



**Fleetwood Corporation Limited**  
 ABN 69 009 205 261

**Appendix 4D**  
**Half Year Ended 31 December 2007**

**Results for Announcement to the Market**

	<b>Change %</b>		<b>Amount \$'000</b>
Revenue from ordinary activities	up 1%	to	<b>160,078</b>
Profit from ordinary activities after tax attributable to members	up 25%	to	<b>15,962</b>
Net Profit attributable to members	up 25%	to	<b>15,962</b>

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked % per security</b>
Interim dividend	10 ¢	100%
Special dividend	20 ¢	100%
Total dividend for period	30 ¢	
Previous corresponding period	29 ¢	100%

Record date for determining entitlements to the interim and special dividend	27 February 2008
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Date the interim and special dividend is payable	31 March 2008
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For further information please contact:  
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 Chief Financial Officer  
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**Fleetwood Corporation Limited**  
ABN 69 009 205 261

**Half Year Financial Report**

**31 December 2007**

## Directors' Report

The directors present their report together with consolidated financial statements for the half-year ended 31 December 2007.

### Directors

The directors of the company during or since the end of the half-year are:

Michael Hardy – Chairman, Non-executive

Robert McKinnon – Managing Director

Greg Tate – Executive

Peter Gunzburg – Non-executive

Stephen Gill – Non-executive

### Review of Trading Results

#### Overview

	<b>\$ million</b>
Revenue	up 1% to \$160.1
EBITDA	up 23% to \$29.0
EBIT	up 23% to \$23.9
Operating profit after tax	up 25% to \$16.0

The cost and availability of labour continues to be a significant challenge to the group. This is being addressed by a number of strategies including automation and recruiting from previously untapped labour pools.

As a result of the focus on higher margin business EBIT increased from 12% to 15% of revenue. Earnings per share for the period increased by 20%.

## Review of Operations

### Recreational Vehicles

While an increase in revenue was achieved during the period, the cost of labour eroded the EBIT margin. Caravan order books remain strong and represent approximately four months production.

A focus on throughput and labour efficiency at Flexiglass has improved its result compared to the same period last year.

Camec revenue and earnings were negatively impacted during the period by the costs and distraction associated with the roll out of a new information system. The implementation of the system which will provide enhanced levels of financial control and inventory management is now substantially complete.

\$ million	2007	2006	% Chg
Revenue	98.8	95.0	4.0%
EBIT	11.0	11.8	(6.8%)
EBIT Margin	11.1%	12.4%	

### Manufactured Accommodation

Revenue was adversely affected during the period by resources being focused on the further expansion of the Searipple village in Karratha. The village was upgraded to accommodate approximately 1,400 people. A significant proportion of this capacity is allocated to Woodside under take or pay agreements which extend until 2010, thereby assisting to underpin future profits in the division.

Other projects in the region are also impacting demand for accommodation demand and therefore high utilisation during the second half of the year is expected.

The activity level in park homes for retirement villages slowed in the period as a result of a subdued real estate market.

\$ million	2007	2006	% Chg
Revenue	60.8	63.2	(3.8%)
EBIT	13.1	8.6	52.3%
EBIT Margin	21.5%	13.6%	

## **Dividends**

### **Interim Dividend**

A fully franked interim dividend of 10 cents per share will be paid on 31 March 2008.

### **Special Dividend**

In conjunction with the interim dividend a fully franked special dividend of 20 cents per share will be paid on 31 March 2008.

The special dividend of 40 cents per share per year for a 4 year period commencing in March 2005 will see the last special dividend of 20 cents paid with the final dividend for the 2008 financial year.

The directors have decided that subject to ongoing profitability, acquisition opportunities and market conditions to extend the special dividend of 40 cents per year for a further 2 years representing further special dividends totaling 80 cents per share over the 2 year period.

### **Dividend Reinvestment Plan**

The Company's dividend reinvestment plan will be available for dividend payable in March 2008. 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 27 February 2008.

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

## **Outlook**

While it is expected that labour availability will remain a challenge an improved performance by the recreational vehicles division is expected in the second half.

The Manufactured Accommodation division continues to benefit from the commitment in enhancing our manufacturing facilities and the strategic investment in the Searipple accommodation village. The continuing strength of the resource sector is expected to lead to earnings growth in the second half of the financial year.

## **Auditor's Independence Declaration**

Section 307C of the Corporation 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 4.

## **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 Corporation Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Robert McKinnon".

**Robert McKinnon**  
Director  
Perth,  
14 February 2008

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

14 February 2008

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 2007, 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**



**A T Richards**  
Partner  
Chartered Accountants  
Perth, WA

## 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 Corporation 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 Corporation Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Robert Mckinnon", with a stylized flourish at the end.

**Robert Mckinnon**  
**Director**  
Perth, 14 February 2008

**Fleetwood Corporation Limited**  
**Consolidated Income Statement**  
**Half Year Ended 31 December 2007**



	2007	2006
	\$ '000	\$ '000
Sale of goods	138,755	144,961
Rentals	18,540	12,897
Interest	311	315
Profit on sale of non-current assets	2,472	369
<b>Revenue</b>	<b>160,078</b>	<b>158,542</b>
Materials used	(83,419)	(85,797)
Sub-contract costs	(9,482)	(11,953)
Employee benefits expense	(31,239)	(26,745)
Other expenses	(6,935)	(10,443)
Profit before interest, tax, depreciation and amortisation <b>(EBITDA)</b>	<b>29,003</b>	<b>23,604</b>
Depreciation and amortisation	(5,144)	(4,189)
Profit before interest and tax <b>(EBIT)</b>	<b>23,859</b>	<b>19,415</b>
Finance costs	(997)	(1,113)
<b>Profit before income tax expense</b>	<b>22,862</b>	<b>18,302</b>
Income tax expense	(6,900)	(5,521)
<b>Profit attributable to members of the parent entity</b>	<b>15,962</b>	<b>12,781</b>
 <b>Earnings Per Share</b>		
Basic earnings per share (cents)	31.6	26.2
Diluted earnings per share (cents)	31.1	26.0

Notes to the financial statements are on page 10.

**Fleetwood Corporation Limited**  
**Consolidated Balance Sheet**  
**As at 31 December 2007**



	<b>31 Dec 2007 \$ '000</b>	<b>30 June 2007 \$ '000</b>
<b>Current assets</b>		
Cash and cash equivalents	9,486	10,288
Trade and other receivables	42,951	48,485
Inventories	37,248	35,004
<b>Total current assets</b>	<b>89,685</b>	<b>93,777</b>
<b>Non-current assets</b>		
Trade and other receivables	54	62
Property, plant and equipment	78,692	75,541
Intangible assets	32,639	32,555
<b>Total non-current assets</b>	<b>111,385</b>	<b>108,158</b>
<b>Total assets</b>	<b>201,070</b>	<b>201,935</b>
<b>Current liabilities</b>		
Trade and other payables	40,062	44,040
Tax liabilities	4,983	3,972
Provisions	2,802	2,789
Other	3,200	-
<b>Total current liabilities</b>	<b>51,047</b>	<b>50,801</b>
<b>Non-current liabilities</b>		
Interest bearing liabilities	17,000	28,000
Deferred tax liabilities	939	1,606
Provisions	2,049	1,948
Other	4,800	-
<b>Total non-current liabilities</b>	<b>24,788</b>	<b>31,554</b>
<b>Total liabilities</b>	<b>75,835</b>	<b>82,355</b>
<b>Net assets</b>	<b>125,235</b>	<b>119,580</b>
<b>Equity</b>		
Issued capital	102,658	95,647
Reserves	(185)	(33)
Retained earnings	22,762	23,966
<b>Total equity</b>	<b>125,235</b>	<b>119,580</b>

Notes to the financial statements are on page 10.

**Fleetwood Corporation Limited**  
**Consolidated Statement of Recognised Income and Expense**  
**Half Year Ended 31 December 2007**



	2007 \$ '000	2006 \$ '000
Exchange differences taken to equity on translation of foreign operations	(152)	237
<b>Net income recognised directly in equity</b>	<b>(152)</b>	<b>237</b>
Profit for the period	15,962	12,781
<b>Total recognised income and expense for the period</b>	<b>15,810</b>	<b>13,018</b>

Notes to the financial statements are on page 10.

**Fleetwood Corporation Limited**  
**Consolidated Cash Flow Statement**  
**Half Year Ended 31 December 2007**



	<b>2007</b>	<b>2006</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Cash flows from operating activities</b>		
Receipts in the course of operations	189,833	173,158
Payments in the course of operations	(156,453)	(150,322)
Interest received	311	316
Income taxes paid	(6,557)	(5,067)
Finance costs	(997)	(1,113)
<b>Net cash provided by operating activities</b>	<u>26,137</u>	<u>16,972</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	14,677	2,187
Acquisition of property, plant and equipment	(19,795)	(3,343)
Payment for intangible assets	-	(31)
<b>Net cash used in investing activities</b>	<u>(5,118)</u>	<u>(1,187)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	3,119	644
Repayment of borrowings	(11,000)	(12,000)
Dividends paid	(13,929)	(10,221)
<b>Net cash used in financing activities</b>	<u>(21,810)</u>	<u>(21,577)</u>
<b>Net decrease in cash held</b>	(791)	(5,792)
<b>Cash and cash equivalents at the beginning of the financial period</b>	10,288	10,490
Effects of exchange rate changes on the balance of cash held in foreign currencies.	(11)	64
<b>Cash and cash equivalents at the end of the period</b>	<u>9,486</u>	<u>4,762</u>

Notes to the financial statements are on page 10.

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Half Year Ended 31 December 2007**



**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.

**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.

**2. Issued capital**

Issued and paid-up capital  
50,849,238 (30 June 2007: 49,950,263) ordinary shares, fully paid.

On 28 September 2007, 377,205 (31 October 2006: 824,268) shares were issued at a price of \$9.01 per share pursuant to the Company's Dividend Reinvestment Plan.

During the period 521,770 (2006: 160,535) shares were issued as a result of the exercise of options pursuant to the Employee Share Option Plan and Executive Share Option Plan.

**3. Dividends**

During the period a final dividend of 14 cents and a special dividend of 20 cents per share was paid relating to the year ended 30 June 2007.

During the year 377,205 shares were issued pursuant to the Dividend Reinvestment Plan.

	2007		2006	
	Cents per share	\$ '000	Cents per share	\$ '000
<b>Recognised amounts</b>				
Final dividend	14.0	7,069	12.5	6,058
Special dividend	20.0	10,097	20.0	9,692
	<u>34.0</u>	<u>17,166</u>	<u>32.5</u>	<u>15,750</u>

The last date for receipt for an election notice for participation in the Dividend Reinvestment Plan is 27 February 2007.

**4. Other liabilities**

Other liabilities represent deferred income which will be brought to account over the contract period to which it relates.

**5. Segment information**

	Segment Revenue		Depreciation and Amortisation		Segment Results (EBIT)	
	2007 \$ '000	2006 \$ '000	2007 \$ '000	2006 \$ '000	2007 \$ '000	2006 \$ '000
Recreational Vehicles	98,810	95,029	1,671	1,634	10,964	11,781
Manufactured Accommodation	60,796	63,181	3,359	2,417	13,122	8,595
Unallocated	472	332	114	138	(227)	(961)
	<u>160,078</u>	<u>158,542</u>	<u>5,144</u>	<u>4,189</u>	<u>23,859</u>	<u>19,415</u>
Finance costs					(997)	(1,113)
<b>Profit before income tax expense</b>					<u>22,862</u>	<u>18,302</u>
Income tax expense					(6,900)	(5,521)
<b>Profit from continuing operations</b>					<u>15,962</u>	<u>12,781</u>

**6. Net tangible assets per security**

Net tangible assets per security		<u>\$1.82</u>	<u>\$1.66</u>
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# Independent 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 balance sheet as at 31 December 2007, and the income statement, cash flow statement, statement of recognised income and expense 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.

## *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## *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 an Interim 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 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 2007 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 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.

Member of  
Deloitte Touche Tohmatsu

# Deloitte.

## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## *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 2007 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**



**A T Richards**

Partner

Chartered Accountants

Perth, 14 February 2008