s)	Fixed interest maturing in:		Non Interest Bearing (\$'000s)	Total (\$'000s)
				1 year or less (\$'000s)	More than 1 year (\$'000s)		
2015							
<i>Financial assets</i>							
Cash	20	1.20%	10,054	-	-	-	10,054
Receivables	7	-	-	-	-	42,216	42,216
Derivative financial instruments	13	-	-	-	-	349	349
<i>Financial liabilities</i>							
Payables	12	-	-	-	-	28,874	28,874
Borrowings	14	3.09%	2,000	-	-	-	2,000
Derivative financial instruments	13	-	-	-	-	10	10
2014							
<i>Financial assets</i>							
Cash	20	2.79%	38,835	-	-	-	38,835
Receivables	7	-	-	-	-	39,762	39,762
<i>Financial liabilities</i>							
Payables	12	-	-	-	-	30,202	30,202
Derivative financial instruments	13	-	-	-	-	308	308

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and Notes to the Financial Statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts is the net fair value of these contracts.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

Concentrations of credit risk

The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers. The majority of cash holdings are held on deposit with Australian banks.

(d) Liquidity risk

The Group monitors its cash flow on a daily basis to ensure it can meet its obligations associated with financial liabilities.

Maturity analysis

All financial liabilities are due to be settled within the next six months in accordance with their contractual terms.

(e) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the Consolidated Statement of Financial Position and Notes to the Financial Statements.

The fair values of derivative hedging instruments have been determined based on observable inputs including foreign currency forward exchange rates. Derivative hedging instruments are classified as Level 2 in the fair value measurement hierarchy. These foreign currency forward contracts are valued on a discounted cash flow basis using forward exchange rates. All other financial assets and liabilities carrying amounts are a reasonable approximation of fair values as they are short term trade receivables and payables.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

	CONSOLIDATED	
	JUN 2015	JUN 2014
	(\$'000s)	(\$'000s)
3. Revenues from continuing operations		
Sales revenue		
Revenue from sale of goods	329,755	297,779
Other income:		
- Interest	485	1,206
- Net gain on disposal of property, plant and equipment	177	157
- Foreign exchange gains/(losses)	1,263	(789)
- Other	1,676	1,594
Total other income	3,601	2,168
Total income from continuing operations	333,356	299,947
4. Profit from continuing operations		
Profit from continuing operations before income tax has been determined after the following specific expenses:		
Cost of goods sold	184,706	174,211
Depreciation of non-current assets:		
Buildings	1,147	976
Plant and equipment	6,306	5,351
	7,453	6,327
Amortisation of non-current assets:		
Development costs capitalised	878	1,060
Distribution right	-	15
	878	1,075
Total depreciation and amortisation	8,331	7,402
Other expense items:		
- Provision for impairment of receivables	(224)	117
- Research and development expenditure	5,596	4,604
- Operating lease rentals	5,567	5,207

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

	CONSOLIDATED	
	JUN 2015	JUN 2014
	(\$'000s)	(\$'000s)
5. Income tax		
(a) The components of tax expense:		
Current tax	15,885	14,465
Deferred tax	102	400
Under/(over) provision prior year	(64)	(144)
Total income tax expense	15,923	14,721
(b) Income tax expense		
Prima facie income tax expense at 30% (2014: 30%) on the operating profit	18,005	17,187
Increase/(decrease) in income tax expense due to:		
Differences in overseas tax rates	(1,880)	(2,199)
Research & development & building allowance deductions	(186)	(186)
Other	48	63
Income tax expense on operating profit	15,987	14,865
Under/(over) provision prior year	(64)	(144)
Total income tax expense	15,923	14,721
(c) Deferred tax		
Deferred tax assets		
Deferred tax asset comprises the estimated future benefit at applicable income tax rates of the following items:		
Provisions, accruals and accrued employee benefits	3,454	2,980
Doubtful debt impairment	400	491
Inventory write-down	458	408
Income tax expense on group unrealised profit	1,057	838
Other	335	-
	5,704	4,717
Deferred tax liabilities		
Provision for deferred income tax comprises the estimated expenses at applicable income tax rates for the following items:		
Difference in depreciation and amortisation of property, plant and equipment for accounting and income tax purposes	1,513	1,194
Development costs capitalised	1,524	1,209
Other income not yet assessable	384	147
	3,421	2,550
Net deferred tax assets	2,283	2,167

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

6. Dividends	Note	CONSOLIDATED	
		JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
Dividends recommended or paid by the Company are:			
Recognised Amounts			
(i) a final fully franked ordinary dividend of 16 cents per share (2014: 15.5 cents fully franked) was paid on 24 October 2014		11,599	11,235
(ii) A fully franked special dividend of \$1.00 per share was paid on 5 December 2014		60,366	-
(iii) an interim fully franked ordinary dividend of 13 cents per share (2014: 13 cents fully franked) paid on 17 April 2015		10,290	9,424
	18	82,255	20,659

Unrecognised Amounts

(iv) a final fully franked ordinary dividend is proposed of 16 cents per share (2014: 16 cents fully franked) to be paid on 23 October 2015		12,665	11,599
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The final dividend proposed was declared subsequent to the financial year end and has therefore not been recognised as a liability.

The dividends paid by the Company were fully franked at the tax rate of 30% (2014: 30%) and the recommended final dividend will be fully franked at the tax rate of 30%.

Dividend franking account

The balance of the franking account at year end that could be distributed as franked dividends using franking credits already in existence or which will arise from the payment of income tax provided for in the financial statements and after deducting franking credits to be used in payment of the above dividends:

Franking Credits (measured on a tax paid basis under Australian Legislation)	24,430	44,735
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7. Receivables

Current

Trade receivables	41,698	39,477
Other receivables	1,842	1,922
	43,540	41,399
Less: provision for impairment	(1,324)	(1,637)
	42,216	39,762

Provision for impairment

Receivables ageing analysis at 30 June is:	CONSOLIDATED		CONSOLIDATED	
	Gross 2015 (\$'000s)	Impairment 2015 (\$'000s)	Gross 2014 (\$'000s)	Impairment 2014 (\$'000s)
Not past due	35,773	(801)	33,037	(1,113)
Past due 0 - 30 days	6,066	(122)	5,180	(117)
Past due 31 - 90 days	1,322	(76)	2,126	(111)
Past due more than 91 days	379	(325)	1,056	(296)
	43,540	(1,324)	41,399	(1,637)

Trade receivables are non interest bearing with 30 day terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. The impairment losses have been included within Other expenses in the Consolidated Income Statement. All trade receivables that are not impaired are expected to be received.

Movements in the provision for impairment were:	CONSOLIDATED	
	JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
Opening balance at 1 July	(1,637)	(1,792)
(Charge) / writeback for the year	224	(117)
Amounts written off	106	270
Foreign exchange translation	(17)	2
Closing balance at 30 June	(1,324)	(1,637)

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

	CONSOLIDATED	
	JUN 2015	JUN 2014
	(\$'000s)	(\$'000s)
8. Inventories		
Current		
Raw materials and work in progress	17,825	15,870
Finished goods	49,584	41,287
Goods in transit, at cost	10,412	13,286
	<u>77,821</u>	<u>70,443</u>
9. Other assets		
Current		
Prepayments	<u>3,380</u>	<u>1,580</u>
10. Property, plant and equipment		
Land and buildings, at cost	86,355	51,727
Less: accumulated depreciation	(6,510)	(5,468)
	<u>79,845</u>	<u>46,259</u>
Plant and equipment, at cost	81,413	65,505
Less: accumulated depreciation	(47,290)	(39,821)
	<u>34,123</u>	<u>25,684</u>
Total property, plant and equipment	<u>113,968</u>	<u>71,943</u>
Net book value		
(a) Movements in the carrying amounts		
Freehold Land and Buildings		
Balance at the beginning of financial year	46,259	37,609
Additions	32,830	10,314
Disposals	(38)	(34)
Depreciation	(1,147)	(976)
Foreign exchange impact	1,941	(654)
Balance at the end of financial year	<u>79,845</u>	<u>46,259</u>
Plant & Equipment		
Balance at the beginning of financial year	25,684	25,547
Additions	13,662	5,984
Disposals	(223)	(112)
Depreciation	(6,306)	(5,351)
Foreign exchange impact	1,306	(384)
Balance at the end of financial year	<u>34,123</u>	<u>25,684</u>

(b) Property, plant and equipment have been granted as security over bank facilities. Refer to Note 14 for details.

(c) Fair value of freehold land and buildings – The Group obtains independent property valuations of freehold land and buildings on a 3 year rotational basis. The total current valuations for freehold land and buildings are \$84.2 million, compared with the collective carrying value of \$79.8 million. The fair value measurements have been determined as level 3 in the fair value measurement hierarchy. The valuations are based on the expected vacant possession sales price with consideration of comparable sales information and prevailing rental capitalisation rates.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

	CONSOLIDATED	
	JUN 2015	JUN 2014
	(\$'000s)	(\$'000s)
11. Intangible assets		
Distribution right, at cost	-	300
Less: accumulated amortisation	-	(300)
	-	-
Goodwill	14,653	13,005
Development, at cost	15,678	13,694
Less: accumulated amortisation	(10,533)	(9,665)
	5,145	4,029
	19,798	17,034
Movements in the carrying amounts		
Distribution right		
Balance at the beginning of financial year	-	15
Amortisation	-	(15)
Balance at the end of financial year	-	-
Goodwill		
Balance at the beginning of financial year	13,005	9,999
Additions	1,648	3,006
Balance at the end of financial year	14,653	13,005
Development costs		
Balance at the beginning of financial year	4,029	3,233
Additions	1,994	1,856
Amortisation	(878)	(1,060)
Balance at the end of financial year	5,145	4,029

Impairment

Goodwill is allocated to the following cash-generating units. The impairment test for each of these units has been prepared using a value in use calculation with a calculation for year 1 cash flows approved by management and years 2 to 5 projected using the growth rate below. Growth rates are based upon Directors' assumptions and consideration of historical averages.

	Goodwill	Growth	Discount	Period of
	(\$'000s)	rate	Rate	projection
			(post tax)	
2015				
Thule Car Rack systems	1,748	5.0%	10.0%	5 years
Kingsley Enterprises	3,226	4.5%	10.0%	5 years
SmartBar	1,648	5.0%	10.0%	5 years
ARB Corporation (Australia)	8,031	6.5%	10.0%	5 years
2014				
Thule Car Rack systems	1,748	5.0%	10.0%	5 years
Kingsley Enterprises	3,226	4.5%	10.0%	5 years
ARB Corporation (Australia)	8,031	6.5%	10.0%	5 years

No reasonable change in any of the key assumptions would result in an impairment.

	CONSOLIDATED	
	JUN 2015	JUN 2014
	(\$'000s)	(\$'000s)
12. Payables		
Current		
Trade payables	22,559	25,762
Other payables	6,315	4,440
	28,874	30,202

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

13. Derivative financial instruments	Note	CONSOLIDATED	
		JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
Derivatives that are designated and effective as hedging instruments carried at fair value:			
Current assets			
Forward exchange contracts		349	-
Current liabilities			
Forward exchange contracts		10	308
14. Borrowings			
Current			
Secured Borrowings		2,000	-
(a) Financing arrangements			
The consolidated entity has access to the following lines of credit:			
Total facilities available:			
Bank overdraft		500	500
Interchangeable facility		15,000	-
Online facility		2,000	2,000
Lease guarantees		750	650
		18,250	3,150
Facilities utilised at balance date:			
Interchangeable facility		2,000	-
Lease guarantees		632	417
		2,632	417
Facilities not utilised at balance date:			
Bank overdraft		500	500
Interchangeable facility		13,000	-
Online facility		2,000	2,000
Lease guarantees		118	233
		15,618	2,733

Bank overdraft

The bank overdraft is subject to annual review. Following such review, the bank retains the right at its discretion to review all of the terms and conditions of the facilities including without limitation all facility limits, fees, pricing, security and facility conditions. This facility was unused at 30 June 2015.

Interchangeable facility

The interchangeable facility is subject to annual review.

Online facility

This facility is used for the clearance of wages and was unused at 30 June 2015.

Security & Conditions

The above facilities are secured by a First Registered Company Charge over all assets and undertakings of the Company and its Australian controlled entities.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

	CONSOLIDATED	
	JUN 2015	JUN 2014
	(\$'000s)	(\$'000s)
15. Provisions		
Current		
Employee benefits	10,758	9,528
Non-current		
Employee benefits	977	720
Total employee benefits	11,735	10,248

16. Contributed equity

Issued and paid up capital

79,156,214 ordinary shares (2014: 72,493,302)	106,774	46,758
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Fully paid ordinary shares carry one vote and carry the right to dividends.

	CONSOLIDATED		CONSOLIDATED	
	JUN 2015	JUN 2014	JUN 2015	JUN 2014
	No. of shares		(\$'000s)	(\$'000s)
<u>Movements during the year</u>				
Balance at the beginning of the financial year	72,493,302	72,481,302	46,758	46,618
Dividend reinvestment plan, Bonus share plan and associated underwriting	6,650,912	-	60,366	-
Other shares issued	12,000	12,000	151	140
Transaction costs of share issue	-	-	(501)	-
Balance at the end of the financial year	79,156,214	72,493,302	106,774	46,758

Capital management

When managing capital, the Board monitors, with consideration of the domestic and international economic climates, the Group's debt and liquidity levels. The capital management objective is to maintain the dividend payment ratio, whilst generating cash for future growth. It is the Board's current intention to maintain a dividend payout ratio of between 40% to 60% of Net Profit after Tax, excluding any special dividends.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

17. Reserves	Note	CONSOLIDATED	
		JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
Capital profits reserve		4,090	4,090
Foreign currency translation reserve		4,349	(1,684)
Cash flow hedge reserve		339	(308)
		<u>8,778</u>	<u>2,098</u>
Capital profits reserve			
Balance at the beginning and end of the financial year		<u>4,090</u>	<u>4,090</u>
Capital profits reserve reflects previously realised profits on sale of capital assets.			
Foreign currency translation reserve			
Balance at the beginning of the financial year		(1,684)	(189)
Movement during the year		<u>6,033</u>	<u>(1,495)</u>
Balance at the end of the financial year		<u>4,349</u>	<u>(1,684)</u>
Foreign currency translation reserve reflects exchange differences on translation of foreign operations.			
Cash flow hedge reserve			
Balance at the beginning of the financial year		(308)	(23)
Amount recognised in equity		<u>647</u>	<u>(285)</u>
Balance at the end of the financial year		<u>339</u>	<u>(308)</u>
Cash flow hedge reserve reflects the difference between the hedge contracts translated at the year end and contractual exchange rates.			
18. Retained earnings			
Retained earnings		<u>110,796</u>	<u>148,958</u>
Retained earnings			
Balance at the beginning of the financial year		148,958	127,047
Net profit attributable to members of the parent entity		44,093	42,570
Dividends paid	6	<u>(82,255)</u>	<u>(20,659)</u>
Balance at the end of the financial year		<u>110,796</u>	<u>148,958</u>

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

	COMPANY	
	JUN 2015 (\$'000s)	JUN 2014 (\$'000s)
19. Parent entity information		
Profit before income tax expense	52,692	54,410
Income tax expense	(14,268)	(13,365)
Profit attributable to members of the parent entity	38,424	41,045
Total comprehensive income for the year attributable to members of the parent entity	38,742	40,760
The Profit before income tax expense includes dividends received from subsidiaries of \$Nil (2014: \$8,678,000) which are eliminated on consolidation.		
Current assets	115,082	139,633
Total assets	242,565	230,280
Current liabilities	36,657	36,869
Total liabilities	37,633	37,590
Net assets	204,932	192,690
Equity		
Contributed equity	106,774	46,758
Capital profits reserve	3,991	3,991
Cash flow hedge reserve	339	(308)
Retained earnings	93,828	142,249
Total equity	204,932	192,690
Capital expenditure commitments		
Contracted, but not provided for and payable within one year	3,650	10,828
20. Cash flow information		
(i) Reconciliation of Cash		
Cash	10,054	38,835
(ii) Reconciliations of the net profit after tax to the net cash flows from operations:		
Net profit	44,093	42,570
Add/(less) items classified as Investing/financing activities:		
(Profit)/loss on disposal of non-current assets	(177)	(157)
Add/(less) non-cash items		
Depreciation and amortisation	8,331	7,402
Provision for impairment of receivables	(313)	(155)
Impact of foreign exchange	2,633	(528)
Net cash provided by operating activities before change in assets and liabilities	54,567	49,132
Change in assets and liabilities		
(Increase)/decrease in inventories	(7,378)	(11,715)
(Increase)/decrease in prepayments	(1,800)	(1,214)
(Increase)/decrease in other receivables	80	459
(Increase)/decrease in trade receivables	(2,221)	(3,211)
(Increase)/decrease in deferred tax asset	(116)	613
(Decrease)/increase in payables	(1,328)	1,980
(Increase)/decrease in derivative financial instruments	(647)	285
(Decrease)/increase in provisions	1,487	818
(Decrease)/increase in income tax payable	(2,290)	(641)
Net cash flow from operating activities	40,354	36,506

(iii) Credit stand-by arrangements and loan facilities are identified at Note 14.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

21. Business combinations

Current year

During the year the consolidated entity purchased a manufacturing business, SmartBar in South Australia (September 2014), and a retail store in Port Macquarie, New South Wales (February 2015).

A summary of these aggregated transactions is:

	\$'000s
Total consideration paid	<u>2,619</u>

Assets and liabilities acquired

	Fair value at acquisition \$'000s
Assets and liabilities acquired	
Inventory	355
Plant and equipment	705
Deferred tax asset	36
Employee entitlements	(121)
Other assets / (liabilities)	(4)
Net assets acquired	<u>971</u>
Goodwill	<u>1,648</u>

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

Goodwill is not deductible for tax purposes.

Contribution since acquisition

For the year ended 30 June 2015, the two businesses contributed combined revenue of \$3,351,000 and combined profit after tax of \$493,000 which is included within the consolidated profit for that period.

Prior year

During the prior year the consolidated entity purchased two retail stores in Australia: Welshpool in Western Australia (February 2014) and Darwin in Northern Territory (30 June 2014).

A summary of these aggregated transactions is:

	\$'000s
Total consideration paid	<u>4,049</u>

Assets and liabilities acquired

	Fair value at acquisition \$'000s
Assets and liabilities acquired	
Inventory	884
Plant and equipment	268
Deferred tax asset	46
Employee entitlements	(155)
Net assets acquired	<u>1,043</u>
Goodwill	<u>3,006</u>

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

Goodwill is not deductible for tax purposes.

Contribution since acquisition

For the year ended 30 June 2014 the two retail stores contributed revenue of \$1,683,000 and a profit after tax of \$135,000 which is included within the consolidated profit for that period.

Acquisitions in both the current and prior financial years were for the business assets only and accordingly appropriate accounting records are not available to ascertain what the contribution to revenue and profits would have been if the acquisitions had been at the beginning of the reporting period.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

22. Commitments and contingencies

CONSOLIDATED
JUN 2015 JUN 2014
(\$'000s) (\$'000s)

Operating lease commitments

All operating leases are property leases.

Minimum lease payments

Future operating lease rentals of property, not provided for and payable as follows:

Not later than one year

Later than one year but not later than five years

Later than five years

4,858 5,847
11,006 12,732
952 620

16,816 19,199

Capital expenditure commitments

Contracted, but not provided for and payable within one year

4,911 11,803

23. Earnings per share

CONSOLIDATED
JUN 2015 JUN 2014
cents cents

Earnings per share (cents)

57.8 58.7

Weighted average number of ordinary shares used in the calculation of basic earnings per share

76,291,663 72,485,445

Diluted earnings per share do not differ from basic earnings per share and are therefore not separately disclosed.

24. Auditor's remuneration

CONSOLIDATED
JUN 2015 JUN 2014
(\$'000s) (\$'000s)

Remuneration of Pitcher Partners, the auditor of the parent entity for:

- Auditing or reviewing the financial report
- Taxation services
- Other compliance and advisory services

209 209
31 20
18 5

Auditing or reviewing the financial report of subsidiaries

- Remuneration of network firms of Pitcher Partners
- Remuneration of other non-related auditors

32 30
31 33

Total auditors' remuneration

321 297

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

	CONSOLIDATED	
	JUN 2015	JUN 2014
	(\$'000s)	(\$'000s)

25. Controlled entities

The consolidated financial statements include the financial statements of ARB Corporation Limited and its controlled entities listed below:

Parent entity	Country of Incorporation	JUN 2015	JUN 2014
ARB Corporation Limited	Australia	%	%
Controlled entities			
Air Locker, Inc.	United States of America	100	100
Kingsley Enterprises Pty Ltd	Australia	100	100
Off Road Accessories Ltd	Thailand	100	100
ARB Off Road Ltd	Thailand	100	100
ARB Europe s.r.o	Czech Republic	100	100

26. Directors and executives

Details of Key Management Personnel

R.G. Brown	Executive Chairman
A.H. Brown	Managing Director
J.R. Forsyth	Executive Director and Company Secretary
R.D. Fraser	Non-executive Director
E.E. Kulmar	Non-executive Director
A.P. Stott	Non-executive Director

Key Management Personnel remuneration by category	JUN 2015	JUN 2014
	\$	\$
Short term employment benefits	1,140,082	1,118,846
Post employment benefits	118,327	112,103
	1,258,409	1,230,949

27. Related party transactions

Directors

The name of each person holding the position of Director of ARB Corporation Limited during the financial year is R.G. Brown, A.H. Brown, J.R. Forsyth, R.D. Fraser, E.E. Kulmar and A.P. Stott.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the economic entity since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at year end.

Controlled entities

Details of interests in the controlled entities, being wholly-owned subsidiary companies, are set out at Note 25. All transactions between the Company and its controlled entities have been eliminated on consolidation.

Ultimate parent entity

The immediate parent entity and ultimate parent entity is ARB Corporation Limited.

Loans

Loans from the Company to its overseas controlled entities are charged interest monthly at arm's length rates on the outstanding balance.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2015

28. Segment information

The major products/services from which the economic entity derived revenue during the year remained unchanged and were the design, manufacture, distribution and sale of motor vehicle accessories and light metal engineering works.

The reportable segments of the consolidated entity are based on geographical locations comprising operations in Australia, USA, Thailand and Europe.

(a) Income Statement

	Australia (\$'000s)	USA (\$'000s)	Thailand (\$'000s)	Europe (\$'000s)	Eliminations (\$'000s)	Consolidated (\$'000s)
2015						
Segment revenue						
Total segment revenue	316,597	38,958	46,067	6,805	(75,071)	333,356
Intersegmental revenues	(32,550)	-	(42,521)	-	75,071	-
Segment revenue from external source	284,047	38,958	3,546	6,805	-	333,356
Total segment result	38,875	893	8,594	676	(4,945)	44,093
Intersegmental eliminations	(4,945)	-	-	-	4,945	-
Segment result from external source	33,930	893	8,594	676	-	44,093
Items included within the segment result:						
Net interest income	252	-	13	-	-	265
Depreciation and amortisation expense	6,296	112	1,893	30	-	8,331
Income tax expense	14,466	626	900	151	(220)	15,923
2014						
Segment revenue						
Total segment revenue	301,472	31,358	39,281	1,343	(73,507)	299,947
Intersegmental revenues	(37,305)	-	(36,202)	-	73,507	-
Segment revenue from external source	264,167	31,358	3,079	1,343	-	299,947
Total segment result	41,396	2,171	7,846	(63)	(8,780)	42,570
Intersegmental eliminations	(8,780)	-	-	-	8,780	-
Segment result from external source	32,616	2,171	7,846	(63)	-	42,570
Items included within the segment result:						
Net interest income	1,199	-	7	-	-	1,206
Depreciation and amortisation expense	5,893	100	1,401	8	-	7,402
Income tax expense	13,497	1,091	158	-	(25)	14,721

(b) Statement of Financial Position

	Australia (\$'000s)	USA (\$'000s)	Thailand (\$'000s)	Europe (\$'000s)	Eliminations (\$'000s)	Consolidated (\$'000s)
2015						
Segment assets	255,739	16,961	43,086	6,083	(52,000)	269,869
Segment liabilities	48,794	7,639	12,610	5,581	(31,103)	43,521
Segment acquisition of property, plant, equipment and intangibles	43,460	280	6,270	124	-	50,134
2014						
Segment assets	240,874	14,544	32,738	3,664	(50,056)	241,764
Segment liabilities	46,790	8,457	14,647	3,680	(29,624)	43,950
Segment acquisition of property, plant, equipment and intangibles	19,612	261	1,078	209	-	21,160

29. Subsequent events

There has been no matter or circumstance, which has arisen since 30 June 2015 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2015 of the consolidated entity,
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2015 of the consolidated entity.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 11 to 35 are in accordance with the Corporations Act 2001:

- (a) Complying with Accounting Standards, and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
- (b) Complying with International Financial Reporting Standards as indicated in Note 1; and
- (c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance for the 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 has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

This declaration is made in accordance with a resolution of the Directors.



Roger G Brown
Director



John R Forsyth
Director

Melbourne, 19 August, 2015

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARB CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of ARB Corporation Limited and controlled entities, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARB CORPORATION LIMITED AND ITS CONTROLLED ENTITIES

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- (a) the financial report of ARB Corporation Limited and controlled entities is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9-10 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of ARB Corporation Limited and controlled entities for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



M J HARRISON
Partner

19 August 2015



PITCHER PARTNERS
Melbourne

ARB CORPORATION LIMITED AND ITS CONTROLLED ENTITIES**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ARB CORPORATION LIMITED**

In relation to the independent audit for the year ended 30 June 2015, to the best of my knowledge and belief there have been:

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

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



M J HARRISON
Partner

19 August 2015



PITCHER PARTNERS
Melbourne

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Substantial Shareholders

The number of shares to which substantial shareholders were entitled as listed in the Company's register of substantial shareholders at 4 August 2015 was:

Shareholder	Ordinary
Rogand Pty Ltd	7,935,366
Perpetual Limited	7,069,284
Bennelong Funds Management Group Pty Ltd	6,147,551
Aberdeen Asset Management Asia Limited	5,459,128
Hyperion Asset Management Limited	4,898,883

Class of Shares and Voting Rights

At 31 July 2015, there were 5,762 holders of ordinary shares of the Company. The voting rights attaching to the ordinary shares are set out in the Company's Constitution.

Distribution of shareholders (as at 31 July 2015):

	Holders	%	Shares Held	%
1 - 1,000	2,556	44.36	1,230,573	1.55
1,001 - 5,000	2,227	38.65	5,436,452	6.87
5,001 - 10,000	548	9.51	3,998,976	5.05
10,001 - 100,000	396	6.87	9,183,727	11.60
100,001 or more	35	0.61	59,306,486	74.93
	5,762	100.00	79,156,214	100.00

The number of shareholders holding less than a marketable parcel at 31 July 2015 was 102.

Twenty largest shareholders (as at 3 August 2015)

Name of Holder	Number of ordinary shares held	% of issued ordinary shares held
BNP Paribas Noms Pty Ltd <DRP>	8,478,384	10.71
HSBC Custody Nominees (Australia) Limited	8,429,733	10.65
Rogand Pty Ltd	7,851,183	9.92
J P Morgan Nominees Australia Limited	7,652,007	9.67
RBC Investor Services Australia Nominees Pty Limited <PI Pooled Account>	4,764,842	6.02
National Nominees Limited	4,399,507	5.56
Citicorp Nominees Pty Ltd	3,647,326	4.61
RBC Investor Services Australia Nominees Pty Limited <BKCust Account>	2,115,548	2.67
Formax Pty Ltd (Reparar Account)	2,086,723	2.64
Netwealth Investments Limited <Wrap Services Account>	1,104,060	1.39
Australian Foundation Investment Company Limited	948,068	1.20
BKI Investment Company Limited	945,447	1.19
Milton Corporation Limited	813,065	1.03
Citicorp Nominees Pty Ltd <Colonial First State Inv Account>	748,332	0.95
Mrs Pamela Shirley Carpenter	653,831	0.83
RBC Investor Services Australia Nominees Pty Limited <PIIC Account>	575,426	0.73
Mr Gerard James Van Paassen (The Van Paassen Fam Account)	444,556	0.56
Mirrabooka Investments Limited	433,352	0.55
Illabarook Pty Ltd	350,000	0.44
Mr Ronald Ernest Binks	292,657	0.37

The 20 largest shareholders hold 71.69% of the ordinary shares of the Company.

There is no current on market buy back of shares.

THE YEAR AHEAD

2015 is a special year for ARB. As we celebrate our 40th anniversary, not only will we continue to pioneer as the industry leader in 4WD accessories, we will also reflect on our humble beginnings.

To help celebrate four decades as an iconic Australian business, we're initiating a very special project called Off Road Icons. The project will see us purchase and restore a handful of the most iconic vehicles of the past 40 years and pit them up against one of Australia's most iconic destinations – the Simpson Desert.

As always, we'll continue to forge ahead with new products, new stores, advancing technologies and continued growth in key international markets.

2015, a year to look back with pride and forward with excitement.





4X4 ACCESSORIES