



Delivering the Promise

Interim Financial Report

Half Year Ended 31 December 2012





Delivering the Promise

Fleetwood Corporation Limited

ABN 69 009 205 261

Appendix 4D Half Year Ended 31 December 2012

Results for Announcement to the Market

	Change %		Amount \$'000
Revenue from ordinary activities	down 24%	to	148,604
Profit from continuing operations after tax attributable to members	down 68%	to	8,890
Net Profit attributable to members (including loss from discontinued operation)	down 81%	to	5,122

Dividends	Amount per security	Franked % per security
Interim dividend	30 ¢	100%
Previous corresponding period	33 ¢	100%
Record date for determining entitlements to the interim dividend	28 February 2013	
Date the interim dividend is payable	28 March 2013	

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

For enquiries please contact:

Brad Denison
Chief Financial Officer
T: 08-9323 3300
E: info@fleetwood.com.au

Directors' Report

The Directors present their report together with consolidated financial statements for the half year ended 31 December 2012.

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

*Retired as Non-executive Director on 23 November 2012.

The Executive Officers of the company are:

Stephen Price	Chief Executive Officer
Brad Denison	Chief Financial Officer

Review of Trading Results

Financial Overview

Conditions in the group's key markets were weaker during the first half, which impacted the results.

- Revenue down 24% to \$148.6m
- EBIT down 68% to \$13.2m
 - excludes \$5.4m loss from a discontinued operation
- Net debt of \$11.7m at 31 December 2012

During the period a number of actions were taken to increase revenue and reduce costs including entering into a new accommodation agreement for Searipple village, an early start on the Osprey project, and consolidating the group's caravan manufacturing businesses.

Manufactured Accommodation

\$ million	Dec 2012	Dec 2011
Revenue	94.4	125.2
EBIT	14.9	37.3

Demand for accommodation in the Karratha region declined at the start of the year following the completion of major projects by Rio Tinto and Woodside. Occupancy at Searipple was reduced to 40-50% of village capacity, and was lower leading up to and during the Christmas break period.

In December Fleetwood entered into a new agreement with Rio Tinto to accommodate its operational workforce of up to 660 people at Searipple for a period of one year with four options to extend, each of six months. Rio Tinto also retains first right of refusal for accommodation above the 660 rooms. The agreement involves an upgrade to the village, which is on schedule to be completed in March.

Low levels of manufacturing activity in WA were experienced during the period following the fall in commodity prices.

In July Fleetwood was selected by the WA Department of Housing to build and operate the Osprey village in South Hedland, which will be comprised of approximately 300 transportable homes to accommodate key workers in the region. Fleetwood and the Department agreed an early start on the project, which resulted in increased activity during December as work commenced on both the Osprey and Searipple upgrade projects.

Demand for manufactured accommodation in Victoria and NSW remained relatively low for the period, however this was partly offset by the classroom transfer program contract with the Victorian Department of Education.

Manufacturing activity on education and resources projects in Queensland was strong during the period.

Phase one of the Gladstone project is expected to commence in April 2013.

Recreational Vehicles

\$ million	Dec 2012*	Dec 2011
Revenue	53.8	68.7
EBIT*	0.1	5.1

*Excludes \$5.4m loss from discontinued operation.

The recreational vehicles division experienced continued weak trading conditions.

Initiatives to significantly reduce overheads were applied across the group resulting in some one off restructuring costs, the impact of which was most significant in the recreational vehicles division. Most notably, caravan production was scaled back and the group's caravan manufacturing activities were consolidated at the main facility in WA.

A process was commenced to reposition the Coromal and Windsor brands, the Asian built camper was fully developed, and a new range of caravans at a lower price point was released, which resulted in the division now having a healthy order book for caravans.

Demand for canopies and trays for commercial vehicles returned to normal levels following the natural disasters in Asia that affected the supply of vehicles the previous year. Good progress was made streamlining the business and advancing Asian sourcing initiatives.

Outlook

Fleetwood expects an improved result in the second half of the financial year.

Manufacturing activity is expected to be strong, underpinned by the Osprey and Searipple upgrade projects in WA and the Gladstone project in Queensland. The Gladstone and Searipple upgrade projects will be capitalised and therefore will not be recognised as revenue.

Demand for manufactured accommodation in Victoria and NSW is expected to improve over time reflecting higher levels of infrastructure investment by Government and others. The classroom transfer program contract has been extended by the Victorian Department of Education until July 2015.

Higher occupancy is expected at Searipple village, more so from March after the new accommodation units become available.

Revenue for the recreational vehicles division will continue to be affected by consumer sentiment. However, with caravan manufacturing now consolidated in WA the division has a more competitive business structure and cost base, which will improve financial results and facilitate profitable growth.

The 2014 financial year will benefit from the operational phases of the Gladstone and Osprey villages, improved occupancy at Searipple village and the consolidation of operations in the recreational vehicles division.

Dividends

A fully franked interim dividend of 30 cents per share will be paid on 28 March 2013.

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

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 16.

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, 19 February 2013

Fleetwood Corporation Limited
Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income
Half Year Ended 31 December 2012



	Consolidated Half Year Ended	
	31 Dec 2012 \$ '000	31 Dec 2011 \$ '000
Revenue	148,604	194,278
Materials used	(45,974)	(61,967)
Sub-contract costs	(33,512)	(31,856)
Employee costs	(32,922)	(36,655)
Rent expense	(5,257)	(5,288)
Other expenses	(9,744)	(10,648)
Profit before interest, tax, depreciation and amortisation (EBITDA)	21,195	47,864
Depreciation and amortisation	(7,999)	(7,270)
Profit before interest and tax (EBIT)	13,196	40,594
Finance costs	(434)	(389)
Profit before income tax expense	12,762	40,205
Income tax expense	(3,872)	(12,521)
Profit from continuing operations	8,890	27,684
Loss from discontinued operation	(3,768)	(797)
Profit attributable to members of the parent entity	5,122	26,887
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Net exchange difference relating to foreign controlled entities	123	(327)
Total comprehensive income attributable to members of the parent entity (net of tax)	5,245	26,560
Earnings per share		
From continuing and discontinued operations		
Basic earnings per share (cents)	8.6	46.1
Diluted earnings per share (cents)	8.5	45.3
From continuing operations		
Basic earnings per share (cents)	14.9	47.4
Diluted earnings per share (cents)	14.8	46.6

Notes to the financial statements commence on page 12.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Financial Position
As at 31 December 2012



		Consolidated	
		31 Dec	30 Jun
	Note	2012	2012
		\$ '000	\$ '000
Current assets			
Cash and cash equivalents		9,017	17,380
Trade and other receivables		49,071	53,538
Inventories		51,744	46,416
Tax assets		673	-
Assets held for sale		140	-
Total current assets		110,645	117,334
Non-current assets			
Trade and other receivables		15	18
Property, plant and equipment		106,476	101,545
Intangible assets		2,586	2,521
Goodwill		64,435	64,435
Deferred tax assets		4,275	3,955
Total non-current assets		177,787	172,474
Total assets		288,432	289,808
Current liabilities			
Trade and other payables		40,944	44,263
Interest bearing liabilities	6	20,278	272
Tax liabilities		-	5,976
Provisions		3,978	4,150
Total current liabilities		65,200	54,661
Non-current liabilities			
Interest bearing liabilities	6	481	622
Provisions		2,976	3,280
Total non-current liabilities		3,457	3,902
Total liabilities		68,657	58,563
Net assets		219,775	231,245
Equity			
Issued capital		188,182	179,425
Reserves		(774)	(897)
Retained earnings		32,367	52,717
Total equity		219,775	231,245

Notes to the financial statements commence on page 12.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Changes in Equity
Half Year Ended 31 December 2012



	Issued capital \$ '000	Foreign currency translation reserve \$ '000	Retained earnings \$ '000	Total \$ '000
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
Balance at 1 July 2012	179,425	(897)	52,717	231,245
Profit for the period	-	-	5,122	5,122
Exchange differences arising on translation of foreign operations	-	123	-	123
Total comprehensive income for the period	-	123	5,122	5,245
Shares issued as part of dividend reinvestment plan	5,454	-	-	5,454
Dividends paid to equity holders	-	-	(25,472)	(25,472)
Share-based payments	867	-	-	867
Shares issued pursuant to employee and executive option plans	2,436	-	-	2,436
Balance at 31 December 2012	188,182	(774)	32,367	219,775

Notes to the financial statements commence on page 12.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Cash Flows
Half Year Ended 31 December 2012



	Consolidated Half Year Ended	
	31 Dec 2012	31 Dec 2011
	\$ '000	\$ '000
Cash flows from operating activities		
Receipts in the course of operations	169,612	263,130
Payments in the course of operations	(153,916)	(202,515)
Interest received	134	300
Income taxes paid	(9,120)	(12,890)
Finance costs	(477)	(434)
Net cash provided by operating activities	6,233	47,591
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	323	346
Acquisition of property, plant and equipment	(14,917)	(16,553)
Payment for capital work in progress	(2,350)	-
Net cash used in investing activities	(16,944)	(16,207)
Cash flows from financing activities		
Proceeds from exercise of share options	2,436	2,864
Proceeds from borrowings	22,000	5,000
Repayment of borrowings	(2,135)	(25,208)
Dividends paid	(20,019)	(17,756)
Net cash provided by / (used in) financing activities	2,282	(35,100)
Net decrease in cash and cash equivalents	(8,429)	(3,716)
Cash and cash equivalents at the beginning of the financial period	17,380	17,985
Effects of exchange rate changes on the balance of cash held in foreign currencies	66	(194)
Cash and cash equivalents at the end of the period	9,017	14,075

Notes to the financial statements commence on page 12.

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 2012.

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 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.

New and revised standards and amendments thereof and interpretations effective for the current half-year that are relevant to the Company include Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income'.

The adoption of new and revised standards and interpretations has affected the amounts reported for the current or prior corresponding period. However the application of AASB 2011-9 has resulted in a change to the Company's presentation of, or disclosure in, its half year financial report.

Reporting period

The reporting period is the six months to 31 December 2012 and the previous corresponding period is the six months to 31 December 2011 except for the Consolidated Statement of Financial Position and its related notes which have a previous corresponding period of 30 June 2012.

2. Issues, repurchases and repayments of equity securities

Issued and paid-up capital

60,033,258 (30 June 2012: 59,217,993) ordinary shares, fully paid.

On 28 September 2012, 476,364 (30 September 2011: 574,143) shares were issued at a price of \$11.45 per share pursuant to the Company's Dividend Reinvestment Plan.

During the period 338,901 (2011: 428,134) 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 573,250 (2011: 580,300) share options were issued to employees and nil (2011: 211,867) share options were issued to executives.

3. Dividends

On 28 September 2012 a final dividend of 43 cents per share (30 September 2011: 41 cents per share) was paid relating to the year ended 30 June 2012. The total amount of this dividend payment was \$25,472,452 (30 September 2011: \$23,830,817).

Subsequent to 31 December 2012 the directors declared a fully franked interim dividend of 30 cents per share to the holders of fully paid ordinary shares. The dividend will be paid on 28 March 2013. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$18,024,977.

The last date for receipt of an election notice for participation in the Dividend Reinvestment Plan is 28 February 2013.

4. Net tangible assets per security

	31 Dec 2012	30 Jun 2012
Net tangible assets per security	\$2.54	\$2.77

Fleetwood Corporation Limited
Notes to the Financial Statements
Half Year Ended 31 December 2012



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 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Recreational Vehicles	53,846	68,743	1,207	1,188	58	5,080
Manufactured Accommodation	94,391	125,217	6,675	5,973	14,945	37,316
Unallocated	367	318	117	109	(1,807)	(1,802)
	148,604	194,278	7,999	7,270	13,196	40,594
Finance costs					(434)	(389)
Profit before income tax expense					12,762	40,205
Income tax expense					(3,872)	(12,521)
Profit from continuing operations					8,890	27,684
Loss from discontinued operations					(3,768)	(797)
Net profit attributable to members of the parent entity					5,122	26,887

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.

Following a review of the organisational structure and related restructuring undertaken in July 2012, it was no longer appropriate to classify the Victorian and Western Australian caravan manufacturing operations as a single cash generating unit within the Recreational Vehicle operating segment. As a consequence, effective from the date of this restructure both caravan manufacturing operations became separate cash generating units.

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

	31 Dec 2012 \$ '000	30 Jun 2012 \$ '000
Recreational Vehicles	97,623	98,762
Manufactured Accommodation	183,165	167,161
Total segment assets	280,788	265,923
Unallocated assets	7,644	23,885
Total assets	288,432	289,808

6. Borrowings

Current

Bank Loans - Secured	20,000	-
Hire purchase creditors - secured	278	272
	20,278	272

Non-Current

Hire purchase creditors - secured	481	622
	481	622

Fleetwood Corporation Limited
Notes to the Financial Statements
Half Year Ended 31 December 2012



7. Loss from Discontinued Operation

On 6 September 2012 the Company announced the closure of its Victorian caravan manufacturing operations.

The loss from the discontinued operation for the period is comprised of:

	31 Dec 2012 \$ '000	31 Dec 2011 \$ '000
Restructuring costs	(3,323)	-
Operating loss for the period	(2,166)	(1,139)
Loss from discontinued operation before tax	(5,489)	(1,139)
Attributable income tax benefit	1,721	342
Loss from discontinued operation after tax	(3,768)	(797)
Loss per share		
From discontinued operations		
Basic loss per share (cents)	(6.3)	(1.3)
Diluted loss per share (cents)	(6.3)	(1.3)

8. 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, 19 February 2013

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

19 February 2013

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 2012, 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



Peter Rupp
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 2012, and the condensed statement of profit or loss and other 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 8 to 15.

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 2012 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 2012 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



Peter Rupp

Partner

Chartered Accountants

Perth, 19 February 2013