ANNUAL REPORT 2004

Fleetwood CORPORATION

DELIVERING THE PROMISE

Our Purpose

"To provide an optimal return to our shareholders by satisfying the needs of our clients"

Our Philosophy

We shall at all times:

Hold ourselves committed and accountable for "Delivering the Promise".
Have as our driving force the achievement of client satisfaction.
Offer and provide genuine value for money.
Acknowledge the loyalty of our clients, shareowners, and suppliers.
Recognise and reward the creativity and dedication of our people.
Provide a safe and fulfilling work environment.

Clients' Rights

All Fleetwood clients have the right to:

Feel privileged by the respect extended to them by Fleetwood people.
Be dealt with in an honest, concerned and professional manner.
Have all agreements fulfilled and honoured.
Receive immediate action from Fleetwood people.

Our Beliefs

We live by the beliefs that we:

Want to do business.
Will act with honesty and integrity.
Must seek out and conclude agreements in which each party "wins".
Expect all parties to adhere to the terms of our agreements.
Can be proud of our Company and our achievements.

Service Standards

Our service ideals require Fleetwood people to:

Extend and stretch themselves in servicing clients'.
Acknowledge a person upon arrival at Fleetwood.
Accompany and introduce clients seeking a specific Fleetwood person.
Answer the phone with their name and division before four rings.
Respond within 24 hours to all messages.
Ask questions and seek creative solutions.
Avoid saying "No I'm sorry we can't help you".

Corporate Directory

Directors
Stephen Gill
Peter Gunzburg
Robert Prowse
Greg Tate

Company Secretary
Brad Denison

Auditors
Deloitte Touche Tohmatsu

Bankers
Westpac Banking Corporation

Registered Office
21 Regal Place
East Perth WA 6004
Tel: (08) 9323 3300
Fax: (08) 9202 1106
info@fleetwood.com.au

Share Registrar
Computershare Investor
Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Tel: (08) 9323 2000
Fax: (08) 9323 2033
info@computershare.com.au

Fleetwood Corporation Limited
ABN 69 009 205 261

Contents

Fleetwood Divisions	**3**
5 Year Summary	**4**
Board of Directors	**5**
Managing Director's Review	**5**
Recreational Vehicles	**7**
Manufactured Accommodation	**8**
Parks	**9**
Financial Report 2004	

Fleetwood Divisions

Recreational Vehicles

Camec
Manufacturer and retailer of componentry and accessories to the caravan industry in Australia. Headquartered in Melbourne with operations in Sydney, Brisbane, Perth and Auckland.

Coromal Caravans
Largest caravan manufacturer in Western Australia. Distributing caravans, campers and poptops through a national dealer network.

Windsor Caravans
Caravan manufacturer headquartered in Melbourne. Distributing caravans, campers and poptops through a national dealer network.

Flexiglass Challenge
Largest fibreglass canopy manufacturer and retailer in Australasia. Headquartered in Perth with branches, dealers and agents in every state of Australia and New Zealand.

Manufactured Accommodation

Fleetwood Portables
Portable accommodation providers to the construction and resource industries in Australia. Headquartered in Perth with operations in Adelaide, Darwin and Alice Springs.

Fleetwood Durabuilt
Park home and transportable home manufacturer in Western Australia. Providing homes for retirement, recreation and resource development.

Rainbow
Park home and cabin manufacturer. Headquartered in Melbourne and supplying Victoria, South Australia and southern New South Wales.

Parks

Fleetwood Parks
Largest caravan park operator in Western Australia with parks in Fremantle, Perth, Karratha and Port Hedland.

Financial Overview

$ Million (unless stated)	2004	2003	2002	2001	2000
Revenue	259.9	191.4	166.7	116.7	78.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	39.1	25.0	19.5	16.1	12.1
Depreciation and lease amortisation	5.8	4.7	4.7	5.0	4.7
Earnings before interest, tax and goodwill amortisation (EBITA)	33.3	20.3	14.8	11.1	7.4
Goodwill amortisation	1.8	1.4	1.4	1.3	0.5
Earnings before interest and tax (EBIT)	31.5	18.9	13.4	9.8	6.9
Borrowing costs	2.1	2.3	2.2	2.9	1.6
Income tax expense	9.1	5.4	3.6	2.4	1.6
Operating profit after tax	20.2	11.2	7.6	4.4	3.8
Interest cover (times)	15.9	8.7	6.6	3.8	4.8
Earnings per share (cents)	44.8	29.1	20.9	12.8	13.2
Dividends per share (cents)	18.0	14.0	13.0	12.0	11.5
Assets	165.8	148.1	112.4	111.8	88.6
Debt	27.5	29.2	33.3	42.3	31.2
Shareholders funds	96.4	80.3	48.4	43.8	38.5
Debt / Shareholders funds %	28.6%	36.4%	68.7%	96.4%	81.0%
Cash flows from operations	18.9	17.6	24.2	2.6	5.4
Number of shares on issue (million)	45.5	44.5	36.8	35.7	32.5
Market capitalisation	348.2	181.7	93.8	45.0	40.6
Employees (number)	1,004	769	648	619	298

Peter Gunzburg
Non-Executive Chairman

Managing Director - Eurogold Ltd
Chairman - PieNetworks Ltd
Bachelor of Commerce
Appointed 2002
Lives in Perth. Age 52

Greg Tate
Managing Director, Executive Director

Chartered Accountant
Bachelor of Commerce
Director since 1987
Appointed Managing Director 1990
Lives in Perth. Age 52

Stephen Gill
Marketing Director, Executive Director

Fleetwood executive since 1975
Director since 1990
Lives in Perth. Age 52

Robert Prowse
Non-Executive Director

Investment Manager
Bachelor of Economics
Director since 1999
Lives in Melbourne. Age 53

Naveen Pillay
Non-Executive Director

Barrister and Solicitor
Bachelor of Jurisprudence
Bachelor of Laws
Director since 1994
Lives in Perth. Age 54
Resigned June 2004

For the eleventh year in succession Fleetwood has generated a record result with a 81% increase in Operating Profit to $20.2 million.

Overview

The Recreational Vehicles division was the main earnings driver for Fleetwood during the year. Strong caravan sales impacted positively on Camec, Coromal and Windsor.

Strong demand for accommodation from resource related projects resulted in record earnings for the Parks and Manufactured Accommodation divisions.

Performance

- Revenue increased **36%** to **$260m**
- EBITDA increased **57%** to **$39.1m**
- EBITA increased **64%** to **$33.3m**
- EBIT increased **66%** to **$31.5m**
- Operating profit after tax increased **81%** to **$20.2m**

Developments

Acquisition of Rainbow

In May 2004 Fleetwood acquired Rainbow Transportable Homes, a dominant supplier of park homes and cabins in Victoria, South Australia and southern New South Wales. Rainbow complements Fleetwood's manufactured accommodation operations in Western Australia.

Access to a larger population base on the east coast of Australia provides significant growth opportunities in the park home and cabin markets which are being driven by demand for affordable retirement and tourism accommodation.

Sale of Fleetwood Parks

In July 2004 the Parks division was sold to the Aspen Group for $28 million, resulting in an estimated profit on sale of $11 million which will be reflected in the 2005 financial year.

As part of the sale Fleetwood entered into a Strategic Alliance Agreement with Aspen, which gives Aspen the option to acquire any parks established or developed by Fleetwood in the future and Fleetwood becomes the exclusive supplier of manufactured accommodation to all Aspen owned parks.

Fleetwood's caravan park strategy is to operate parks while they provide value add potential through the development of additional sites and the supply of accommodation manufactured by Fleetwood. As the parks mature they will be sold and the funds reinvested in areas expected to offer higher returns in the future.

Dividends
A fully franked final dividend of 11 cents will be paid.

Fully franked dividends for the year increased by 29% to 18 cents, compared to 14 cents last year.

Fleetwood has increased its fully franked dividend each year for the past ten years.

Our People
On behalf of the Board of Directors and shareholders I sincerely thank our loyal and talented people, who each year make an enormous contribution to ensuring the success of Fleetwood.

It is pleasing to note that many of our people are Fleetwood shareholders and are benefiting from the ongoing success of the company.

Outlook
In Australia an estimated 70% of new caravans and motor homes are purchased by consumers aged 55 and over. The Australian Bureau of Statistics projects that this population segment will increase by one third in the next 20 years to 30% of the total population.

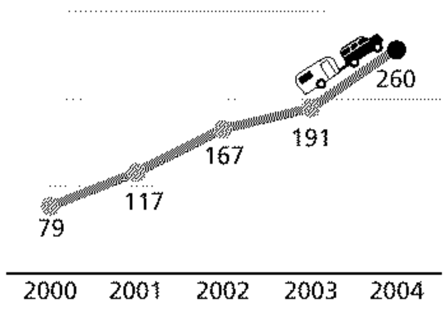
"Baby boomer" retirees numbers are not expected to peak until the year 2008 and average household net worth of retirees is increasing.

The demographic factors driving demand for recreational vehicles are also driving demand for park homes.

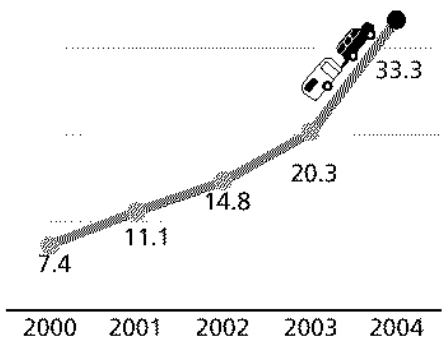
Strong world demand for resources is resulting in significant development and capacity expansion of resource projects.

All these factors are positive drivers for the retirement, recreation and resources sectors which are the core industry segments of Fleetwood's operations. This combined with a strong balance sheet offers Fleetwood significant growth opportunities.

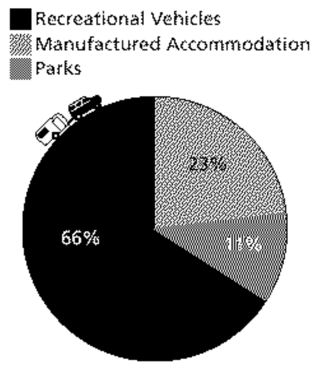
Revenue ($millions)



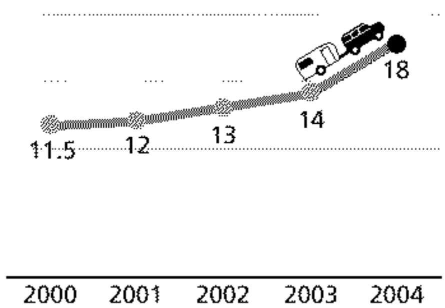
EBITA ($millions)



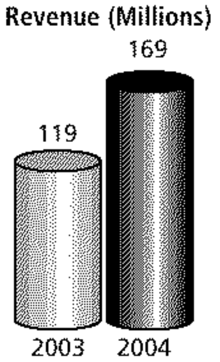
EBITA Analysis

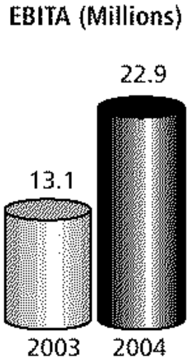


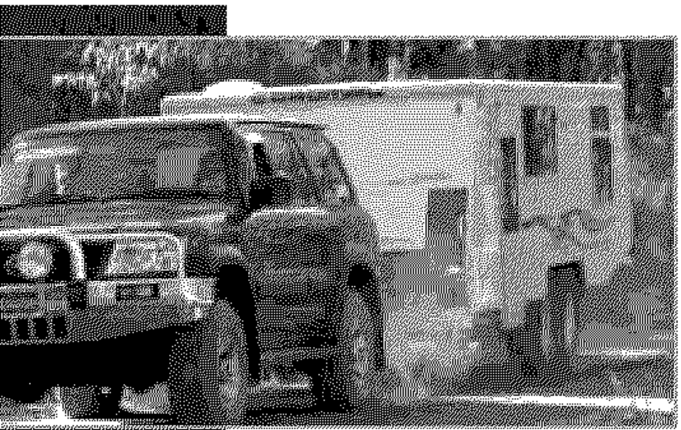
Dividends per share (cents)



Recreational Vehicles







Overview

Continued growth in caravan sales resulted in Camec, Coromal and Windsor all generating record results in 2004.

Flexiglass Challenge also generated a record result for the year as strong motor vehicle sales increased demand for fibreglass canopies.

Performance

- Revenue increased **42%** to **$169m**
- EBITDA increased **68%** to **$24.4m**
- EBITA increased **75%** to **$22.9m**

Developments

New production facilities at Coromal and Windsor were completed during the year. Caravan production is expected to increase from 60 to 90 units per week by 30 June 2005.

Camec recently relocated its Brisbane operations to larger premises to facilitate the establishment of a warehouse super site concept. Since relocating sales have increased by more than 35%.

Using the Brisbane model, the warehouse concept is to be rolled out in Sydney and Auckland in the second half of the 2005 financial year.

Production capacity has been increased at Flexiglass Challenge to meet canopy demand and to provide additional product to Coromal Caravans.

Outlook

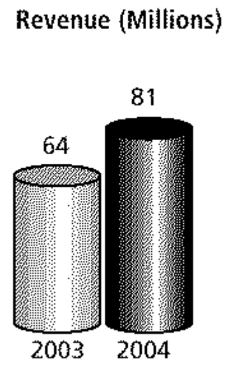
Retiree demand for caravans remains strong with significant outstanding orders existing at Coromal and Windsor.

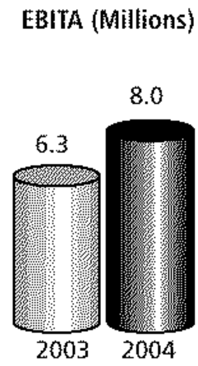
Expanding production capacity at Coromal and Windsor will result in increased profitability and at the same time reduce customer supply lead times.

With all caravan manufacturers expecting increased sales this year, Camec who is a major supplier to manufacturers, will benefit from this sales growth.

Anticipated strong 4WD and SUV motor vehicle registrations will result in continued sales growth for Flexiglass Challenge.

Manufactured Accommodation





Overview

Strong world demand for resources especially iron ore saw major producers expanding production capacity. BHP Billiton and Rio Tinto in particular required significant portable accommodation facilities from Fleetwood to facilitate this expansion.

Performance

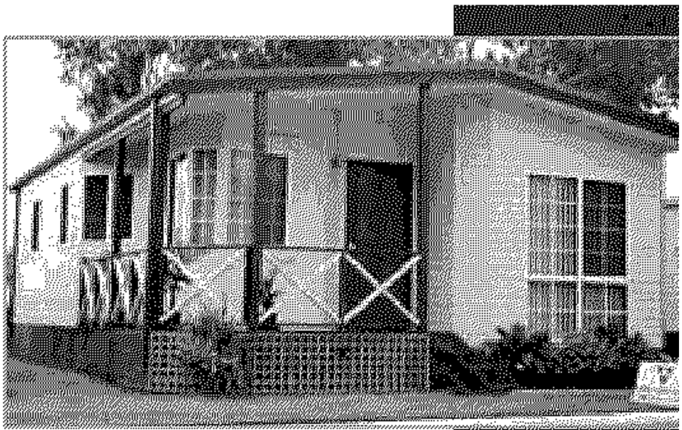
- Revenue increased **26%** to **$81m**
- EBITDA increased **33%** to **$11.2m**
- EBITA increased **27%** to **$8m**

Developments

The Searipple Accommodation Village in Karratha was commissioned during the year and is currently housing 450 personnel. Occupancy rates will rise in the current year as construction ramps up on the Burrup Fertilisers project.

In May Fleetwood was awarded the contract to manufacture and install a 1,000 person accommodation village for the BHP Billiton Ravensthorpe Nickel Project in the south east of Western Australia. The $22 million contract comprises a sales and rental component. The village is due for completion in January 2005 with a subsequent rental period of 2 years.

The acquisition of Rainbow Transportable Homes in Victoria provides Fleetwood with a manufactured accommodation facility on the east coast of Australia. Since acquiring Rainbow larger premises have been acquired to allow for increased production capacity to meet current client demand.



Outlook

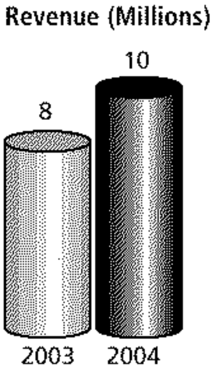
Strong demand for resources and energy offers encouraging long term growth prospects for Fleetwood.

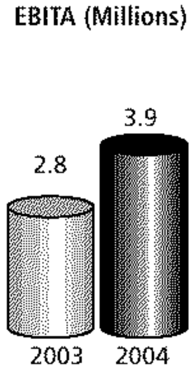
Fleetwood's manufactured accommodation facilities in Perth are to be combined onto a larger single location. This consolidation of operations due to be completed in June 2005, will result in cost savings, management efficiencies and provide increased production capacity.

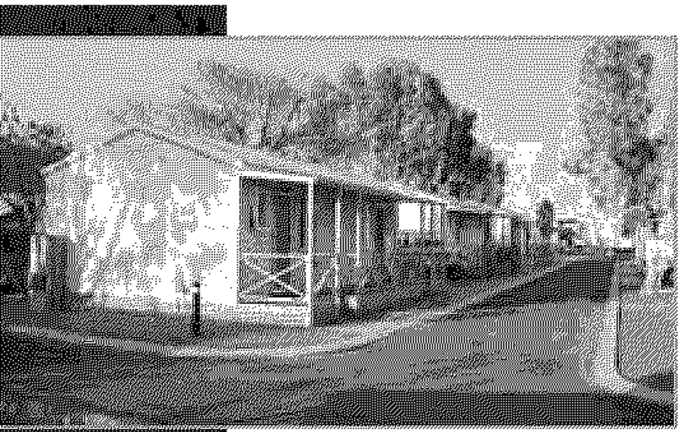
Affordable accommodation solutions for retirees is a major issue facing Australia. The manufactured accommodation division is being expanded in Perth and Melbourne to allow Fleetwood to take advantage of this growing market sector.

The strategic alliance with the Aspen Group offers significant supply opportunities for the division.

Fleetwood HOLIDAY PARKS







Overview
Demand for accommodation in the north west of Western Australia strengthened as resource project developments got underway.

Performance
- Revenue increased **20%** to **$10m**
- EBITDA increased **33%** to **$4.9m**
- EBITA increased **41%** to **$3.9m**

Developments
BHP Billiton Products and Capacity Expansion (PACE) project ensured high occupancy of accommodation units in Port Hedland during the year.

In Karratha Woodside's LNG Train 4, the Burrup Fertilisers project and infrastructure works by State Government authorities pushed occupancy levels to record highs for most of the year.

Overseas tourist arrivals increased compared to the previous 2 years as terrorism concerns subsided. Domestic tourism numbers boosted tourist accommodation occupancy levels at all parks.

Large family accommodation units were acquired during the year to take advantage of a resurgence in demand in this market segment.

Outlook
The sale of the Parks division in July to the Aspen Group will see Fleetwood develop caravan park opportunities in conjunction with the Aspen Group under the Strategic Alliance Agreement entered into between the parties.

Fleetwood will also focus on opportunities available in the park home estates sector which will be a significant provider of retirement accommodation in the future.

Financial Report

Directors' Report

Fleetwood Corporation Limited

The directors of Fleetwood Corporation Limited present their report for the year ended 30 June 2004.

Directors

The names, qualifications and experience of the directors who are in office at the date of the report are disclosed at the beginning of the Annual Report.

Principal Activities

The principal activities of the entities in the Fleetwood Group during the financial year were:

- Manufacture and sale of caravans, parts and accessories and rental of recreation vehicles.
- Operation of caravan parks.
- Design, manufacture, sale and rental of factory built housing and portable buildings.

Review of Operations

A review of operations for the year is contained in the Managing Director's Review.

State of Affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

Future Developments

The consolidated entity will continue to pursue its policy of increasing the profitability and market share in its major business sectors.

Further information as to likely developments and expected future results other than as disclosed in the Managing Director's Review, has not been included in this report as disclosure of the information would result in unreasonable prejudice to the Fleetwood Group.

Dividends

A final dividend for the year to 30 June 2004 of 11 cents per ordinary share, 100% franked will be paid on 29 October 2004. Dividends paid and declared during the year are disclosed in Note 6 to the financial statements.

All dividends paid or declared by the Company since the end of the previous financial year were 100% franked at the corporate income tax rate of 30%.

Share Options

Unissued shares subject to options at the date of this report and shares issued pursuant to the exercise of options during or since the end of the year are set out in Note 21 to the financial statements.

Indemnification of Directors and Officers

The Company has indemnified current and former directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Since the end of the previous financial year, the Company has paid an insurance premium in respect of directors' and officers' liability for current and former directors and officers, including executive officers of the Company and its controlled entities.

The insurance premiums relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Directors' and Audit Committee Meetings

Number of Board and Audit Committee meetings held and attended by each director of the Company during the financial year:

	Board		Audit Committee	
	Held	**Attended**	**Held**	**Attended**
Stephen Gill	8	8	1	1
Peter Gunzburg	8	8	2	2
Naveen Pillay	8	7	2	2
Robert Prowse	8	8	2	1
Greg Tate	8	8	1	1

Naveen Pillay resigned from the Board on 8 June 2004.

Directors' Shareholdings

The relevant interest of each director in the shares of the Company at the date of this report, as notified by the directors to the Australian Stock Exchange in accordance with s205G(1) of the Corporations Act 2001 are as follows:

	Number of shares	Number of options
Stephen Gill	2,379,825	212,750
Greg Tate	4,635,816	368,250

Directors' and Executives' Remuneration

The Board reviews the remuneration packages of all directors and senior executives on an annual basis. Remuneration packages are reviewed with due regard to performance and other relevant factors.

Remuneration packages contain the following key elements:

- Primary – salary & fees and non-monetary;
- Post Employment – superannuation; and
- Equity - options

Details regarding directors' and executives' remuneration are included in Note 32 to the financial report.

Events Subsequent to Balance Date

On 1 July 2004, the Fleetwood Parks division was sold to the Aspen Group for approximately $28 million, profit on the sale before tax is approximately $11 million.

On 1 August 2004, an agreement was entered into with Tourism Holdings Limited for the sale of the Hertz Campervans rental fleet business in Australia. This agreement has no material financial impact.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and accordingly amounts in the financial report and directors' report have been rounded to the nearest one thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Greg Tate

G TATE
Director

8 September 2004

Corporate Governance Statement

Compliance with ASX Best Practice Recommendations

The extent of conformance by Fleetwood with the 'Principles of Good Corporate Governance' issued by the Australian Stock Exchange (ASX) is as follows.

Principle 1: Lay solid foundations for management and oversight by the Board

The Board's responsibilities are encompassed in a charter which is published on the Company's website. The major roles of the Board are to:

- Set the strategic direction of the Group with Management and monitor implementation of the strategy;
- Select and appoint the Chief Executive, determine conditions of service and monitor performance;
- Ratify appointment of the Chief Financial Officer and Company Secretary;
- Approve conditions of service and performance monitoring of senior executives;
- Monitor financial outcomes and the integrity of reporting and in particular approve annual budgets;
- Set limits of authority for committing to expenditure, entering contracts or acquiring businesses;
- Ensure effective audit, risk management and compliance systems are in place;
- Monitor compliance with regulatory requirements and ethical standards;
- Review executive succession planning and development on a regular basis; and
- Ensure effective and timely reporting to Shareholders.

To assist the Board in carrying out its responsibilities an Audit Committee has been established.

The Audit Committee provides advice and assistance to the Board in fulfilling its responsibilities relating to the company's financial statements, financial reporting processes, internal audit, external audit and such other matters as the Board may request from time to time.

The Audit Committee is comprised of three non-executive directors that are independent of the company and management and who have appropriate business and financial expertise. The Chairman is nominated by the Board and may not also be the chairman of the Board.

The Audit Committee oversees the adequacy of the company's accounting and financial policies and controls including discussions with management and external auditors and seeks assurance on compliance with relevant regulatory and statutory requirements.

In exercising its oversight role, the Audit Committee may investigate any matter relevant to its charter. The Audit Committee reviews and reassesses its charter at least annually, and recommends any changes it considers necessary to the Board.

The Board delegates responsibility for implementing the strategic direction and for managing the day-to-day operations of the group to the Chief Executive. There are clear lines of communication established between the Chairman and Chief Executive.

The Executive Directors have service contracts setting out their conditions of service and termination entitlements.

Principle 2: Structure the Board to add value

The Board determines Board size and composition, subject to limits imposed by the company's Constitution.

The Board has determined that there shall be five Directors, three of whom, including the Chairman, are to be non-executive.

The Board comprises two independent (including the Chairman) and three non-independent directors. This composition is aligned to shareholder ownership.

The company recognizes the importance of having a board comprised of directors with an appropriate range of backgrounds, skills and experience. In considering candidates for appointment to the board, the company considers the following factors.

- Qualifications, expertise and experience of the person;
- Professional and personal reputation of the person.

The Board considers that the establishment of a nominations committee is unnecessary given that the board is not of a size sufficient to justify the formation of a board sub-committee for this task.

Given there is not a nominations committee, the responsible entity does not comply with Recommendation 2.3 of the ASX Principles.

Principle 3: Promote ethical and responsible decision making

The Company has policies on share trading by Directors and senior managers and on conflicts of interest. It has a Code of Conduct, which applies to Directors as well as employees. These are available on the company's website.

Equally important is the encouragement of ethical conduct not just by edict but by example from all involved in the Company. It is the Board's objective that all dealings with staff, customers, regulatory authorities and the community should be conducted honestly, fairly, diligently and in accordance with all applicable laws.

Principle 4: Safeguard integrity in financial reporting

The Managing Director and the Chief Financial Officer provide undertakings to the Board that the Group's financial reports present a true and fair view and are in accordance with relevant accounting standards.

The Chief Executive, Chief Financial Officer and the external auditor attend Committee meetings at the discretion of the Committee.

The minutes of each Audit Committee meeting are reviewed at the subsequent meeting of the Board.

The role and responsibilities of the Audit Committee include reviewing:

- The annual audit plan with the external auditor;
- The Group's accounting and financial reporting practices, including the effect of changes in accounting standards and practices, ASX listing requirements and corporate legislation;
- Significant transactions which are not a normal part of the Group's business;
- Half-year and full-year accounts;
- Group audit reports;
- Performance of the external auditor and proposing changes where considered necessary;
- Approving Management's use of auditors to provide consulting and other services;
- Reports on the Group's risk management activities; and
- Considering other financial matters of the group which the Audit Committee or the Board determines desirable.

Principle 5: Make timely and balanced disclosure

A continuous disclosure regime operates throughout the Group. Policies and procedures are in place to ensure matters that a person could reasonably expect to have a material effect on the share price are announced to the ASX in a timely manner.

In the event a decision is made not to notify the ASX of a particular event or development, the reasons for non-notification are advised to the Board. Directors receive copies of all announcements immediately after notification to the ASX.

All announcements are posted on the company's website www.fleetwood.com.au

Principle 6: Respect the rights of Shareholders

The Company endeavors to keep its Shareholders fully informed of matters likely to be of interest to them. It does this through:

- Reports to the ASX;
- Half-yearly profit announcements;
- Annual Reports;
- Information provided to analysts.

which are notified on the company's website www.fleetwood.com.au

At the Annual General Meeting, questions and comments from Shareholders are encouraged. In the interests of clarity, questions on operational matters may be answered by the Chief Executive or another appropriate member of management.

The external auditor attends the Company's Annual General Meeting and is available to respond to questions about the conduct of the audit and the preparation and content of the Independent Audit Report.

Principle 7: Recognise and manage risk

The Audit Committee oversees the continuous improvement of risk identification, assessment, treatment and reporting.

The external auditor also reports findings on relevant risk issues to the Audit Committee and to the Board on a half-yearly basis.

The Managing Director and Group Financial Controller sign a statement that the risk management and internal compliance and control system is operating effectively and efficiently in all material respect.

Principle 8: Encourage enhanced performance

Fleetwood has processes in place to review the performance of senior management and Board members.

The assessment and monitoring of the Chief Executive is handled by the Chairman and discussed with the Board members. Assessment and monitoring of senior managers is handled by the Executive Directors who report to the Board.

Each year the Board devotes time to consideration of broad corporate governance matters. The Chairman is responsible, in the first instance, for monitoring the contribution of individual Directors and counseling them on any areas for improvement. The Board plays a similar role in respect of the Chairman's performance.

Subject to normal privacy requirements directors have unfettered access to Company records and information, to the Company Secretary and to other relevant senior officers. They receive regular detailed reports on financial and operational aspects of the Company's business and may request elaboration or explanation of those reports at any time. Each director has the right to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required but this may not be unreasonably withheld.

Directors and senior management are encouraged to broaden their knowledge of the Company's business and developments in business generally by attendance at relevant courses, seminars, conferences etc. both in Australia and overseas. The Company meets expenses involved in such activities.

Principle 9: Remunerate fairly and responsibly

The Board is responsible for remuneration policies and packages applicable to Board members and to senior managers of the Company.

The Board reviews:

- Conditions of service and remuneration of the Chief Executive;
- Performance of the Chief Executive and senior managers;
- Remuneration policies of the Group;
- Proposals for new issues under, or changes to, the company's option plans;
- Succession plans for senior management; and
- Other related matters.

Non-executive directors receive fees determined by the Board, but within the aggregate limit approved by Shareholders.

Senior managers of the Company receive a balance of fixed and variable ('at risk') remuneration. The proportions vary within the Company, reflecting the capacity of the senior managers to influence the overall outcome of the Company's operations and returns to Shareholders. The variable component is based on the profit earned by the Company and a series of personal Key Performance Indicators. Part of the remuneration is in the form of a short-term incentive, payable in cash, and part is in the form of a long-term incentive, payable in options subject to vesting provisions.

Principle 10: Recognise the legitimate interests of stakeholders

The Fleetwood Group has a code of conduct "Delivering The Promise" which sets out the behavior required of Fleetwood.

There is also an Employee Code of Conduct. The Codes are published on the company's website.

Statement of financial performance

Fleetwood Corporation Limited

Year ended 30 June 2004

	Note	Consolidated		Company	
		2004	2003	**2004**	2003
		$ '000	$ '000	**$ '000**	$ '000
Revenue from sale of goods	3	**231,104**	166,176	**53**	43
Revenue from rental	3	**20,126**	22,286	**330**	100
Other revenue	3	**8,629**	3,002	**8,833**	11,477
Total revenue	3	**259,859**	191,464	**9,216**	11,620
Materials used		**(110,489)**	(82,425)	**-**	-
Sub-contract costs		**(31,668)**	(30,261)	**-**	-
Employee expenses		**(45,112)**	(30,925)	**(1,343)**	(1,594)
Operating leases		**(7,883)**	(8,754)	**(178)**	-
Written down value of assets disposed		**(7,731)**	(2,805)	**(141)**	(157)
Audit fees		**(88)**	(80)	**(88)**	(80)
Directors fees		**(210)**	(210)	**(210)**	(210)
Other expenses from ordinary activities		**(17,568)**	(11,051)	**(171)**	(225)
Profit before interest, tax, depreciation and amortisation **(EBITDA)**		**39,110**	24,953	**7,085**	9,354
Depreciation and amortisation expense	4	**(5,834)**	(4,654)	**(128)**	(122)
Profit before interest, tax and goodwill amortisation **(EBITA)**		**33,276**	20,299	**6,957**	9,232
Goodwill amortisation	4	**(1,812)**	(1,384)	**(148)**	(152)
Profit before interest and tax **(EBIT)**		**31,464**	18,915	**6,809**	9,080
Borrowing costs	4	**(2,095)**	(2,328)	**(360)**	(1,528)
Profit from ordinary activities before income tax expense		**29,369**	16,587	**6,449**	7,552
Income tax expense relating to ordinary activities	5	**(9,123)**	(5,381)	**(527)**	(2)
Net profit attributable to members of the parent entity	24	**20,246**	11,206	**5,922**	7,550
Net exchange difference relating to foreign controlled entities	23	**35**	72	**-**	-
Total changes in equity other than those resulting from transactions with owners as owners		**20,281**	11,278	**5,922**	7,550

Earnings per share

	Note	2004	2003
Basic earnings per share (cents)	8	**44.9**	29.1
Diluted earnings per share (cents)	8	**43.9**	28.5

To be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

Statement of financial position

Fleetwood Corporation Limited
As at 30 June 2004

	Note	Consolidated		Company	
		2004	2003	**2004**	2003
		$ '000	$ '000	**$ '000**	$ '000
Current assets					
Cash assets	9	**2,197**	9,690	**1,255**	9,280
Receivables	10	**36,666**	29,285	**502**	296
Inventories	11	**28,389**	22,262	**-**	-
Total current assets		**67,252**	61,237	**1,757**	9,576
Non-current assets					
Receivables	10	**168**	303	**-**	-
Property, plant and equipment	12	**67,788**	58,880	**4,560**	2,180
Intangible assets	13	**29,656**	26,901	**1,081**	1,229
Deferred tax assets		**972**	807	**969**	172
Other financial assets	14	**-**	-	**11,934**	12,241
Other	15	**-**	-	**86,676**	74,957
Total non-current assets		**98,584**	86,891	**105,220**	90,779
Total assets		**165,836**	148,128	**106,977**	100,355
Current liabilities					
Payables	16	**32,438**	30,900	**469**	276
Interest bearing liabilities	17	**197**	260	**-**	-
Current tax liabilities		**2,766**	2,019	**2,434**	-
Provisions	20	**2,453**	1,892	**405**	362
Total current liabilities		**37,854**	35,071	**3,308**	638
Non-current liabilities					
Interest bearing liabilities	17	**27,347**	28,950	**26,750**	28,000
Deferred tax liabilities		**3,417**	3,105	**3,414**	47
Provisions	20	**786**	708	**267**	211
Total non-current liabilities		**31,550**	32,763	**30,431**	28,258
Total liabilities		**69,404**	67,834	**33,739**	28,896
Net assets		**96,432**	80,294	**73,238**	71,459
Equity					
Contributed equity	22	**68,791**	65,953	**68,791**	65,953
Reserves	23	**218**	282	**-**	-
Retained profits	24	**27,423**	14,059	**4,447**	5,506
Total equity		**96,432**	80,294	**73,238**	71,459

To be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

Statement of cash flows

Fleetwood Corporation Limited
Year ended 30 June 2004

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Cash flows from operating activities					
Receipts in the course of operations		**271,157**	200,025	**402**	206
Payments in the course of operations		**(242,308)**	(173,499)	**(1,932)**	(2,033)
Interest received		**274**	243	**244**	220
Income taxes paid		**(8,132)**	(6,795)	**(4)**	(142)
Borrowing costs paid		**(2,095)**	(2,328)	**(360)**	(1,527)
Net cash provided by (used in) operating activities	28.2	**18,896**	17,646	**(1,650)**	(3,276)
Cash flows from investing activities					
Acquisition of entities	28.4	**(7,075)**	(6,841)	**-**	-
Proceeds from sale of non-current assets		**8,356**	2,759	**102**	193
Acquisition of property, plant and equipment		**(22,502)**	(20,368)	**(2,649)**	(202)
Proceeds from sale of investments		**307**	-	**307**	-
Payment for intangible assets		**-**	(650)	**-**	-
Net cash used in investing activities		**(20,914)**	(25,100)	**(2,240)**	(9)
Cash flows from financing activities					
Proceeds from issue of shares		**685**	18,997	**685**	18,997
Repayment of borrowings		**(1,348)**	(5,466)	**(1,250)**	(5,000)
Dividends paid		**(4,828)**	(1,361)	**(4,828)**	(1,361)
Loans to (from) controlled entities		**-**	-	**1,258**	(4,668)
Net cash provided by (used in) financing activities		**(5,491)**	12,170	**(4,135)**	7,968
Net increase (decrease) in cash held		**(7,509)**	4,716	**(8,025)**	4,683
Cash at the beginning of the financial year		**9,690**	4,972	**9,280**	4,597
Effect of exchange rate changes on the balance of cash held in foreign currencies		**16**	2	**-**	-
Cash at the end of the financial year	9	**2,197**	9,690	**1,255**	9,280

To be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

Notes to the financial statements

Fleetwood Corporation Limited
Year ended 30 June 2004

1 Statement of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are as follows:

1.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, and the Corporations Act 2001. It has been prepared on the basis of historical costs and does not take into account changing money values or current valuations of non-current assets. Accounting policies have been consistently applied and except where there are changes in accounting policy, are consistent with those of the previous year.

1.2 Principles of consolidation

The financial statements of controlled entities are included from the date control commences until the date control ceases. Unrealised gains and losses, inter-entity balances and transactions between controlled entities are eliminated in full on consolidation.

1.3 Revenue recognition

Revenues are recognised at the fair value of consideration received net of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods
Revenue from the sale of goods is recognised when control of the goods passes to the buyer.

When the stage of contract completion can be reliably measured, revenue is recognised in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Where the outcome of a contract cannot be reliably estimated, contract costs are expensed as incurred. Where it is probable costs will not be recovered, revenue is only recognised to the extent recoverable. An expected loss is recognised immediately as an expense.

Rental income
Rental income is recognised on an accrual basis.

Interest revenue
Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets
The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Dividends
Revenue from dividends and distributions from controlled entities is recognised by the parent entity when they are declared by the controlled entities. Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised as revenue.

1.4 Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

1.5 Taxation

The consolidated entity adopts the liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a deferred tax liability.

Future income tax benefits relating to timing differences are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effects of capital losses are not recorded unless realisation is virtually certain.

1.6 Foreign currency

Transactions
Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rate of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

Translation of controlled foreign operations
The assets and liabilities of foreign operations, including controlled entities that are self-sustaining are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. Exchange differences arising from translation are taken directly to the foreign currency reserve until disposal or partial disposal of the operations.

1.7 Acquisition of assets

All assets acquired including property, plant and equipment and intangibles are initially recorded at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised in the cost of the asset.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when it is probable that future economic benefits will eventuate and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity. Costs that do not meet the criteria for capitalisation are expensed as incurred.

1.8 Receivables

Trade debtors are normally settled within 60 days and are carried at amounts due. The collectability of debts is assessed at year-end and a specific provision is made for any doubtful debts.

1.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on the first-in first-out basis and for work in progress includes an appropriate share of both variable and fixed costs. Net realisable value is determined on the basis of each entity's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

1.10 Recoverable amount of non-current assets

The carrying amounts of non-current assets reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the reporting period in which it occurs. Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets. In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value, except where specifically stated.

1.11 Investments

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

1.12 Leased assets

Leases under which the Company and its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases
Finance leases are capitalised. Lease assets and lease liabilities equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating leases
Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.13 Goodwill

Goodwill, representing the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired is amortised on a straight line basis over the period of time during which benefits are expected to arise which is currently twenty years. The unamortised balance of goodwill is reviewed at least annually. Where the balance exceeds the value of expected future benefits, the difference is charged to the statement of financial performance.

1.14 Depreciation and amortisation

All assets have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives. Finance lease assets are amortised over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset. Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected in current and future periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

The depreciation / amortisation rates used for each class of asset are as follows:

	2004	2003
Buildings	**5%**	5%
Leasehold improvements	**4% - 25%**	4% - 25%
Plant and equipment	**2.5% - 40%**	2.5% - 40%
Leased plant & equipment	**15%**	15%

1.15 Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, regardless of whether they have been billed to the Company or consolidated entity. Trade accounts payable are normally settled within 60 days.

1.16 Interest bearing liabilities

Bank loans are recognised at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in "Other creditors and accruals".

1.17 Employee benefits

Wages, salaries, annual and long service leave

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of wages and salaries, annual leave, sick leave and other employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of other employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Share option plans

The Company has granted options to employees under share option plans. Other than the costs incurred in administering the schemes, which are expensed as incurred, the schemes do not result in any expense to the consolidated entity. Options issued under the plans are treated as capital contributions when they are exercised.

Superannuation plan

The Company and other controlled entities contribute to employee superannuation funds. Contributions are charged against income as they are made.

2 Tax consolidation

The company and its wholly-owned Australian resident entities are eligible to consolidate for tax purposes and have elected to be taxed as a single entity from 1 July 2003. The adoption of the tax consolidation system has yet to be formally notified to the Australian Taxation Office. The head entity within the tax-consolidated group for the purposes of the tax consolidation system is Fleetwood Corporation Limited.

Entities within the tax-consolidated group have entered into a tax-sharing agreement with the head entity. Under the terms of this agreement, Fleetwood Corporation Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity. These payments will be settled via intercompany loan accounts. The effect of this change is that all current and deferred tax balances are shown in the company's statement of financial position.

	Consolidated		Company	
	2004	2003	**2004**	2003
	$ '000	$ '000	**$ '000**	$ '000

3 Revenue from ordinary activities

Operating revenue				
Sale of goods	**231,104**	166,176	**53**	43
Rentals	**20,126**	22,286	**330**	100
Dividends from related parties	**-**	-	**4,864**	7,500
Interest:				
Related parties	**3**	16	**3,626**	3,581
Other parties	**270**	227	**241**	203
Non-operating revenue				
Gross proceeds from sale of non-current assets	**8,356**	2,759	**102**	193
Total revenue from ordinary activities	**259,859**	191,464	**9,216**	11,620

4 Profit from ordinary activities before income tax expense

Profit from ordinary activities before income tax expense has been arrived at after charging (crediting) the following items:

Cost of sales	**169,254**	123,198	**-**	-
Depreciation and amortisation of:				
buildings	**73**	109	**20**	20
plant and equipment	**5,422**	4,174	**108**	102
leased plant & equipment	**139**	169	**-**	-
leasehold improvements	**200**	202	**-**	-
	5,834	4,654	**128**	122
Amortisation of goodwill	**1,812**	1,384	**148**	152
Total depreciation & amortisation	**7,646**	6,038	**276**	274
Borrowing costs:				
bank loans and overdraft	**2,012**	2,243	**360**	1,528
finance charges on capitalised leases	**83**	85	**-**	-
	2,095	2,328	**360**	1,528
Net bad and doubtful debts	**336**	109	**3**	-
Net movement in provision for employee benefits	**348**	277	**99**	7
Net foreign exchange gain	**(99)**	(36)	**-**	-
Operating lease rentals	**7,883**	8,754	**178**	-
Net (gain) loss on disposal of:				
property, plant and equipment	**(625)**	96	**39**	14
intangible assets	**-**	(50)	**-**	(50)
Research and development costs	**901**	592	**-**	-

	Consolidated		Company	
	2004	2003	**2004**	2003
	$ '000	$ '000	**$ '000**	$ '000

5 Taxation

Income tax expense

Prima facie income tax expense calculated at 30% (2003: 30%) on the profit from ordinary activities	**8,811**	4,976	**1,935**	2,266
Increase in income tax expense due to:				
Depreciation of buildings	**17**	25	**6**	6
Amortisation of goodwill	**544**	415	**44**	45
Amortisation of leasehold improvements	**10**	10	**-**	-
Effect of higher tax rates on overseas income	**50**	21	**-**	-
Sundry items	**11**	9	**1**	1
Decrease in income tax expense due to:				
Rebatable dividend income	**-**	-	**-**	(2,250)
Research & development allowance	**(68)**	(44)	**-**	-
Non-assessable profit on disposal of property, plant and equipment	**(144)**	(15)	**-**	(15)
Tax benefit on losses transferred from a controlled entity	**-**	-	**-**	(51)
Over provision prior year	**(108)**	(16)	**-**	-
Impact of the tax consolidation system:				
Non-assessable amounts related to transactions within the tax consolidated group	**-**	-	**(1,459)**	-
Initial recognition of deferred tax balances of subsidiaries on implementation of the tax consolidation system	**-**	-	**2,611**	-
Consideration paid or payable to / from subsidiaries in respect of transferred deferred tax balances	**-**	-	**(2,611)**	-
Current and deferred taxes relating to transactions, events and balances of wholly-owned subsidiaries in the tax consolidated group	**-**	-	**244**	-
Net income tax benefit arising under tax sharing agreements with subsidiaries in the tax consolidated group	**-**	-	**(244)**	-
Income tax expense attributable to profit from ordinary activities	**9,123**	5,381	**527**	2

6 Dividends

Recognised

Interim 2004 - paid 7.0 cents per share fully franked	**3,184**	-	**3,184**	-
Final 2003 - paid 8.5 cents per share fully franked	**3,797**	-	**3,797**	-
Interim 2003 - paid 5.5 cents per share fully franked	**-**	2,141	**-**	2,141
	6,981	2,141	**6,981**	2,141

Unrecognised

Final 2004 - 11.0 cents per share fully franked

Dividend franking account

30% franking credits available to shareholders of Fleetwood Corporation Limited for subsequent years	**13,836**	9,436	**13,836**	2,458

7 Segment information

Business segments

The consolidated entity comprises the following business segments, based on the consolidated entity's management reporting system.

Divisions	**Products / Services**
Recreational Vehicles	Manufacture and sale of caravans, parts and accessories, rental of recreation vehicles
Parks	Operation of caravan parks
Manufactured Accommodation	Design, manufacture, sale and rental of factory built housing and portable buildings

There was no inter-segment revenues during the year.

	Segment revenue		**Depreciation & amortisation**		**Earnings before interest, tax & goodwill amortisation (EBITA)**	
	2004	2003	**2004**	2003	**2004**	2003
	$ '000	$ '000	**$ '000**	$ '000	**$ '000**	$ '000
Recreational Vehicles	**168,926**	118,973	**3,046**	2,588	**22,883**	13,068
Parks	**9,829**	8,218	**1,030**	950	**3,946**	2,806
Manufactured Accommodation	**80,705**	63,817	**3,294**	2,226	**7,977**	6,258
Unallocated	**399**	456	**276**	274	**(1,530)**	(1,833)
	259,859	191,464	**7,646**	6,038	**33,276**	20,299
Goodwill amortisation					**(1,812)**	(1,384)
EBIT					**31,464**	18,915
Interest expense					**(2,095)**	(2,328)
Profit from ordinary activities before tax					**29,369**	16,587
Income tax expense					**(9,123)**	(5,381)
Profit from ordinary activities after tax					**20,246**	11,206

	Assets		**Acquisitions of non-current assets**		**Liabilities**	
Recreational Vehicles	**75,802**	65,741	**7,002**	8,219	**21,915**	17,068
Parks	**17,979**	18,554	**1,132**	1,450	**693**	1,839
Manufactured Accommodation	**64,566**	51,560	**17,522**	17,231	**13,057**	20,030
Unallocated	**7,489**	12,273	**2,649**	202	**33,739**	28,897
	165,836	148,128	**28,305**	27,102	**69,404**	67,834

Geographical segments

	Assets		**Acquisitions of non-current assets**		**Segment revenue**	
Australia	**159,932**	142,678	**28,223**	26,998	**246,140**	179,809
New Zealand	**5,904**	5,450	**82**	104	**13,719**	11,655
	165,836	148,128	**28,305**	27,102	**259,859**	191,464

	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000

8 Earnings per share

	2004	2003
Earnings used in the calculation	**20,246**	11,206
	Number of shares used	
Basic earnings per share	**45,144,295**	38,496,584
Diluted earnings per share	**46,085,973**	39,376,967
Number of shares deemed to be issued for no consideration in respect of employee and executive options for the purpose of calculating diluted earnings per share	**941,678**	880,383

9 Cash assets

	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Cash	**2,197**	9,690	**1,255**	9,280

Cash is at call and receives interest at a weighted average rate of 3.9% (2003: 3.4%)

10 Receivables

	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Current				
Short term deposits	**23**	23	**-**	-
Trade debtors	**32,327**	26,990	**55**	-
Term loans - secured	**34**	42	**-**	-
Other loans	**-**	108	**-**	108
Other debtors	**4,282**	2,114	**447**	180
Income tax refund	**-**	8	**-**	8
	36,666	29,285	**502**	296
Non-current				
Term loans - secured	**168**	303	**-**	-
	168	303	**-**	-

The weighted average effective interest rates on interest bearing receivables which have varying maturity dates are:

Term loans - secured 12.5% (2003: 12.5%)

Other loans nil (2003: 8%)

11 Inventories

	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Current				
Raw materials & stores	**6,556**	3,706	**-**	-
Work in progress	**3,935**	2,963	**-**	-
Finished goods	**17,898**	15,593	**-**	-
	28,389	22,262	**-**	-

12 Property, plant and equipment

	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Freehold land				
At cost	**4,516**	5,398	**1,461**	1,148
Buildings				
At cost	**1,997**	3,371	**800**	800
Accumulated depreciation	**(521)**	(970)	**(260)**	(240)
	1,476	2,401	**540**	560
Leasehold property and improvements				
At cost	**7,546**	5,796	**2,000**	-
Accumulated amortisation	**(1,978)**	(2,027)	**-**	-
	5,568	3,769	**2,000**	-
Plant and equipment				
At cost	**71,472**	55,291	**771**	721
Accumulated depreciation	**(16,295)**	(13,324)	**(212)**	(249)
	55,177	41,967	**559**	472
Assets under construction				
At cost	**187**	4,067	**-**	-
Leased plant and equipment				
At capitalised cost	**984**	1,499	**-**	-
Accumulated amortisation	**(120)**	(221)	**-**	-
	864	1,278	**-**	-
	67,788	58,880	**4,560**	2,180

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant & equipment are set out below:

	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Freehold land				
Carrying amount at beginning of year	**5,398**	5,370	**1,148**	1,120
Additions	**313**	28	**313**	28
Disposals	**(1,195)**	-	**-**	-
Carrying amount at end of year	**4,516**	5,398	**1,461**	1,148
Buildings				
Carrying amount at beginning of year	**2,401**	2,510	**560**	580
Disposals	**(852)**	-	**-**	-
Depreciation	**(73)**	(109)	**(20)**	(20)
Carrying amount at end of year	**1,476**	2,401	**540**	560
Leasehold property and improvements				
Carrying amount at beginning of year	**3,769**	3,971	**-**	-
Additions	**2,000**	-	**2,000**	-
Disposals	**(1)**	-	**-**	-
Amortisation	**(200)**	(202)	**-**	-
Carrying amount at end of year	**5,568**	3,769	**2,000**	-

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000

12 Property, plant and equipment (continued)

Reconciliations (continued)

Plant and equipment					
Carrying amount at beginning of year		**41,967**	32,257	**472**	481
Additions		**20,002**	16,344	**336**	174
Disposals		**(5,683)**	(2,660)	**(141)**	(81)
Acquisition through entity acquired		**246**	200	**-**	-
Transferred from assets under construction		**4,067**	-	**-**	-
Depreciation		**(5,422)**	(4,174)	**(108)**	(102)
Carrying amount at end of year		**55,177**	41,967	**559**	472
Assets under construction					
Carrying amount at beginning of year		**4,067**	-	**-**	-
Additions		**187**	4,067	**-**	-
Transferred to plant and equipment		**(4,067)**	-	**-**	-
Carrying amount at end of year		**187**	4,067	**-**	-
Leased plant and equipment					
Carrying amount at beginning of year		**1,278**	117	**-**	-
Additions		**592**	1,400	**-**	-
Disposals		**(867)**	(70)	**-**	-
Amortisation		**(139)**	(169)	**-**	-
Carrying amount at end of year		**864**	1,278	**-**	-

Land and buildings, excluding land and buildings used in caravan park operations, have been valued at 30 June 2004 by the directors on the basis of market values at $3,000,000 compared to a carrying value of $2,000,815. This value has not been reflected in the financial statements.

Land and buildings used in caravan parks form part of a composite asset which includes leasehold improvements, plant and equipment and goodwill, and is not capable of being valued separately from the other components of the caravan parks.

13 Intangible assets

Goodwill - at cost		**36,517**	31,949	**2,175**	2,175
Accumulated amortisation		**(6,861)**	(5,048)	**(1,094)**	(946)
		29,656	26,901	**1,081**	1,229

14 Other financial assets

Investment in controlled entities - at cost		**-**	-	**11,934**	12,241

15 Other non-current assets

Loans and advances - controlled entities	30	**-**	-	**86,676**	74,957

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000

16 Payables

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Trade creditors		**20,333**	24,499	**303**	58
Payments in advance		**520**	658	**-**	-
Other creditors and accruals		**11,585**	5,743	**166**	218
		32,438	30,900	**469**	276

17 Interest bearing liabilities

Current (secured)

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Lease liabilities	19	**197**	260	**-**	-

Non-current (secured)

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Bank loans	18	**26,750**	28,000	**26,750**	28,000
Lease liabilities	19	**597**	950	**-**	-
		27,347	28,950	**26,750**	28,000

18 Financing arrangements

The consolidated entity has access to the following lines of credit:

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Total facilities available:					
Bank overdraft		**3,811**	3,754	**3,811**	3,754
Bank loans		**26,750**	28,000	**26,750**	28,000
Bank guarantees		**2,439**	3,246	**2,439**	3,246
Finance leases		**794**	1,210	**-**	-
		33,794	36,210	**33,000**	35,000
Facilities utilised:					
Bank loans	17	**26,750**	28,000	**26,750**	28,000
Bank guarantees		**2,439**	3,246	**2,439**	3,246
Finance leases		**794**	1,210	**-**	-
		29,983	32,456	**29,189**	31,246
Facilities not utilised:					
Bank overdraft		**3,811**	3,754	**3,811**	3,754
		3,811	3,754	**3,811**	3,754

Bank overdrafts

Bank overdrafts are secured by a mortgage debenture over the assets of the consolidated entity. The overdrafts are payable on demand and are subject to annual review. Interest on bank overdrafts is charged at prevailing market rates. The effective interest rate at 30 June 2004 was 8.17% (2003: 8.0%).

Bank loans

Bank loans are secured by a mortgage debenture over the assets of the consolidated entity. The loans bear interest at the banks prime rate plus 1.1% (2003: 1.1%). The effective annual interest rate at 30 June 2004 was 6.38% (2003: 5.95%).

Bank guarantees

Bank guarantees are in relation to construction contracts.

Finance leases

Finance leases are secured over the assets leased and interest rates vary between 7.2% and 7.8% (2003: between 7.2% and 7.8%).

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000

19 Commitments

Operating lease commitments

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Within one year		**7,366**	5,991	**310**	119
One year or later and no later than five years		**11,781**	6,479	**-**	59
Later than five years		**3,770**	2,142	**-**	-
		22,917	14,612	**310**	178

Finance lease commitments

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Within one year		**251**	330	**-**	-
One year or later and no later than five years		**651**	1,062	**-**	-
		902	1,392	**-**	-
Less : Future lease finance charges		**(108)**	(182)	**-**	-
		794	1,210	**-**	-
Lease liabilities provided for in the financial statements:					
Current	17	**197**	260	**-**	-
Non-current	17	**597**	950	**-**	-
Total lease liability		**794**	1,210	**-**	-

The consolidated entity leases plant and equipment and land and buildings using finance and operating leases. The lease terms range from 2 to 25 years. Some operating leases have renewal options.

20 Provisions

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000
Current					
Employee benefits		**2,453**	1,892	**405**	362
Non-current					
Employee benefits		**786**	708	**267**	211
Aggregate employee benefits		**3,239**	2,600	**672**	573
Number of employees at end of financial year		**1,004**	769	**17**	16

Superannuation commitments

The consolidated entity operates a number of superannuation plans, which provide accumulated benefits based on contributions made.

21 Employee and Executive Share Option Plan

Employee share option plan

In accordance with the provisions of the employee share option plan, employees with more than 2 years service with the consolidated entity are granted options to purchase ordinary shares in Fleetwood Corporation Limited at an issue price 5% less than the market price at the date the options are issued. No amounts are paid or are payable by the recipient on receipt of the options. 50% of the options are able to be exercised 1 year from the date of issue and a further 25% are able to be exercised in each of the next 2 years. The options expire 5 years from the date of issue. The options were exercised throughout the year.

The following is a summary of movements under the plan:

Issue date	Exercise price	Options at beginning of year	Issued	Expired / forfeited	Exercised	Options at end of year	Vested at end of year	Proceeds received on exercise $	Market value of shares at date of issue $
31/10/98	0.96	47,000	-	(8,000)	(39,000)	-	-	37,440	216,450
31/10/99	1.28	92,688	-	(5,000)	(47,500)	40,188	40,188	60,800	305,160
31/10/00	1.12	117,998	-	(12,187)	(63,812)	41,999	41,999	71,469	420,775
31/10/01	1.12	278,801	-	(41,050)	(87,875)	149,876	85,626	98,420	572,423
31/10/02	2.54	182,000	1,500	(37,500)	(21,750)	124,250	53,250	55,245	146,160
31/10/03	4.44	-	271,150	(27,500)	-	243,650	-	-	-
		718,487	272,650	(131,237)	(259,937)	599,963	221,063	323,374	1,660,968

Executive share option plan

In accordance with the provisions of the executive share option plan, executives are granted options to purchase ordinary shares in Fleetwood Corporation Limited at an issue price 5% less than the market price at the date the options are issued. No amounts are paid or are payable by the recipient on receipt of the options. One third of the options are able to be exercised after the 30 June after the date of issue, a further one third of the options are able to be exercised in each of the next 2 years. The options are only exercisable if the company's total shareholder return equals or exceeds 15% pa (compounded) and the company's total shareholder return is equal to or greater than the ASX All Industrial Accumulation Index. The options expire 5 years from the date of issue. The options were exercised throughout the year.

The following is a summary of movements under the plan:

Issue date	Exercise price	Options at beginning of year	Issued	Expired / forfeited	Exercised	Options at end of year	Vested at end of year	Proceeds received on exercise $	Market value of shares at date of issue $
30/11/99	1.40	355,000	-	(30,000)	(139,500)	185,500	185,500	195,300	928,925
31/10/00	1.12	75,000	-	-	(35,000)	40,000	40,000	39,200	239,750
31/10/02	2.54	340,000	-	(16,667)	(49,999)	273,334	63,333	126,997	285,727
31/10/03	4.44	-	455,000	-	-	455,000	-	-	-
		770,000	455,000	(46,667)	(224,499)	953,834	288,833	361,497	1,454,402

The difference between the total market value at date of issues of options issued during a financial year, and the total amount received from executives and employees is not recognised in the financial statements except for the purposes of determining directors' and executives' remuneration as disclosed in Note 32 to the financial statements. The amounts are disclosed in remuneration in the financial years during which the entitlement was earned.

	Note	Consolidated 2004 $ '000	Consolidated 2003 $ '000	Company 2004 $ '000	Company 2003 $ '000

22 Contributed equity

Issued and paid-up capital

45,515,276 (2003: 44,545,968) ordinary shares, fully paid		**68,791**	65,953	**68,791**	65,953

Holders of ordinary shares are entitled to receive dividends as declared and one vote per share held at the shareholders' meetings.

Movements in ordinary share capital

Balance at the beginning of year		**65,953**	43,233	**65,953**	43,233
Shares issued		**2,838**	22,720	**2,838**	22,720
Balance at the end of year		**68,791**	65,953	**68,791**	65,953

During the year the following ordinary shares were issued:

31 Oct 2003	484,872	Issued at $4.44 per share in accordance with the company's Dividend Reinvestment Plan.
30 Jun 2004	484,436	Issued in accordance with the Employee and Executive Share Option Plan.

Since the end of the financial year 370,810 shares have been issued pursuant to the exercise of employee and executive options.

23 Reserves

Foreign currency translation reserve		**218**	282	-	-
Foreign currency translation reserve					
Balance at beginning of year		**282**	210	-	-
Transfer to retained profits	24	**(99)**	-	-	-
Translation of foreign operations		**35**	72	-	-
Balance at end of year		**218**	282	-	-

Reserves relate to exchange differences on the translation of self-sustaining foreign operations.

24 Retained profits

Retained profits at the beginning of year		**14,059**	4,994	**5,506**	97
Transfer from foreign currency translation reserve	23	**99**	-	-	-
Net profit attributable to members of the parent entity		**20,246**	11,206	**5,922**	7,550
Dividends paid		**(6,981)**	(2,141)	**(6,981)**	(2,141)
Retained profits at the end of year		**27,423**	14,059	**4,447**	5,506

	Consolidated		Company	
	2004	2003	**2004**	2003
	$	$	**$**	$

25 Auditors' remuneration

Audit services	**88,000**	81,500	**88,000**	80,000
Other services	**35,630**	15,000	**20,630**	-
	123,630	96,500	**108,630**	80,000

26 Additional financial instruments disclosure

Interest rate risk

Exposure to interest rate risk on financial assets and liabilities, both recognised and unrecognised, has been disclosed in Notes 9, 10 and 18.

Credit risk exposures

Credit risk represents the loss that would be recognised if counter parties failed to perform as contracted. The credit risk on financial assets of the consolidated entity, which have been recognised in the statement of financial position is the carrying amount, net of any provision for doubtful debts. Credit risk is minimised by transacting with a large number of customers.

Net fair value of financial assets and liabilities

The net fair value of financial assets and liabilities, which have been recognised in the statement of financial position, is the relevant contractual cash flows due from customers or suppliers. The relevant contractual cash flows have not been discounted to their present value. The carrying values approximate net fair value.

27 Deed of cross guarantee

Pursuant to an ASIC Class Order 98/1418 dated 13 August 1998, relief was granted to the wholly owned subsidiaries listed below from the requirement to prepare, have audited and lodge financial reports.

It is a condition of the Class Order that the Company and each of the subsidiaries listed below enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Law, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

Subsidiaries subject to the deed are:

Fleetwood Durabuilt Pty Ltd
Flexiglass Challenge Pty Ltd
Coromal Caravans Pty Ltd
Fleetwood Parks Pty Ltd
Fleetwood Portables Pty Ltd
Fleetwood Campervans Pty Ltd
Fleetwood Finance (WA) Pty Ltd
Camec Pty Ltd
Camec (Qld) Pty Ltd
Windsor Caravans Pty Ltd (formerly Limecole Pty Ltd)

A consolidated statement of financial performance and consolidated statement of financial position comprising the Company and its subsidiaries, which are party to the deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2004 is set out on the following page:

27 Deed of cross guarantee (continued)

Statement of financial performance

	Consolidated 2004 $ '000	Consolidated 2003 $ '000
Profit from ordinary activities before income tax	**27,549**	15,781
Income tax expense relating to ordinary activities	**(8,532)**	(5,146)
Net profit	**19,017**	10,635
Retained profit at beginning of year	**13,077**	4,583
	32,094	15,218
Dividends provided or paid	**(6,981)**	(2,141)
Retained profits at end of year	**25,113**	13,077

Statement of financial position

	Consolidated 2004 $ '000	Consolidated 2003 $ '000
Cash assets	**1,281**	9,444
Receivables	**35,370**	28,136
Inventories	**25,068**	19,707
Total current assets	**61,719**	57,287
Receivables	**168**	303
Investments	**175**	175
Property, plant and equipment	**67,505**	58,633
Intangibles	**29,570**	26,808
Deferred tax assets	**969**	804
Total non-current assets	**98,387**	86,723
Total assets	**160,106**	144,010
Payables	**31,848**	30,508
Interest bearing liabilities	**197**	260
Current tax liabilities	**2,434**	2,036
Provisions	**2,445**	1,883
Total current liabilities	**36,924**	34,687
Interest bearing liabilities	**24,897**	26,318
Deferred tax liabilities	**3,414**	3,105
Provisions	**786**	708
Total non-current liabilities	**29,097**	30,131
Total liabilities	**66,021**	64,818
Net assets	**94,085**	79,192
Contributed equity	**68,787**	65,951
Reserves	**185**	164
Retained profits	**25,113**	13,077
Total equity	**94,085**	79,192

	Consolidated		Company	
	2004	2003	**2004**	2003
	$ '000	$ '000	**$ '000**	$ '000

28 Notes to the statement of cash flows

28.1 Reconciliation of cash

Cash	**2,197**	9,690	**1,255**	9,280

28.2 Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities

Operating profit after income tax	**20,246**	11,206	**5,922**	7,550
(Profit) loss on sale of non-current assets	**(625)**	46	**39**	(36)
Add (less) non-cash items:				
Interest	**-**	-	**(3,623)**	(3,565)
Dividends	**-**	-	**(4,864)**	(7,500)
Depreciation and amortisation expense	**5,834**	4,654	**128**	122
Goodwill amortisation	**1,812**	1,384	**148**	152
Amounts set aside to provisions	**338**	277	**99**	7
Increase (decrease) in income taxes payable	**755**	(1,707)	**564**	(140)
Increase (decrease) in deferred taxes payable	**147**	301	**(41)**	1
Net cash provided by (used in) operating activities before change in assets and liabilities	**28,507**	16,161	**(1,628)**	(3,409)
Changes in assets and liabilities adjusted for effects of purchase and disposal of controlled entities during the financial year:				
Increase in inventories	**(3,914)**	(907)	**-**	-
(Increase) decrease in other debtors	**(1,917)**	678	**(159)**	58
(Increase) decrease in trade debtors	**(5,337)**	(9,890)	**(55)**	1
Increase in creditors	**1,557**	11,604	**192**	74
Net cash provided by (used in) operating activities	**18,896**	17,646	**(1,650)**	(3,276)

28.3 Non-cash financing and investing activities

During the year, the consolidated entity acquired plant & equipment with a value of $591,525 (2003: $1,400,000) under a finance lease. This is not reflected as a borrowing or acquisition of plant and equipment in the statement of cash flows.

During the year, dividends of $2,152,832 (2003: $3,723,007) were reinvested with the Company as 484,872 (2003: 1,319,141) fully paid ordinary shares.

The Company received dividends of $4,864,051 from controlled entities by way of an increase in controlled entities loan accounts.

	Consolidated		Company	
	2004	2003	**2004**	2003
	$ '000	$ '000	**$ '000**	$ '000

28 Notes to the statement of cash flows (continued)

28.4 Acquisition of businesses

	2004 $ '000	2003 $ '000	**2004 $ '000**	2003 $ '000
Consideration	**7,075**	6,841	-	-
Outflow of cash	**7,075**	6,841	-	-
Fair value of net assets acquired:				
Property, plant & equipment	**246**	200	-	-
Inventories	**2,214**	2,222	-	-
Tax assets	**90**	-	-	-
Provisions	**(350)**	(193)	-	-
	2,200	2,229	-	-
Goodwill on acquisition	**4,875**	4,612	-	-
Consideration (cash)	**7,075**	6,841	-	-

The consolidated entity purchased the business of Windsor Caravans on 1 July 2003 and the business of Rainbow Transportable Homes on 3 May 2004. The principle activity of Windsor Caravans is the manufacture of caravans and the principle activity of Rainbow Transportable Homes is the manufacture of factory built housing.

29 Contingent liabilities

Details of contingent liabilities which may become payable are set out below. The directors are not aware of any circumstances or information that would lead them to believe that these liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.

Guarantees

Under the terms of the Deed of Cross Guarantee described in Note 27, the Company has guaranteed the repayment of all current and future creditors totalling $32,281,594 (2003: $35,921,157) in the event any of the entities which are party to the Deed are wound up. No deficiency in net assets exists in these companies.

30 Particulars relating to controlled entities

Fleetwood Corporation Limited (Ultimate parent entity)

	Interest held	
	2004	2003
Controlled entities	**%**	%
Fleetwood Durabuilt Pty Ltd	100	100
Flexiglass Challenge Pty Ltd	100	100
Fleetwood Parks Pty Ltd	100	100
Coromal Caravans Pty Ltd	100	100
Fleetwood Campervans Pty Ltd	100	100
Fleetwood Portables Pty Ltd	100	100
Fleetwood Finance (WA) Pty Ltd	100	100
Camec Pty Ltd	100	100
Camec (Qld) Pty Ltd	100	100
Windsor Caravans Pty Ltd (formerly Limecole Pty Ltd)	100	100
Flexiglass Challenge Industries (NZ) Limited (incorporated in New Zealand)	100	100
Serada Limited (incorporated in New Zealand)	100	100

31 Related parties

Directors

The names of each person holding the position of director of Fleetwood Corporation Limited during the financial year are S Gill, P Gunzburg, N Pillay, R Prowse, and G Tate. Details of directors' remuneration are set out in Note 32.

N Pillay provided legal advice to the Company to the value of $14,697 (2003: $34,246). Advice was provided in the normal course of business and under normal terms and conditions.

No director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year-end.

From time to time, directors of the Company or its controlled entities may purchase goods from the consolidated entity. These purchases are on the same terms and conditions as those entered into by other consolidated entity employees.

Directors' and executives' share and options holdings

The interests of directors and executives of the consolidated entity and their related entities in shares and options of Fleetwood Corporation Limited at 30 June 2004 are:

	Shares at beginning of year	Options exercised	Net other change	Shares at end of year	Shares held nominally
Directors					
Stephen Gill	2,426,336	33,875	(80,386)	2,379,825	-
Greg Tate	4,717,408	28,375	(109,967)	4,635,816	-
Specified Executives					
Rodney Bini	33,971	-	(6,349)	27,622	-
Bradley Van Hemert	76,313	-	1,462	77,775	-
Alan MacKenzie	-	-	-	-	-
James O'Brien	302,000	-	-	302,000	-
David Robertson	74,849	70,000	(48,566)	96,283	-
	7,630,877	132,250	(243,806)	7,519,321	-

	Options at beginning of year	Issued	Exercised	Options at end of year	Vested during the year	Vested at end of year	Proceeds received on exercise $
Directors							
Executive							
Stephen Gill	96,625	150,000	(33,875)	212,750	33,875	-	81,960
Greg Tate	246,625	150,000	(28,375)	368,250	33,875	155,000	40,060
Specified Executives							
Rodney Bini	15,000	20,000	-	35,000	5,000	5,000	-
Bradley Van Hemert	120,000	35,000	-	155,000	20,000	100,000	-
Alan MacKenzie	-	25,000	-	25,000	-	-	-
James O'Brien	15,000	20,000	-	35,000	5,000	5,000	-
David Robertson	100,000	35,000	(70,000)	65,000	20,000	10,000	95,200
	593,250	435,000	(132,250)	896,000	117,750	275,000	217,220

All vested options are exercisable.

Loans to directors

There were no outstanding loans to the executive directors at 30 June 2004 (2003: $108,000). During the year $54,000 was repaid by each of the executive directors. Interest received on the loans totalled $2,960 (2003: $16,198). Interest on loans to directors is payable at the rate of 8% pa.

31 Related parties (continued)

Controlled entities

Details of interests in controlled entities are set out in Note 30. Details of dealings with controlled entities are set out below.

Inter-company loans

Inter-company loans are non-current facilities. Interest may be charged on the outstanding balance at 6% pa. Interest brought to account by the Company in relation to these loans during the year is as follows:

	Company	
	2004	2003
	$ '000	$ '000
Interest revenue	**3,623**	3,565

The aggregate amounts receivable from wholly owned controlled entities by the Company are as follows:

Non-current assets (Note 15)	**86,676**	74,957

Dividends

Dividends received or due and receivable by the Company from wholly-owned controlled entities:

Recorded as revenue	**4,864**	7,500

32 Directors' and executives' remuneration

The board of directors reviews the remuneration packages of all directors and specified executives. The executive directors review the remuneration packages of all executives.

Remuneration packages are reviewed and determined with due regard to current market rates and the individual's performance.

	Primary		*Post Employment*	*Equity*	
Directors	**Salary & fees**	**Non-monetary**	**Superannuation**	**Options**	**Total**
	$	**$**	**$**	**$**	**$**
Non-executive					
Peter Gunzburg	50,000	-	-	-	50,000
Naveen Pillay	40,000	-	-	-	40,000
Robert Prowse	40,000	-	-	-	40,000
Executive					
Stephen Gill	290,000	48,116	87,000	94,127	519,243
Greg Tate	390,000	50,941	87,000	94,127	622,068
	810,000	99,057	174,000	188,254	1,271,311

Naveen Pillay resigned from the Board on 8 June 2004.

Specified		*Primary*		*Post Employment*	*Equity*	
Executives	**Position**	**Salary**	**Non-monetary**	**Superannuation**	**Options**	**Total**
		$	**$**	**$**	**$**	**$**
Rodney Bini	CEO, Windsor Caravans	100,000	15,000	50,000	12,952	177,952
Bradley Van Hemert	CEO, Coromal Caravans	142,202	-	12,798	23,169	178,169
Alan MacKenzie	CEO, Fleetwood Portables	169,725	-	15,275	13,678	198,678
James O'Brien	CEO, Camec Group	114,266	15,000	15,734	12,952	157,952
David Robertson	CEO, Fleetwood Parks	72,000	-	78,000	23,169	173,169
		598,193	30,000	171,807	85,920	885,920

The above are the five highest remunerated executives.

33 Effect of the adoption of International Financial Reporting Standards

The main impacts on the consolidated entity of the adoption of international financial reporting standards will be to eliminate the requirement to amortise goodwill and to introduce the requirement to expense share options issued to employees and executives. Other impacts will be the introduction of a statement of changes in equity and the requirement to show asset sales as a net gain rather than show separately the proceeds and written down value on disposal. Financial instruments will be required to be recognised either at fair value or amortised cost. Gains and losses arising from movements in financial instruments recognised at fair value will potentially be booked to the statement of financial performance.

A committee of senior finance executives has been formed to assess the impact of first time adoption of international financial reporting standards on the financial statements of the entity and how this may also impact on customers and suppliers. A high level scoping exercise was conducted to identify key areas of impact that will arise on adoption of international financial reporting standards. The entity intends to conduct a business impact study to determine options for future reporting periods based on this information received from the committee.

34 Events subsequent to balance date

On 1 August 2004, an agreement was entered into with Tourism Holdings Limited for the sale of the Hertz Campervans rental fleet business in Australia. This agreement has no material financial impact.

35 Discontinuing operations

On 1 July 2004, the Fleetwood Parks division was sold to the Aspen Group for approximately $28 million, profit on the sale before tax is approximately $11 million. Please refer to Note 7 for details regarding the Parks division. The Parks division had income tax expense of $1,201,245, net cash flows of $4,501,129 provided by operating activities, $808,687 used in investing activities and $3,692,342 used in financing activities.

Directors' Declaration

The directors of Fleetwood Corporation Limited declare that:

(a) the attached financial statements and notes thereto comply with Accounting Standards;

(b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Company and the consolidated entity;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

(d) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

At the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors opinion, there are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, as detailed in Note 27 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Greg Tate

G TATE

Director

8 September 2004

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060
Central Park
Level 16
152-158 St. Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia
DX 206
Tel: +61 (0) 8 9365 7000
Fax: +61 (0) 8 9365 7001
www.deloitte.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FLEETWOOD CORPORATION LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Fleetwood Corporation Limited (the company) and the consolidated entity, for the financial year ended 30 June 2004 as set out on pages 6 to 29. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Corporations Act 2001 and Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Fleetwood Corporation Limited is in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

KEITH JONES
Partner
Chartered Accountants

Perth, 8 September 2004

ASX Additional Information
As at 27 September 2004

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Twenty largest shareholders

Name	Number of ordinary shares held	%
Thorney Pty Ltd	3,900,000	8.50%
Karrad Pty Ltd	2,923,714	6.37%
Citicorp Nominees Pty Limited (CFS Future Leaders Fund A/C)	2,334,250	5.09%
National Nominees Limited	2,173,637	4.74%
Adventure Holdings Pty Ltd	2,108,889	4.60%
RBC Global Services Australia Nominees Pty Limited (GSJBW A/C)	1,886,070	4.11%
Equity Trustees Limited (SGH PI Smaller Co's Fund)	1,500,740	3.27%
Argo Investments Limited	1,319,497	2.88%
J P Morgan Nominees Australia	1,282,484	2.79%
Citicorp Nominees Pty Limited (CFS Developing Companies A/C)	1,279,207	2.79%
ANZ Nominees Limited	1,204,683	2.63%
Kevin Edward O'Brien	1,001,500	2.18%
Karrad Pty Ltd	1,000,000	2.18%
RBC Global Services Australia Nominees Pty Limited (PIPOOLED A/C)	698,968	1.52%
Seattle Investments Pty Ltd	616,963	1.34%
Westpac Custodian Nominees Limited	561,097	1.22%
Citicorp Nominees Pty Limited (CFSIL CFS WS Small Comp A/C)	544,208	1.19%
RBC Global Services Australia Nominees Pty Limited (PIIC A/C)	523,469	1.14%
Greg Tate	520,673	1.13%
Thomas Joseph Falvey	509,243	1.11%
	27,889,292	**60.77%**

Substantial shareholders

The number of shares held by substantial shareholders are set out below:

Name	Number of ordinary shares held	%
Greg Tate	4,761,316	10.38%
Citicorp Nominees Pty Limited	4,407,658	9.60%
Thorney Pty Ltd	3,900,000	8.50%
RBC Global Services Australia Nominees Pty Limited	3,437,593	7.49%
Stephen Gill	2,370,825	5.17%

Distribution of equity security holders

Category	Number of shareholders
1 -1,000	1827
1,001 - 5,000	2016
5,001 - 10,000	328
10,001 - 100,000	213
100,001 and over	42
	4426
Shareholders holding less than a marketable parcel	62

Voting rights of shareholders

On a show of hands, every member in person or by proxy shall have one vote. Upon a poll, voting rights of such members shall be one vote for each share held.

On market buy-back

There is no current on market buy-back.

Other information

Fleetwood Corporation Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Fleetwood
CORPORATION

21 Regal Place, East Perth WA 6004
Tel: (08) 9323 3300 Fax: (08) 9202 1106
info@fleetwood.com.au

info@fleetwood.com.au