

Interim Financial Report

Half Year Ended 31 December 2011





Delivering the Promise

Fleetwood Corporation Limited

ABN 69 009 205 261

Appendix 4D Half Year Ended 31 December 2011

Results for Announcement to the Market

	Change %		Amount \$'000
Revenue from ordinary activities	down 9%	to	206,130
Profit from ordinary activities after tax attributable to members	up 10%	to	26,887
Net Profit attributable to members	up 10%	to	26,887

Dividends	Amount per security	Franked % per security
Interim dividend	33 ¢	100%
Previous corresponding period	32 ¢	100%
Record date for determining entitlements to the interim dividend	1 March 2012	
Date the interim dividend is payable	30 March 2012	

The interim report that accompanies this Appendix 4D has been reviewed.

For enquiries please contact:

Brad Denison
Chief Financial Officer
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Directors' Report

The Directors present their report together with consolidated financial statements for the half year ended 31 December 2011.

Directors and Executive Officers

The Directors of the company during and since the half year are:

Michael Hardy	Chairman, Non-executive
Greg Tate	Non-executive
Stephen Gill	Non-executive
Peter Gunzburg	Non-executive

The Executive Officers of the company are:

Stephen Price	Chief Executive Officer
Brad Denison	Chief Financial Officer

Review of Trading Results

Financial Overview

- Revenue down 9% to \$206.1m
- EBITDA up 10% to \$46.9m
- EBIT up 10% to \$39.5m
- NPAT up 10% to \$26.9m
- EPS up 6% to 46.1 cents
- Net cash of \$13.0m at 31 December 2011

Strong demand from the Western Australia resources sector more than offset soft trading conditions in the recreational vehicles sector, and as a result Fleetwood produced another record result for the period.

Strong operating cash flows of \$47.6m allowed all debt to be repaid during the period.

Manufactured Accommodation

\$ million	Dec 2011	Dec 2010	% Chg
Revenue	125.2	134.3	-6.8%
EBIT	37.3	27.3	36.7%
EBIT Margin	29.8%	20.3%	

Earnings from manufacturing activities for the WA resources sector were higher than the previous corresponding period, and towards the end of the period included some revenue from the five year Supply Agreement with BHP Iron Ore that was announced in September 2011.

Searipple Village in Karratha operated at high levels of occupancy during the period, benefiting from the accommodation agreements with Rio Tinto and Woodside that were announced in June 2011.

As expected, the Building the Education Revolution (BER) program came to an end around July 2011. BRB Modular's revenue was in line with the previous corresponding period, which was a part period contribution following the acquisition of the company in August 2010.

Revenue from sale of park and transportable homes was lower than the previous corresponding period in part reflecting the softness in the WA real estate market.

Recreational Vehicles

\$ million	Dec 2011	Dec 2010	% Chg
Revenue	80.6	91.9	-12.3%
EBIT	4.0	10.2	-61.0%
EBIT Margin	4.9%	11.1%	

A decline in consumer sentiment for discretionary spend items caused production of recreational vehicles in Australia to be lower than in the previous six month period, which adversely impacted revenue from the sale of parts and accessories to the industry. Despite this, the number of recreational vehicles produced by the manufacturing businesses owned by Fleetwood was higher than in the previous six month period.

Revenue from the sale of canopies and trays for commercial vehicles was also lower, which was largely caused by natural disasters that affected the supply of new vehicles to Australia.

The division made good progress on its strategic initiatives aimed at product innovation, process streamlining and Asian sourcing.

Dividends

A fully franked interim dividend of 33 cents per share will be paid on 30 March 2012. The dividend represents a 3.1% increase compared to last year.

The company's dividend re-investment plan will be available for the interim dividend at a re-investment discount of 2.5%.

Outlook

Fleetwood is well positioned in its markets. Some of these markets are experiencing strong trading conditions, whereas others are currently soft. Generally, the group's involvement in a number of diverse industry sectors has the effect of reducing the variability of its overall earnings.

Demand for manufactured accommodation for the WA resources sector is expected to continue to strengthen as more projects are approved and move into the construction stage. This is also true for Queensland in which BRB Modular is well placed to grow.

Demand for new buildings for the education sector is expected over time to return to normal levels following a post BER lull. Demand for other Government sector buildings is expected to remain consistent with the long run average.

The results for Searipple Village are affected by resource project activity around Karratha. Occupancy will remain at high levels until at least the end of March 2012, at which time it may soften to an extent before firming again to meet the expected start-up of a number of major new construction projects in the region.

Earnings from the Recreational Vehicles division will be strongly influenced by consumer sentiment for large discretionary spend items. Revenue from the sale of canopies and trays should improve as supply of commercial vehicles gradually recovers over the next few months.

Fleetwood continues to look for growth opportunities, including acquisitions and the development and ownership of accommodation assets.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditor, Deloitte Touche Tohmatsu to provide the Directors of Fleetwood Corporation Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration forms part of this Directors' Report, and is included on page 15.

Rounding

The company is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Michael Hardy
Chairman

Perth, 20 February 2012

Fleetwood Corporation Limited
Condensed Consolidated Statement of Comprehensive Income
Half Year Ended 31 December 2011



	Consolidated	
	Half Year Ended	
	31 Dec 2011	31 Dec 2010
	\$ '000	\$ '000
Revenue	206,130	226,599
Materials used	(68,929)	(96,508)
Sub-contract costs	(32,609)	(33,769)
Employee benefits expense	(40,093)	(36,204)
Rent expense	(5,601)	(5,398)
Other expenses	(11,949)	(11,940)
Profit before interest, tax, depreciation and amortisation (EBITDA)	46,949	42,780
Depreciation and amortisation	(7,449)	(6,873)
Profit before interest and tax (EBIT)	39,500	35,907
Finance costs	(434)	(794)
Profit before income tax expense	39,066	35,113
Income tax expense	(12,179)	(10,695)
Profit attributable to members of the parent entity	26,887	24,418
Other comprehensive income		
Net exchange difference relating to foreign controlled entities	(327)	(474)
Total comprehensive income attributable to members of the parent entity (net of tax)	26,560	23,944
Earnings per share		
Basic earnings per share (cents)	46.1	43.3
Diluted earnings per share (cents)	45.3	42.3

Notes to the financial statements commence on page 11.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Financial Position
As at 31 December 2011



	Note	31 Dec 2011 \$ '000	30 Jun 2011 \$ '000
Current assets			
Cash and cash equivalents		14,075	17,985
Trade and other receivables		45,181	74,730
Inventories		49,080	45,559
Other financial assets		-	5,302
Total current assets		108,336	143,576
Non-current assets			
Trade and other receivables		22	25
Property, plant and equipment		101,907	93,958
Intangible assets		2,374	2,390
Goodwill	6	64,435	64,435
Deferred tax assets		3,797	3,093
Total non-current assets		172,535	163,901
Total assets		280,871	307,477
Current liabilities			
Trade and other payables		47,396	66,641
Interest bearing liabilities	7	322	398
Tax liabilities		5,759	5,766
Provisions		4,377	4,336
Total current liabilities		57,854	77,141
Non-current liabilities			
Interest bearing liabilities	7	758	20,890
Provisions		3,312	3,217
Total non-current liabilities		4,070	24,107
Total liabilities		61,924	101,248
Net assets		218,947	206,229
Equity			
Issued capital		174,436	164,448
Reserves		(1,328)	(1,001)
Retained earnings		45,839	42,782
Total equity		218,947	206,229

Notes to the financial statements commence on page 11.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Changes in Equity
Half Year Ended 31 December 2011



	Issued capital \$ '000	Cash flow hedging reserve \$ '000	Foreign currency translation reserve \$ '000	Retained earnings \$ '000	Total \$ '000
Balance at 1 July 2010	125,780	202	(649)	31,540	156,873
Profit for the period	-	-	-	24,418	24,418
Exchange differences arising on translation of foreign operations	-	-	(474)	-	(474)
Total comprehensive income for the period	-	-	(474)	24,418	23,944
Settlement of cash flow hedges	-	(202)	-	-	(202)
Shares issued as part of dividend reinvestment plan	4,068	-	-	-	4,068
Dividends paid to equity holders	-	-	-	(21,590)	(21,590)
Share-based payments	606	-	-	-	606
Shares issued pursuant to employee and executive option plans	2,849	-	-	-	2,849
Shares issued as consideration for business combination	24,825	-	-	-	24,825
Balance at 31 December 2010	158,128	-	(1,123)	34,368	191,373
Balance at 1 July 2011	164,448	-	(1,001)	42,782	206,229
Profit for the period	-	-	-	26,887	26,887
Exchange differences arising on translation of foreign operations	-	-	(327)	-	(327)
Total comprehensive income for the period	-	-	(327)	26,887	26,560
Shares issued as part of dividend reinvestment plan	6,074	-	-	-	6,074
Dividends paid to equity holders	-	-	-	(23,830)	(23,830)
Share-based payments	1,050	-	-	-	1,050
Shares issued pursuant to employee and executive option plans	2,864	-	-	-	2,864
Balance at 31 December 2011	174,436	-	(1,328)	45,839	218,947

Notes to the financial statements commence on page 11.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Cash Flows
Half Year Ended 31 December 2011



	Note	Consolidated Half Year Ended	
		31 Dec 2011 \$ '000	31 Dec 2010 \$ '000
Cash flows from operating activities			
Receipts in the course of operations		263,130	247,385
Payments in the course of operations		(202,515)	(220,790)
Interest received		300	260
Income taxes paid		(12,890)	(10,719)
Finance costs		(434)	(794)
Net cash provided by operating activities		47,591	15,342
Cash flows from investing activities			
Acquisition of business	8	-	(19,805)
Proceeds from sale of property, plant and equipment		346	75
Acquisition of property, plant and equipment		(16,553)	(3,100)
Net cash used in investing activities		(16,207)	(22,830)
Cash flows from financing activities			
Proceeds from exercise of share options		2,864	2,849
Proceeds from borrowings		5,000	35,000
Repayment of borrowings		(25,208)	(8,609)
Dividends paid		(17,756)	(17,522)
Net cash (used in) / provided by financing activities		(35,100)	11,718
Net (decrease) / increase in cash held		(3,716)	4,230
Cash and cash equivalents at the beginning of the financial period		17,985	15,599
Effects of exchange rate changes on the balance of cash held in foreign currencies		(194)	(241)
Cash and cash equivalents at the end of the period		14,075	19,588

Notes to the financial statements commence on page 11.

Fleetwood Corporation Limited
Notes to the Financial Statements
Half Year Ended 31 December 2011



1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report as at and for the year ended 30 June 2011.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The Company is a Company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. The adoption of these amendments has not resulted in any changes to the Group's accounting policies and have no impact on the amounts reported for the current or prior periods.

Reporting period

The reporting period is the six months to 31 December 2011 and the previous corresponding period is the six months to 31 December 2010 except for the Consolidated Statement of Financial Position and its related notes which have a previous corresponding period of 30 June 2011.

2. Issues, repurchases and repayments of equity securities

Issued and paid-up capital

58,850,214 (30 June 2011: 57,847,937) ordinary shares, fully paid.

On 30 September 2011, 574,143 (30 September 2010: 415,955) shares were issued at a price of \$10.58 per share pursuant to the Company's Dividend Reinvestment Plan.

During the period 428,134 (2010: 398,347) shares were issued as a result of the exercise of options pursuant to the Employee Share Option Plan and Executive Share Option Plan.

During the period 580,300 (2010: 665,280) share options were issued to employees and 211,867 (2010: 198,000) share options were issued to executives.

3. Dividends

On 30 September 2011 a final dividend of 41 cents per share (30 September 2010: 38 cents per share) was paid relating to the year ended 30 June 2011. The total amount of this dividend payment was \$23,830,817 (30 September 2010: \$21,589,781).

Subsequent to 31 December 2011 the directors declared a fully franked interim dividend of 33 cents per share to the holders of fully paid ordinary shares. The dividend will be paid on 30 March 2012. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$19,445,321.

The last date for receipt of an election notice for participation in the Dividend Reinvestment Plan is 1 March 2012.

4. Net tangible assets per security

	2011	2010
Net tangible assets per security	\$2.52	\$2.36

Fleetwood Corporation Limited
Notes to the Financial Statements
Half Year Ended 31 December 2011



5. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The following is an analysis of the Group's revenue and results by reportable operating segment:

	Segment Revenue		Segment Depreciation and Amortisation		Segment Result (EBIT)	
	31 Dec 2011 \$ '000	31 Dec 2010 \$ '000	31 Dec 2011 \$ '000	31 Dec 2010 \$ '000	31 Dec 2011 \$ '000	31 Dec 2010 \$ '000
Recreational Vehicles	80,595	91,886	1,367	1,351	3,986	10,232
Manufactured Accommodation	125,217	134,327	5,973	5,404	37,316	27,290
Unallocated	318	386	109	118	(1,802)	(1,615)
	206,130	226,599	7,449	6,873	39,500	35,907
Finance costs					(434)	(794)
Profit before income tax expense					39,066	35,113
Income tax expense					(12,179)	(10,695)
Net profit attributable to members of the parent entity					26,887	24,418

Segment result represents the earnings before interest and tax of each segment without the allocation of corporate overheads. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by reportable operating segment:

	31 Dec 2011 \$ '000	30 Jun 2011 \$ '000
Recreational Vehicles	89,025	97,186
Manufactured Accommodation	178,190	185,091
Total segment assets	267,215	282,277
Unallocated assets	13,656	25,200
Total assets	280,871	307,477

6. Goodwill

Carrying amount at beginning of period	64,435	28,311
Amounts recognised from business combinations occurring during the period (refer note 8)	-	36,124
	64,435	64,435

7. Borrowings

Current

Hire purchase creditors - secured	322	398
	322	398

Non-Current

Bank loans - secured	-	20,000
Hire purchase creditors - secured	758	890
	758	20,890

Fleetwood Corporation Limited
Notes to the Financial Statements
Half Year Ended 31 December 2011



8. Business combination

31 December 2011

There was no business combination event during the current reporting period.

30 June 2011

Fleetwood Corporation Limited entered into an agreement to purchase all of the issued capital of BRB Modular Pty Ltd (BRB) on 10 August 2010. This combination was duly recorded in the financial statements of the corresponding period and has been detailed below.

The fair value of the identifiable assets and liabilities of BRB at the date of acquisition, the total cost of the acquisition, and the cash flow at acquisition were as follows:

	Carrying Value \$ '000	Fair Value Recognised \$ '000
Cash and cash equivalents	11,716	11,716
Trade and other receivables	11,538	11,306
Inventory	18,470	17,930
Prepayments	674	674
Property, plant and equipment	7,925	7,593
Deferred tax assets	1,300	1,576
Current tax assets	1,788	1,788
Total assets	53,411	52,583
Trade and other payables	14,266	15,016
Unearned revenue	12,214	12,214
Provisions	2,416	3,250
Finance leased liabilities	2,178	2,178
Deferred tax liabilities	-	(97)
Total liabilities	31,074	32,561
Fair value of identifiable net assets acquired	22,337	20,022
Book value of net assets (including working capital and plant and equipment)		20,022
Goodwill		36,124
		56,146

The receivables acquired, which principally comprised trade receivables, had gross contractual amounts receivable of \$11,538,000. The best estimate, at acquisition date, of the contractual cash flows not expected to be collected was \$232,000.

Cost of the combination:

	\$ '000
Fair value of shares issued	24,825
Cash paid	31,321
Direct costs relating to the acquisition (recorded in the income statement)	200
Total cost of the combination	56,346

The cash outflow on acquisition is as follows:

Net cash acquired with the subsidiary	11,716
Direct costs relating to the acquisition	(200)
Cash paid	(31,321)
Net consolidated cash outflow	(19,805)

The acquired business contributed revenues of \$118,835,312 and net profit after tax of \$7,887,514 (excluding incremental interest) to the Group for the period 10 August 2010 to 30 June 2011. Had BRB been acquired at 1 July 2010, the revenue for the group would have been \$479,647,855, and the profit attributable to members of the parent entity would have been \$52,113,807 for the year ended 30 June 2011. The directors have determined these 'pro-forma' numbers to represent an approximate measure of the performance of the group on an annualised basis.

In determining the 'pro-forma' revenue and profit of the group had BRB been acquired at 1 July 2010, the directors have extrapolated the revenue and earnings for BRB for the period from acquisition date to 30 June 2011 over a 12 month period, and added them to the revenues and profits of the remainder of the group for the year.

9. Events after the reporting period

There were no material events after the end of the reporting period.

Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s. 303(5) of the Corporations Act 2001.

On behalf of the Directors



Michael Hardy
Chairman

Perth, 20 February 2012

The Board of Directors
Fleetwood Corporation Limited
21 Regal Place
EAST PERTH WA 6004

20 February 2012

Dear Board Members

Fleetwood Corporation Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Fleetwood Corporation Limited.

As lead audit partner for the review of the financial statements of Fleetwood Corporation Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Kathleen Bozanic
Partner
Chartered Accountants

Independent Auditor's Review Report to the members of Fleetwood Corporation Limited

We have reviewed the accompanying half-year financial report of Fleetwood Corporation Limited, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 14.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fleetwood Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Fleetwood Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fleetwood Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Kathleen Bozanic

Kathleen Bozanic

Partner

Chartered Accountants

Perth, 20 February 2012