



Interim Financial Report

Half Year Ended 31 December 2008

For enquiries please contact:

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Fleetwood Corporation Limited
 ABN 69 009 205 261

Appendix 4D
Half Year Ended 31 December 2008

Results for Announcement to the Market

	Change %		Amount \$'000
Revenue from ordinary activities	up 23%	to	196,701
Profit from ordinary activities after tax attributable to members	up 16%	to	18,438
Net Profit attributable to members	up 16%	to	18,438

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	25 February 2009	
Date the interim dividend is payable	31 March 2009	



Directors' Report

The Directors present their report together with consolidated financial statements for the half-year ended 31 December 2008.

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 Director
Peter Gunzburg – Non-executive
Stephen Gill – Non-executive

Review of Trading Results

Financial Overview

- Revenue up 23% to \$196.7m
- EBITDA up 20% to \$34.7m
- EBIT up 16% to \$27.7m
- Operating profit after tax up 16% to \$18.4m
- Operating cash flow up 6% to \$28m
- Earnings per share up 13% to 35.8 cents

Review of Operations

Fleetwood is pleased to announce a record result for the first half of 2009.

Revenue increased by 23% to \$196.7m compared to the first half of 2008 with operating profit after tax increasing by 16% to \$18.4m.

Operating cash flow increased by 6% to \$28m compared to the same period last year.

Net debt to equity was at a record low of 8% at December 2008.

Recreational Vehicles

The first half was challenging for the Recreational Vehicles division with demand slowing in response to current economic uncertainty. Caravan dealer inventories also fell as financiers temporarily reduced the availability of floor plan finance.

\$ million	2008	2007	% Chg
Revenue	85.4	98.8	(13.6%)
EBIT	5.0	11.0	(54.5%)

Demand in the RV market is driven by retirees who in the current economic climate are delaying their purchasing decisions. The national caravan shows being held between February and June 2009 will provide a gauge of the extent of this softening demand.

Production output and consequently staffing levels have been reduced and every effort is being made to improve productivity and reduce costs.

While we are confident about future prospects for the Recreational Vehicle market short term demand is likely to remain subdued until the economic outlook improves.

Manufactured Accommodation

The significant increase in revenue and operating profit for the Manufactured Accommodation division more than offset the earnings decline in the Recreational Vehicles division.

\$ million	2008	2007	% Chg
Revenue	110.7	60.8	82.1%
EBIT	23.4	13.1	78.6%

The Worsley Alumina Pty Limited – Efficiency and Growth Project contract announced in May 2008 is progressing within budget and is on target for the June 2009 completion date.

Searipple Accommodation Village is currently fully contracted on a take or pay basis. Take or pay agreements with Woodside will underpin occupancy until June 2010.

Hire fleet utilisation during the period exceeded 90% and is likely to remain high as companies hire rather than purchase buildings as a means of conserving cash resources.

Despite a slowdown in capital commitments in some segments of the Manufactured Accommodation sector there continues to be a reasonable level of tender activity.

Dividends

A fully franked interim dividend of 30 cents per share will be paid on 31 March 2009. This amount includes the special dividend of 20 cents per share previously announced. The interim dividend is consistent with the interim dividend paid last year.

Special dividends paid by the company are typically ignored by the market when dividend yields are quoted. Therefore all future dividends will be stated as a combined amount with no ongoing reference to any special dividend component.

In the current economic environment high yielding companies such as Fleetwood are likely to be favoured by investors. At current prices Fleetwood's dividend yield is in excess of 18%, fully franked.

Subject to ongoing profitability, acquisition opportunities and market conditions future dividends are anticipated to be consistent with the combined ordinary and special dividend amounts previously paid.

Dividend Reinvestment Plan

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

Outlook

The uncertain and difficult economic climate makes it difficult to forecast future activity levels.

It is anticipated the Recreational Vehicles division will continue to operate at lower than normal production levels. The position will become clearer as caravan dealers begin restocking and as indications of demand are obtained from the upcoming caravan show season.

Any earnings shortfall in the RV division for the year is expected to be offset by the ongoing strength of the Manufactured Accommodation division.

Searipple Accommodation Village and the completion of the Worsley project will provide a solid base for second half earnings.

Proposed government infrastructure spending as part of the economic stimulus package may provide further opportunities for our Manufactured Accommodation business.

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 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 Corporation Act 2001.

On behalf of the Directors

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

Robert McKinnon
Managing Director
Perth, 10 February 2009

Fleetwood Corporation Limited
Condensed Consolidated Income Statement
Half Year Ended 31 December 2008



	2008 \$ '000	2007 \$ '000
Revenue	196,701	160,078
Materials used	(102,112)	(83,419)
Sub-contract costs	(16,980)	(9,482)
Employee benefits expense	(32,717)	(31,239)
Other expenses	(10,208)	(6,935)
Profit before interest, tax, depreciation and amortisation (EBITDA)	34,684	29,003
Depreciation and amortisation	(6,963)	(5,144)
Profit before interest and tax (EBIT)	27,721	23,859
Finance costs	(1,284)	(997)
Profit before income tax expense	26,437	22,862
Income tax expense	(7,999)	(6,900)
Profit attributable to members of the parent entity	18,438	15,962
 Earnings Per Share		
Basic earnings per share (cents)	35.8	31.6
Diluted earnings per share (cents)	35.7	31.1

Notes to the financial statements are on page 11.

Fleetwood Corporation Limited
Condensed Consolidated Balance Sheet
As at 31 December 2008



	31 Dec 2008 \$ '000	30 June 2008 \$ '000
Current assets		
Cash and cash equivalents	17,924	8,226
Trade and other receivables	35,334	49,679
Inventories	47,925	42,134
Total current assets	<u>101,183</u>	<u>100,039</u>
Non-current assets		
Trade and other receivables	46	49
Property, plant and equipment	88,266	84,672
Intangible assets	3,496	3,985
Goodwill	28,310	28,093
Deferred tax assets	693	-
Total non-current assets	<u>120,811</u>	<u>116,799</u>
Total assets	<u>221,994</u>	<u>216,838</u>
Current liabilities		
Trade and other payables	45,859	47,024
Interest bearing liabilities	29,000	-
Tax liabilities	4,970	9,534
Provisions	2,890	3,051
Total current liabilities	<u>82,719</u>	<u>59,609</u>
Non-current liabilities		
Interest bearing liabilities	-	24,000
Deferred tax liabilities	-	16
Provisions	2,460	2,287
Total non-current liabilities	<u>2,460</u>	<u>26,303</u>
Total liabilities	<u>85,179</u>	<u>85,912</u>
Net assets	<u>136,815</u>	<u>130,926</u>
Equity		
Issued capital	111,088	106,063
Reserves	(490)	(893)
Retained earnings	26,217	25,756
Total equity	<u>136,815</u>	<u>130,926</u>

Notes to the financial statements are on page 11.

Fleetwood Corporation Limited
Condensed Consolidated Statement of Recognised
Income and Expense
Half Year Ended 31 December 2008



	2008 \$ '000	2007 \$ '000
Exchange differences taken to equity on translation of foreign operations	403	(152)
Net income (expense) recognised directly in equity	403	(152)
Profit for the period	18,438	15,962
Total recognised income and expense for the period	18,841	15,810

Notes to the financial statements are on page 11.

Fleetwood Corporation Limited
Condensed Consolidated Cash Flow Statement
Half Year Ended 31 December 2008



	2008	2007
	\$ '000	\$ '000
Cash flows from operating activities		
Receipts in the course of operations	230,941	189,833
Payments in the course of operations	(188,897)	(156,453)
Interest received	275	311
Income taxes paid	(13,273)	(6,557)
Finance costs	(1,284)	(997)
Net cash provided by operating activities	<u>27,762</u>	<u>26,137</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,364	14,677
Acquisition of property, plant and equipment	(10,983)	(19,795)
Payment for intangible assets	(218)	-
Net cash used in investing activities	<u>(9,837)</u>	<u>(5,118)</u>
Cash flows from financing activities		
Proceeds from issue of shares	956	3,119
Proceeds from borrowings	5,000	-
Repayment of borrowings	-	(11,000)
Dividends paid	(14,244)	(13,929)
Net cash used in financing activities	<u>(8,288)</u>	<u>(21,810)</u>
Net increase (decrease) in cash held	9,637	(791)
Cash and cash equivalents at the beginning of the financial period	8,226	10,288
Effects of exchange rate changes on the balance of cash held in foreign currencies	61	(11)
Cash and cash equivalents at the end of the period	<u>17,924</u>	<u>9,486</u>

Notes to the financial statements are on page 11.

Fleetwood Corporation Limited
Notes to the Financial Statements
Half Year Ended 31 December 2008



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.

Reporting period

The reporting period is the six months to 31 December 2008 and the previous corresponding period is the six months to December 2007.

2. Issued capital

Issued and paid-up capital

51,772,655 (30 June 2008: 51,196,490) ordinary shares, fully paid.

On 30 September 2008, 423,794 (28 September 2007: 377,205) shares were issued at a price of \$8.81 per share pursuant to the Company's Dividend Reinvestment Plan.

During the period 152,371 (2007: 521,770) 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 2008 a final dividend of 15 cents and a special dividend of 20 cents per share was paid relating to the year ended 30 June 2008.

	2008		2007	
	Cents per share	\$ '000	Cents per share	\$ '000
Recognised amounts				
Final dividend	15.0	7,705	14.0	7,069
Special dividend	20.0	10,272	20.0	10,097
	35.0	17,977	34.0	17,166

Subsequent to 31 December 2008 the directors have declared a fully franked interim dividend of 30 cents per share to the the holders of fully paid ordinary shares. The dividend will be paid on 31 March 2009. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$15,531,796.

The last date for receipt for an election notice for participation in the Dividend Reinvestment Plan is 25 February 2009.

4. Segment information

	Segment Revenue		Depreciation and Amortisation		Segment Results (EBIT)	
	2008 \$ '000	2007 \$ '000	2008 \$ '000	2007 \$ '000	2008 \$ '000	2007 \$ '000
Recreational Vehicles	85,445	98,810	1,707	1,671	5,001	10,964
Manufactured Accommodation	110,702	60,796	5,132	3,359	23,360	13,122
Unallocated	554	472	124	114	(640)	(227)
	196,701	160,078	6,963	5,144	27,721	23,859
Finance costs					(1,284)	(997)
Profit before income tax expense					26,437	22,862
Income tax expense					(7,999)	(6,900)
Net profit attributable to members of the parent entity					18,438	15,962

5. Net tangible assets per security

Net tangible assets per security	\$2.03	\$1.82
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6. Details of business acquired

On 1 July 2008, the group acquired the business of Caravan and RV Parts.

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 "R. Mckinnon", with a stylized flourish at the end.

Robert Mckinnon
Director
Perth, 10 February 2009

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

10 February 2009

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 2008, 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 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 2008, 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 as set out on pages 7 to 12.

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 2008 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.

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 2008 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, 10 February 2009