



ARB Corporation Ltd

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8 October 2009

**SPECIAL DIVIDEND
RECOMMENCEMENT OF REVISED DRP AND BSP**

The Board was pleased to announce at today's Annual General Meeting of the Company that it has declared a **special fully franked dividend of \$0.40 per share** ("Special Dividend"). The Record Date for the Special Dividend is 13 November 2009 and it will be paid on 1 December 2009.

The Special Dividend will distribute to shareholders a significant part of ARB's accumulated franking credits. The Board believes that this capital management initiative provides significant value to shareholders.

The Board resolved to recommence the operation of the ARB Dividend Reinvestment Plan and the ARB Bonus Share Plan (together the "Plans") with respect to the Special Dividend only with effect from 14 October 2009. Shareholders may elect to take all or part of their Special Dividend in the form of cash or shares in accordance with the Plans.

Shareholders should note that in recommencing the Plans, the Board has also varied and modified the Rules of the Plans. Previously, the number of shares issued pursuant to the Plans was based on a discount (5%) to the market price per share of all shares sold on ASX in the five business days prior to and including the Record Date for the relevant dividend.

The formulae in the Rules have been amended so that the number of shares allocated under the Plans in relation to the Special Dividend will be based on the **lower of**:

- the price determined by the Board in its absolute discretion and announced to ASX as the maximum price per share (if any) for the purposes of the Plans (being **\$4.50** for the Special Dividend); and
- the price derived by applying a discount (being **5.0%** for the Special Dividend) to the volume weighted average market price of ARB shares (on an ex-dividend basis) during the five trading days immediately preceding and inclusive of the Record Date for the Special Dividend (free of any brokerage, commission, stamp duty and other transaction costs), subject to the discretion of the Board to determine the market price in certain circumstances.

The Board believes that the amendments to clause 4.3 and associated definitions in the Rules of both Plans (as summarised above), together with other minor variations to the Rules, enhance the flexibility of the Plans and their attractiveness to shareholders. Shareholders will shortly receive and should read in full the Information Booklet, which contains the revised Rules of the Plans, and seek independent professional advice if they have doubt about any aspect of the changes to the Plans or their operation.

The Plans have been underwritten fully by Taylor Collison Limited stockbrokers, primarily with the support of the Company's major institutional shareholders and new institutional investors.

Please note that any previous participation shareholders may have had in the Plans is no longer operative. Accordingly, **if shareholders wish to participate in the DRP and/or BSP with respect to this Special Dividend, they must complete the Election Form (which will be enclosed with the Information Booklet) according to the instructions on the form and return it to the share registry. The form must be received at the share registry on or before the Record Date of 5pm on 13 November 2009.**

Roger G Brown
Chairman