Fleetwood Corporation Limited

ABN 69 009 205 261

Appendix 4D
Half Year Ended 31 December 2006

Results for Announcement to the Market

	Change %			Amount $'000
Revenue from ordinary activities	up	**27%**	to	**158,542**
Profit from ordinary activities after tax attributable to members	up	**25%**	to	**12,781**
Net Profit attributable to members	up	**25%**	to	**12,781**

Dividends	**Amount per security**	**Franked % per security**
Interim dividend	9 ¢	100%
Special dividend	20 ¢	100%
Total dividend for period	29 ¢	
Previous corresponding period	28 ¢	100%
Record date for determining entitlements to the interim and special dividend	19 February 2007	
Date the interim and special dividend is payable	30 March 2007	

For further information please contact:

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Fleetwood CORPORATION

Preliminary Half Year Report
Year Ending 31 December 2006

Financial Overview

- Revenue up **27%** to **$159m**
- EBITDA up **23%** to **$23.6m**
- EBIT up **26%** to **$19.4m**
- Operating profit after tax up **25%** to **$12.8m**

Review of Operations

The benefits of the strategic rationalisation of operations undertaken over the past 2 years have begun to positively impact earnings.

The rationalisation included;

- Expanding the Coromal and Windsor caravan manufacturing facilities
- Developing purpose built production facilities in Western Australia and Victoria for manufactured accommodation.
- Relocating Camec in New South Wales to new warehouse style premises.

The impact of the rationalisation on earnings will be more significant in future periods.

Recreational Vehicles

Demand for caravans remains strong with Coromal and Windsor both having full order books going into the second half. Fleetwood caravan production volumes for the first half are up 8% compared to the previous corresponding period.

$ million	2006	2005	% Chg
Revenue	95.0	86.3	10.1%
EBIT	11.8	10.9	8.3%
EBIT Margin	12.4%	12.6%	

Recruitment and training of personnel at Coromal and Windsor impacted productivity during the period, however availability and turnover of labour is expected to be more stable in the second half.

Camec as a major supplier to the RV industry continues to benefit from increased demand from manufacturers.

Fleetwood CORPORATION

Manufactured Accommodation

$ million	2006	2005	% Chg
Revenue	63.2	37.5	68.5%
EBIT	8.6	4.9	75.5%
EBIT Margin	13.6%	13.1%	

Demand for accommodation for resource projects and retirement villages continues to run at record levels and is expected to remain strong in the second half.

Occupancy rates at Searipple Village in Karratha remain above forecast mainly as a result of accommodation demand associated with the Woodside LNG 5 Project. Other projects in the region are also impacting accommodation demand and therefore high utilisation during the second half of the year is expected.

Dividends

Interim Dividend
A fully franked interim dividend of 9 cents per share will be paid on 30 March 2007.

Special Dividend
In conjunction with the interim dividend a fully franked special dividend of 20 cents per share will be paid on 30 March 2007.

Subject to ongoing profitability, acquisition opportunities and market conditions, it is the directors' intention to pay a special dividend of 20 cents per share with each interim and final dividend during the next 18 months; i.e. further special dividends of 60 cents per share.

Dividend Reinvestment Plan
The Company's dividend reinvestment plan will be available for the purpose of this dividend. Shares will be issued at a 2.5% discount to the weighted average market price at the record date. The last date for receipt of an election notice for participation in the plan is 19 February 2007.

Shares issued under the Plan will be entitled to any future special dividend payments.

Outlook

With the completion of it's strategic rationalisation Fleetwood is now able to focus on core business activities in the Retirement, Recreation and Resource sectors and therefore we remain confident about future earnings and growth potential.

Greg Tate

Greg Tate
Managing Director
7 February 2007

Fleetwood Corporation Limited
ABN 69 009 205 261

Preliminary Half Year Financial Report

31 December 2006

Fleetwood Corporation Limited
Consolidated Income Statement
Half Year Ended 31 December 2006

	2006	2005
	$ '000	$ '000
Sale of goods	144,961	113,657
Rentals	12,897	9,913
Interest	315	370
Profit on sale of non-current assets	369	633
Revenue	**158,542**	**124,573**
Materials used	(84,499)	(59,228)
Sub-contract costs	(11,953)	(8,931)
Employee benefits expense	(26,745)	(24,899)
Operating leases	(2,698)	(2,454)
Other expenses	(9,043)	(9,923)
Profit before interest, tax, depreciation and amortisation **(EBITDA)**	**23,604**	**19,136**
Depreciation and amortisation	(4,189)	(3,717)
Profit before interest and tax **(EBIT)**	**19,415**	**15,421**
Finance costs	(1,113)	(962)
Profit before income tax expense	**18,302**	**14,459**
Income tax expense	(5,521)	(4,217)
Profit attributable to members of the parent entity	**12,781**	**10,242**

Earnings Per Share

Basic earnings per share (cents)	26.2	21.9
Diluted earnings per share (cents)	26.0	21.8

Fleetwood Corporation Limited
Consolidated Balance Sheet
As at 31 December 2006

Fleetwood CORPORATION

	31 Dec 2006 $ '000	30 June 2006 $ '000
Current assets		
Cash and cash equivalents	4,762	10,490
Trade and other receivables	38,436	37,305
Inventories	41,077	37,506
Other financial assets	-	35
Total current assets	84,275	85,336
Non-current assets		
Trade and other receivables	107	96
Property, plant and equipment	65,080	67,063
Intangible assets	32,626	32,237
Total non-current assets	97,813	99,396
Total assets	182,088	184,732
Current liabilities		
Trade and other payables	38,988	34,018
Interest bearing liabilities	-	33,000
Tax liabilities	1,413	889
Provisions	2,577	2,536
Other financial liabilities	20	-
Total current liabilities	42,998	70,443
Non-current liabilities		
Interest bearing liabilities	21,000	-
Deferred tax liabilities	1,604	1,675
Provisions	2,113	1,895
Total non-current liabilities	24,717	3,570
Total liabilities	67,715	74,013
Net assets	114,373	110,719
Equity		
Issued capital	90,088	83,735
Reserves	(214)	(451)
Retained earnings	24,499	27,435
Total equity	114,373	110,719

Fleetwood Corporation Limited
Consolidated Statement of Recognised Income and Expense
Half Year Ended 31 December 2006

	2006 $ '000	2005 $ '000
Exchange differences taken to equity on translation of foreign operations	237	-
Net income recognised directly in equity	**237**	**-**
Profit for the period	12,781	10,242
Total recognised income and expense for the period	**13,018**	**10,242**

Fleetwood Corporation Limited
Consolidated Cash Flow Statement
Half Year Ended 31 December 2006

	2006 $ '000	2005 $ '000
Cash flows from operating activities		
Receipts in the course of operations	173,158	136,059
Payments in the course of operations	(150,322)	(124,539)
Interest received	316	370
Income taxes paid	(5,067)	(9,553)
Finance costs	(1,113)	(962)
Net cash provided by operating activities	16,972	1,375
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	2,187	5,765
Acquisition of property, plant and equipment	(3,343)	(3,478)
Net cash (used in) provided by investing activities	(1,187)	2,287
Cash flows from financing activities		
Proceeds from issue of shares	644	905
Proceeds from borrowings	-	7,500
Repayment of borrowings	(12,000)	-
Dividends paid	(10,221)	(10,057)
Net cash used in financing activities	(21,577)	(1,652)
Net (decrease) increase in cash held	(5,792)	2,010
Cash and cash equivalents at the beginning of the financial year	10,490	3,506
Effects of exchange rate changes on the balance of cash held in foreign currencies.	64	12
Cash and cash equivalents at the end of the period	4,762	5,528

1. Issued capital

Issued and paid-up capital
49,297,232 (30 June 2006: 48,312,429) ordinary shares, fully paid.

On 31 October 2006, 824,268 (31 October 2005: 752,666) shares were issued at a price of $6.38 per share pursuant to the Company's Dividend Reinvestment Plan.

During the period 160,535 (2005: 281,444) shares were issued as a result of the exercise of options pursuant to the Employee Share Option Plan and Executive Share Option Plan.

2. Dividends

During the period, a final dividend of 12.5 cents and a special dividend of 20 cents per share was paid for the year ended 30 June 2006.

During the year 824,268 shares were issued pursuant to the Dividend Reinvestment Plan.

	2006		2005	
	Cents per share	$ '000	Cents per share	$ '000
Recognised amounts				
Final dividend	12.5	6,058	12.0	5,580
Special dividend	20.0	9,692	20.0	9,300
	32.5	15,750	32.0	14,880

The last date for receipt for an election notice for participation in the Dividend Reinvestment Plan is 19 February 2007.

3. Segment information

	Segment Revenue		Depreciation and Amortisation		Segment Results (EBIT)	
	2006 $ '000	2005 $ '000	2006 $ '000	2005 $ '000	2006 $ '000	2005 $ '000
Recreational Vehicles	95,029	86,270	1,634	1,180	11,781	10,870
Manufactured Accommodation	63,181	37,500	2,417	2,419	8,595	4,887
Unallocated	332	803	138	118	(961)	(336)
	158,542	124,573	4,189	3,717	**19,415**	**15,421**
Finance costs					(1,113)	(962)
Profit before income tax expense					**18,302**	**14,459**
Income tax expense					(5,521)	(4,217)
Profit from continuing operations					**12,781**	**10,242**

4. Net tangible assets per security

Net tangible assets per security	$1.66	$1.64

5. Information on audit review

This preliminary half year report is based on accounts that are in the process of being reviewed.