Fleetwood
CORPORATION

FLEETWOOD CORPORATION LIMITED
2006 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS

WELCOME

Good morning ladies and gentlemen.

Welcome to the 20th Annual General Meeting of Fleetwood Corporation Limited.

My name is Peter Gunzburg and I am the Chairman of Fleetwood Corporation.

Let me introduce the other members of the Board;

- Bob McKinnon, executive director
- Greg Tate, Managing Director
- Steve Gill, Executive Director
- Michael Hardy, non-executive director
- Brad Denison, Company Secretary

LAST YEAR

Before we attend to the formal business of the meeting I would like to give you an overview of last year's performance and an update on the current year so far.

Fleetwood generated a record result from continuing operations last year with operating profit after tax for the year up **11%** to **$20.7 million**. The result for the 2005 financial year included a profit of $7 million from the sale of the Parks division.

A fully franked final dividend of 12.5 cents per share, representing a 4% increase on last year was paid to shareholders on the 31 October 2006. A special dividend of 40 cents per share was also paid for the year.

As previously announced further special dividends totalling 80 cents per share are intended to be paid over the next two years. Payment of these special dividends is subject to the profitability of the group and any acquisition opportunities which may arise.

The focus in 2006 was on the completion of the rationalisation of the group's operations. The rationalisation which was commenced in 2005 included the:

- expansion of both Coromal and Windsor's production facilities
- relocation of Camec in New South Wales and Serada in New Zealand to new warehouse style premises
- consolidation and relocation of the manufactured accommodation operations in Western Australia and Victoria.

We last undertook a major consolidation of our activities in 2001 which laid the foundation for our significant growth since 2002.

OUTLOOK

Where to from here?

The rationalisation undertaken which is now essentially complete will allow us to take advantage of future growth opportunities available to the Fleetwood Group.

Labour availability, particularly in Western Australia remains an issue however there are signs that conditions are improving. Availability and the cost of materials is also less of a challenge now compared to this time last year.

Ageing population demographics continue to support demand for recreational vehicles and park homes with resource industry demand also positively impacting our manufactured accommodation operations.

The Searipple Accommodation Village in Karratha which is owned by Fleetwood has occupancy currently running in excess of 80%. The Village will benefit this year from the demand for accommodation by the construction work force associated with the Woodside LNG 5 project and other projects in the region. Should accommodation demand continue to rise in Karratha we have the ability to increase the number of rooms available at Searipple.

Operating profit for the first quarter of this financial year is ahead of the same period last year.

We remain focused on the growth sectors of Retirement, Recreation and Resource. Demand for all group products remains strong and this combined with economic activity in Western Australia expected to remain buoyant for an extended period supports our confidence of continued long term growth for Fleetwood.

OUR PEOPLE

This year has been particularly challenging for our people. They made an enormous contribution to ensuring the rationalisation in all areas of the group's operations was successful.

I take this opportunity on behalf of the Fleetwood board and shareholders to sincerely thank all our people including our subcontractors for the enormous contribution they make to ensure the ongoing success of Fleetwood.

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