News release

10 August 2010

Fleetwood CORPORATION

ACQUISITION OF BRB MODULAR

Fleetwood Corporation Limited has today entered into a conditional agreement to acquire BRB Modular Pty Ltd (BRB).

BRB currently manufactures and installs prefabricated modular building solutions predominantly for public sector clients including the education departments in New South Wales, Queensland and Victoria.

BRB commenced operations in 1977 in Bendigo, Victoria. Today, BRB operates from premises in Melbourne, Bendigo and Brisbane and employs some 250 people.

The acquisition provides Fleetwood with an immediate entry into public sector markets in New South Wales, Queensland and Victoria with potential to enter these markets in other States and Territories of Australia. It also provides capability for Fleetwood's existing business, most notably as provider of accommodation for the resources industry, to expand into east coast markets, particularly in Queensland.

The acquisition involves an investment of $56.5 million, which is comprised of the issue of 2.5 million shares in Fleetwood and the payment of $31.5 million in cash to be funded using Fleetwood's facility with Westpac. The business had tangible assets before fair value adjustments at acquisition date of approximately $25 million.

Shares issued to the vendors will be subject to a voluntary escrow agreement for a period of 12 months and will attract all rights attached to ordinary shares in Fleetwood from the date of issue.

The vendors will continue in an executive capacity with BRB and their employment arrangements contain appropriate minimum terms and conflict of interest clauses.

Commenting on the acquisition, Fleetwood's CEO Stephen Price said "BRB is clearly a quality business, and the acquisition opens the door for Fleetwood's accommodation products to enter east coast markets and BRB's products to enter west coast markets." Fleetwood's CFO Brad Denison added "excluding costs of the transaction, the acquisition is expected to be earnings accretive this financial year, and Fleetwood's proven ability to integrate acquired businesses will ensure our shareholders receive an attractive return on this investment."

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