



Interim Financial Report

Half Year Ended 31 December 2009



Fleetwood Corporation Limited
 ABN 69 009 205 261

Appendix 4D
Half Year Ended 31 December 2009

Results for Announcement to the Market

	Change %		Amount \$'000
Revenue from ordinary activities	down 34%	to	130,068
Profit from ordinary activities after tax attributable to members	down 9%	to	16,800
Net Profit attributable to members	down 9%	to	16,800

Dividends	Amount per security	Franked % per security
Interim dividend	30 ¢	100%
Previous corresponding period	30 ¢	100%
Record date for determining entitlements to the interim dividend	26 February 2010	
Date the interim dividend is payable	31 March 2010	

For enquiries please contact:

Brad Denison
 Chief Financial Officer
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 E: BradD@Fleetwoodcorp.com.au



Directors' Report

The Directors present their report together with consolidated financial statements for the half-year ended 31 December 2009.

Directors

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

Michael Hardy	<i>Chairman, Non-executive</i>
Robert McKinnon	<i>Managing Director</i>
Greg Tate	<i>Executive Director</i>
Stephen Gill	<i>Non-executive</i>
Peter Gunzburg	<i>Non-executive</i>

Review of Trading Results

Financial Overview

- Revenue down 34% to \$130.1m
- EBITDA down 14% to \$29.8m
- EBIT down 15% to \$23.5m
- Operating profit after tax down 9% to \$16.8m
- Operating cash flow up 14% to \$31.6m
- Debt free at December 2009

Review of Operations

Recreational Vehicles

Revenue was down but earnings were up compared to the previous corresponding period.

EBIT for the period was 103% higher than that reported for the second half of the 2009 financial year. All companies in the Recreational Vehicles Division are now benefiting from improved trading conditions.

\$ million	2009	2008	% Chg
Revenue	74.0	85.4	(13.3%)
EBIT	6.7	5.0	34.0%
EBIT Margin	9.1%	5.9%	

Industry sources indicate increasing demand in the recreational vehicles market which is supported by our caravan operations' strengthening order book. Demand is expected to continue to improve and production levels are being steadily increased accordingly.

Manufactured Accommodation

Revenue and earnings for the corresponding period last year were positively impacted by the Worsley project.

\$ million	2009	2008	% Chg
Revenue	55.9	110.7	(49.5%)
EBIT	17.8	23.4	(23.9%)
EBIT Margin	31.8%	21.1%	

Revenue in the current period was negatively impacted by client delays in awarding contracts and by unsustainable price competition. Despite the decline in revenue we remained focused on maintaining margins which has resulted in a reasonable level of profitability in a difficult economic environment.

There has been a significant level of tendering recently which is expected to result in increased activity in the second half of the financial year.

The take or pay contract with Woodside for accommodation at Searipple Village was extended during the period to 31 December 2010 subject to Woodside having the option to further extend the term. The Village is currently at full occupancy.

Dividends

A fully franked interim dividend of 30 cents per share will be paid on 31 March 2010. The interim dividend is consistent with the interim dividend paid last year.

At current prices the Fleetwood dividend yield is approximately 9% fully franked.

The company's Dividend Reinvestment Plan will be available for the interim dividend at a reinvestment discount of 2.5%

Outlook

There are signs of improving economic conditions in the sectors in which Fleetwood operates. Demand for caravans has increased and further improvement appears likely.

The outlook for the Manufactured Accommodation Division is positive with tender activity indicating a significant pick up in the resource sector.

Searipple Village is expected to be at full occupancy for the remainder of the calendar year. Indications are that demand for accommodation in Karratha will remain strong.

The company continues to look at growth opportunities and is well placed to consider strategic acquisitions.

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 13.

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

A handwritten signature in black ink, appearing to read 'R. McKinnon', written over a horizontal line.

Robert McKinnon
Managing Director
Perth, 16 February 2010

Fleetwood Corporation Limited
Condensed Consolidated Statement of Comprehensive Income
Half Year Ended 31 December 2009



	2009	2008
	\$ '000	\$ '000
Revenue	130,068	196,701
Materials used	(57,966)	(102,112)
Sub-contract costs	(8,179)	(16,980)
Employee benefits expense	(24,394)	(32,717)
Other expenses	(9,718)	(10,208)
Profit before interest, tax, depreciation and amortisation (EBITDA)	29,811	34,684
Depreciation and amortisation	(6,281)	(6,963)
Profit before interest and tax (EBIT)	23,530	27,721
Finance costs	(301)	(1,284)
Profit before income tax expense	23,229	26,437
Income tax expense	(6,429)	(7,999)
Profit attributable to members of the parent entity	16,800	18,438
Other comprehensive income		
Net exchange difference relating to foreign controlled entities	37	403
Total comprehensive income attributable to members of the parent entity (net of tax)	16,837	18,841
Earnings Per Share		
Basic earnings per share (cents)	31.8	35.8
Diluted earnings per share (cents)	31.4	35.8

Notes to the financial statements are on page 10.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Financial Position
As at 31 December 2009



	31 Dec 2009 \$ '000	30 Jun 2009 \$ '000
Current assets		
Cash and cash equivalents	6,380	6,018
Trade and other receivables	25,455	36,545
Inventories	35,240	35,559
Total current assets	<u>67,075</u>	<u>78,122</u>
Non-current assets		
Trade and other receivables	34	38
Property, plant and equipment	87,933	86,969
Intangible assets	3,040	3,328
Goodwill	28,310	28,310
Deferred tax assets	883	407
Total non-current assets	<u>120,200</u>	<u>119,052</u>
Total assets	<u>187,275</u>	<u>197,174</u>
Current liabilities		
Trade and other payables	34,076	36,145
Tax liabilities	3,819	5,232
Provisions	2,700	2,644
Total current liabilities	<u>40,595</u>	<u>44,021</u>
Non-current liabilities		
Interest bearing liabilities	-	9,000
Provisions	2,493	2,404
Total non-current liabilities	<u>2,493</u>	<u>11,404</u>
Total liabilities	<u>43,088</u>	<u>55,425</u>
Net assets	<u>144,187</u>	<u>141,749</u>
Equity		
Issued capital	119,180	114,637
Reserves	(700)	(737)
Retained earnings	25,707	27,849
Total equity	<u>144,187</u>	<u>141,749</u>

Notes to the financial statements are on page 10.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Changes in Equity
Half Year Ended 31 December 2009



	Issued capital \$ '000	Foreign currency translation reserve \$ '000	Retained earnings \$ '000	Total \$ '000
Balance at 1 July 2008	106,063	(893)	25,756	130,926
Profit for the period	-	-	18,438	18,438
Exchange differences arising on translation of foreign operations	-	403	-	403
Total comprehensive income for the period	-	403	18,438	18,841
Dividends paid to equity holders	3,734	-	(17,977)	(14,243)
Share-based payments	335	-	-	335
Shares issued pursuant to employee and executive option plans	956	-	-	956
Balance at 31 December 2008	111,088	(490)	26,217	136,815
Balance at 1 July 2009	114,637	(737)	27,849	141,749
Profit for the period	-	-	16,800	16,800
Exchange differences arising on translation of foreign operations	-	37	-	37
Total comprehensive income for the period	-	37	16,800	16,837
Dividends paid to equity holders	4,033	-	(18,942)	(14,909)
Share-based payments	480	-	-	480
Shares issued pursuant to employee and executive option plans	30	-	-	30
Balance at 31 December 2009	119,180	(700)	25,707	144,187

Notes to the financial statements are on page 10.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Cash Flows
Half Year Ended 31 December 2009



	2009	2008
	\$ '000	\$ '000
Cash flows from operating activities		
Receipts in the course of operations	154,909	230,941
Payments in the course of operations	(114,769)	(188,897)
Interest received	119	275
Income taxes paid	(8,318)	(13,273)
Finance costs	(301)	(1,284)
Net cash provided by operating activities	<u>31,640</u>	<u>27,762</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	28	1,364
Acquisition of property, plant and equipment	(7,440)	(10,983)
Payment for intangible assets	-	(218)
Net cash used in investing activities	<u>(7,412)</u>	<u>(9,837)</u>
Cash flows from financing activities		
Proceeds from issue of shares	30	956
Proceeds from borrowings	-	5,000
Repayment of borrowings	(9,000)	-
Dividends paid	(14,909)	(14,244)
Net cash used in financing activities	<u>(23,879)</u>	<u>(8,288)</u>
Net increase in cash held	349	9,637
Cash and cash equivalents at the beginning of the financial period	6,018	8,226
Effects of exchange rate changes on the balance of cash held in foreign currencies	13	61
Cash and cash equivalents at the end of the period	<u>6,380</u>	<u>17,924</u>

Notes to the financial statements are on page 10.

Fleetwood Corporation Limited
Notes to the Financial Statements
Half Year Ended 31 December 2009



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.

With effect from 1 July 2009, the Company has adopted the revised AASB 101 - *Presentation of Financial Statements*. In accordance with the requirements of this standard the Company has prepared a Statement of Comprehensive Income. Components of 'Other comprehensive income' were previously presented in a Statement of Recognised Income and Expense.

Reporting period

The reporting period is the six months to 31 December 2009 and the previous corresponding period is the six months to December 2008.

2. Issued capital

Issued and paid-up capital

53,156,311 (30 June 2009: 52,598,325) ordinary shares, fully paid.

On 30 September 2009, 552,467 (30 September 2008: 423,794) shares were issued at a price of \$7.30 per share pursuant to the Company's Dividend Reinvestment Plan.

During the period 5,519 (2008: 152,371) 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

On 30 September 2009 a final dividend of 36 cents per share was paid relating to the year ended 30 June 2009.

	2009		2008	
	Cents per share	\$ '000	Cents per share	\$ '000
Recognised amounts				
Final dividend	36.0	18,942	15.0	7,705
Special dividend	-	-	20.0	10,272
	<u>36.0</u>	<u>18,942</u>	<u>35.0</u>	<u>17,977</u>

Subsequent to 31 December 2009 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 31 March 2010. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$15,946,893.

The last date for receipt for an election notice for participation in the Dividend Reinvestment Plan is 26 February 2010.

4. Net tangible assets per security

Net tangible assets per security	<u>\$2.12</u>	<u>\$2.03</u>
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Fleetwood Corporation Limited
Notes to the Financial Statements
Half Year Ended 31 December 2009



5. Segment information

AASB 8 Operating Segments has been adopted with effect from 1 January 2009. 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 adoption of AASB 8 has not changed the identifiable reportable segments of the Group.

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

	Segment Revenue		Segment Result (EBIT)	
	2009 \$ '000	2008 \$ '000	2009 \$ '000	2008 \$ '000
Recreational Vehicles	74,011	85,445	6,689	5,001
Manufactured Accommodation	55,903	110,702	17,780	23,360
Unallocated	154	554	(948)	(640)
	130,068	196,701	23,521	27,721
Exchange differences arising on translation of foreign operations			9	-
Finance costs			(301)	(1,284)
Profit before income tax expense			23,229	26,437
Income tax expense			(6,429)	(7,999)
Net profit attributable to members of the parent entity			16,800	18,438

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 2009 \$ '000	30 Jun 2009 \$ '000
Recreational Vehicles	86,818	87,037
Manufactured Accommodation	94,950	93,596
Total segment assets	181,768	180,633
Unallocated assets	5,507	16,541
Total assets	187,275	197,174

Directors' Declaration

The directors declare that:

- (a) in the director's 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

A handwritten signature in black ink, appearing to read "R. McKinnon", written in a cursive style.

Robert McKinnon
Managing Director
Perth, 16 February 2010

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

16 February 2010

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 2009, 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

DELOITTE TOUCHE TOHMATSU

Kathleen Bozanic

Kathleen Bozanic
Partner
Chartered Accountants
Perth, WA

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 statement of financial position as at 31 December 2009, the statement of comprehensive income, the statement of cash flows and the 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 6 to 12.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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 establishing 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 Interim and Other Financial Reports 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 2009 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.

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 2009 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, 16 February 2010