

28 August 2003

Manager, Companies  
Australian Stock Exchange  
Exchange Plaza  
2 The Esplanade  
Perth  
WA 6000

Dear Sir

## **Preliminary Final Report**

Attached is the Preliminary Final Report of Fleetwood Corporation Limited for the year ended 30 June 2003.

### **Summary of Performance**

- Revenue up **15%** to **\$191 m.**
- EBITDA up **28%** to **\$25 m.**
- EBITA up **37%** to **\$20.3 m.**
- EBIT up **41%** to **\$18.9 m.**
- Operating profit before tax up **48%** to **\$16.6 m.**
- Operating profit after tax up **48%** to **\$11.2 m.**

### **Review of Operations**

Fleetwood generated a record result for the 2003 financial year.

EBITA in the Recreational Vehicles division increased 46% mainly as a result of continued growth in caravan sales in Australia. Caravan sales in Australia have shown an average growth rate of 15% p.a. over the past 5 years.

Accommodation demand in Port Hedland and Karratha together with increased tourist demand associated with growing caravan sales has resulted in EBITA in the Parks division increasing 17%.

Increased activity in the resources area and strong demand by retirees for park homes resulted in the Manufactured Accommodation division increasing EBITA by 22%.

## **Dividend**

A fully franked final dividend of 8.5 cents per share will be paid, giving shareholders fully franked dividends for the year of 14 cents, compared to 13 cents last year.

## **Forecast**

Continued growth in caravan sales, increased activity in the resource sector and the benefits of the Windsor and Car-Van acquisitions are all factors which will support earnings growth in the current year.

Yours faithfully

A handwritten signature in cursive script that reads "Greg Tate".

**Greg Tate**  
Managing Director

# Fleetwood Corporation Limited

ABN 69 009 205 261

## Preliminary Final Report

Year Ended 30th June 2003

### Results for Announcement to the Market

	<b>Change</b>		<b>Amount</b> \$'000
Revenue from ordinary activities	up 15%	to	191,464
Profit from ordinary activities after tax attributable to members	up 48%	to	11,206
Net profit attributable to members	up 48%	to	11,206

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend	8.5 ¢	8.5 ¢
Interim dividend	5.5 ¢	5.5 ¢

Record date for determining entitlements to the final dividend 12 September 2003

Date the final dividend is payable 31 October 2003

**Fleetwood Corporation Limited**  
**Statement of Financial Performance**  
**Year Ended 30th June 2003**

		<b>2003</b>	<b>2002</b>
	<b>Note</b>	<b>\$ '000</b>	<b>\$ '000</b>
Revenue from sale of goods	1	166,176	137,913
Revenue from rental	1	22,286	20,520
Other revenue	1	3,002	8,262
<b>Total revenue</b>		<b>191,464</b>	<b>166,695</b>
Materials used		(87,167)	(86,512)
Sub-contract costs		(30,261)	(6,841)
Employee expenses		(30,925)	(20,012)
Operating leases	1	(8,754)	(7,591)
Written down value of assets disposed		(2,805)	(7,760)
Other expenses from ordinary activities		(6,599)	(18,516)
Profit before interest, tax, depreciation and amortisation ( <b>EBITDA</b> )		24,953	19,463
Depreciation and amortisation	1	(4,654)	(4,641)
Profit before interest, tax and amortisation ( <b>EBITA</b> )		20,299	14,822
Goodwill amortisation	1	(1,384)	(1,376)
Profit before interest and tax ( <b>EBIT</b> )		18,915	13,446
Borrowing costs	1	(2,328)	(2,249)
<b>Profit from ordinary activities before related income tax expense</b>		<b>16,587</b>	<b>11,197</b>
Income tax expense relating to ordinary activities		(5,381)	(3,625)
<b>Net profit attributable to members of the parent entity</b>		<b>11,206</b>	<b>7,572</b>
Net exchange difference relating to foreign controlled entities		72	210
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>11,278</b>	<b>7,782</b>
 <b>Earnings Per Share</b>			
Basic earnings per share (cents)	6	29.1	20.9
Diluted earnings per share (cents)	6	28.5	20.5

**Fleetwood Corporation Limited**  
**Statement of Financial Position**  
**30th June 2003**

	Note	2003 \$ '000	2002 \$ '000
<b>Current assets</b>			
Cash assets		9,690	4,972
Receivables		29,277	19,716
Inventories		26,329	19,133
<b>Total current assets</b>		65,296	43,821
<b>Non-current assets</b>			
Receivables		303	659
Property, plant and equipment		54,813	44,225
Intangible assets		26,901	23,098
Deferred tax assets		807	615
<b>Total non-current assets</b>		82,824	68,597
<b>Total assets</b>		148,120	112,418
<b>Current liabilities</b>			
Payables		30,900	19,296
Interest bearing liabilities		260	223
Current tax liabilities		2,011	3,726
Provisions		1,892	4,565
<b>Total current liabilities</b>		35,063	27,810
<b>Non-current liabilities</b>			
Interest bearing liabilities		28,950	33,053
Deferred tax liabilities		3,105	2,694
Provisions		708	424
<b>Total non-current liabilities</b>		32,763	36,171
<b>Total liabilities</b>		67,826	63,981
<b>Net assets</b>		80,294	48,437
<b>Equity</b>			
Contributed equity		65,953	43,233
Reserves		282	210
Retained profits	3	14,059	4,994
<b>Total equity</b>		80,294	48,437

**Fleetwood Corporation Limited**  
**Statement of Cash Flows**  
**Year Ended 30th June 2003**

	<b>2003</b>	<b>2002</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Cash flows from operating activities</b>		
Receipts in the course of operations	200,025	180,760
Payments in the course of operations	(177,566)	(153,754)
Interest received	243	333
Income taxes paid	(6,795)	(878)
Borrowing costs	(2,328)	(2,249)
<b>Net cash provided by operating activities</b>	<u>13,579</u>	<u>24,212</u>
<b>Cash flows from investing activities</b>		
Acquisition of entities	(6,841)	(1,960)
Proceeds from sale of non-current assets	2,634	7,929
Acquisition of property, plant and equipment	(16,301)	(13,124)
Proceeds from sale of intangible assets	125	-
Payment for intangible assets	(650)	(610)
<b>Net cash used in investing activities</b>	<u>(21,033)</u>	<u>(7,765)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	18,997	202
Repayment of borrowings	(5,466)	(9,109)
Dividends paid	(1,361)	(3,122)
<b>Net cash provided by (used in) financing activities</b>	<u>12,170</u>	<u>(12,029)</u>
Net increase in cash held	4,716	4,418
Cash at the beginning of the financial year	4,972	554
Effects of exchange rate changes on the balance of cash held in foreign currencies.	2	-
<b>Cash at the end of the financial year</b>	<u>9,690</u>	<u>4,972</u>

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year Ended 30th June 2003**

**1. Profit From Ordinary Activities**

	<b>2003</b>	<b>2002</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Operating revenue</b>		
Sale of goods	166,176	137,913
Rentals	22,286	20,520
Interest	243	333
<b>Non operating revenue</b>		
Gross proceeds from sale of non-current assets	2,759	7,929
<b>Total revenue from ordinary activities</b>	<u>191,464</u>	<u>166,695</u>
<b>Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:</b>		
Cost of sales	127,939	95,324
Depreciation and amortisation of:		
buildings	109	109
plant and equipment	4,175	4,256
leased plant & equipment	169	52
leasehold improvements	201	224
	<u>4,654</u>	<u>4,641</u>
Amortisation of goodwill	1,384	1,376
Borrowing costs:		
bank loans and overdraft	2,243	2,232
finance lease finance charges	85	17
	<u>2,328</u>	<u>2,249</u>
Net bad and doubtful debts	109	246
Net movement in provision for employee entitlements	277	392
Net foreign exchange gain	(36)	(54)
Operating lease rentals	8,754	7,591
Net (gain) / loss on disposal of:		
property, plant and equipment	96	(128)
intangible assets	(50)	(126)

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year Ended 30th June 2003**

**2. Commentary on the Results**

The commentary on the results for the period is contained in the review accompanying this statement.

<b>3. Retained Profits</b>	<b>2003</b> <b>\$ '000</b>	<b>2002</b> <b>\$ '000</b>
Retained profits at the beginning of the year	4,994	2,181
Net profit attributable to members of the parent entity	11,206	7,572
Dividends	(2,141)	(4,760)
Retained profits at the end of the year	<u>14,059</u>	<u>4,994</u>

**4. Notes to the Statement of Cash Flows**

**Reconciliation of cash**

Cash	<u>9,690</u>	<u>4,972</u>
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**Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities**

Operating profit after income tax	11,206	7,572
Add (less) items classified as investing / financing activities:		
Profit on sale of non-current assets	46	(254)
Add (less) non-cash items:		
Amortisation	1,754	1,652
Depreciation	4,284	4,365
Amounts set aside to provisions	277	392
(Decrease) increase in income taxes payable	(1,714)	4,446
Increase (decrease) in deferred taxes payable	301	(1,700)
Net cash provided by operating activities before change in assets and liabilities	<u>16,154</u>	<u>16,473</u>
Changes in assets and liabilities adjusted for effects of purchase and disposal of controlled entities during the financial year:		
(Increase) decrease in inventories	(4,974)	2,330
(Increase) decrease in other debtors	686	(843)
(Increase) decrease in trade debtors	(9,891)	4,202
(Decrease) increase in trade creditors	11,604	2,050
Net cash provided by operating activities	<u>13,579</u>	<u>24,212</u>

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year Ended 30th June 2003**

**4. Notes to the Statement of Cash Flows (continued)**

	<b>2003</b>	<b>2002</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Acquisition of business</b>		
Consideration	6,841	1,854
Cash acquired	-	106
Outflow of cash	<u>6,841</u>	<u>1,960</u>
Fair value of net assets acquired:		
Property, plant & equipment	200	48
Inventories	2,222	1,061
Cash	-	(106)
Trade & other debtors	-	646
Trade & other creditors	-	(562)
Provisions	(193)	(128)
	<u>2,229</u>	<u>959</u>
Goodwill on acquisition	4,612	895
Consideration (cash)	<u>6,841</u>	<u>1,854</u>

**Non-cash financing and investing activities**

During the year, the consolidated entity acquired plant and equipment with a value of \$1.4 million under a finance lease. This is not reflected as a borrowing or acquisition of plant and equipment in the statement of cash flows.

During the year, dividends of \$3,723,007 (2002: \$1,374,844) were reinvested with the Company as 1,319,141 (2002: 874,631) fully paid ordinary shares.

**Financing Arrangements**

The economic entity has access to the following lines of credit:

Total facilities available:

Bank overdraft	3,754	6,131
Bank loans	28,000	33,000
Bank guarantees	3,246	569
Hire purchase	-	171
Finance leases	1,210	105
	<u>36,210</u>	<u>39,976</u>

Facilities utilised:

Bank loans	28,000	33,000
Bank guarantees	3,246	569
Hire purchase	-	171
Finance leases	1,210	105
	<u>32,456</u>	<u>33,845</u>

Facilities not utilised:

Bank overdraft	3,754	6,131
	<u>3,754</u>	<u>6,131</u>

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year Ended 30th June 2003**

**5. Dividends**

	<b>Date Paid</b>	<b>Amount Per Security</b>	<b>2003 \$ '000</b>	<b>2002 \$ '000</b>
Interim dividend 2003	30/04/2003	5.0 cents	2,141	-
Final dividend 2002	30/11/2002	7.5 cents	-	2,942
Interim dividend 2002	30/04/2002	4.5 cents	-	1,818
			<u>2,141</u>	<u>4,760</u>

The final dividend in respect of ordinary shares for the year ended 30 June 2003 has not been recognised in the financial statements because the final dividend was not declared, determined or publicly recommended as at 30 June 2003.

**Dividend Reinvestment Plan**

The company's dividend reinvestment plan offers a 5% discount. The last date for receipt of an election notice for participation in the plan is 12th September 2003.

<b>6. Earnings Per Share</b>	<b>2003 \$ '000</b>	<b>2002 \$ '000</b>
Earnings used in the calculation	<u>11,206</u>	<u>7,572</u>
Number of shares used:		
Basic earnings per share	38,496,584	36,194,903
Diluted earnings per share	<u>39,376,967</u>	<u>37,024,443</u>
Number of shares deemed to be issued for no consideration in respect of employee and executive options for the purpose of calculating diluted earnings per share.	880,383	829,540

**7. Net Tangible Assets Per Security**

Net tangible assets per security	<u>\$1.20</u>	<u>\$0.69</u>
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**8. Details of Business Over Which Control Has Been Gained**

On 1 June 2003, the business of Carvan Supplies was acquired for \$6,841,000.

**9. Subsequent Events**

On 1 July 2003, the business of Windsor Caravans was acquired for \$5,881,693.

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year Ended 30th June 2003**

**10. Segment Information**

	Operating Revenue		Depreciation and Amortisation		Earnings Before Interest, Tax and Goodwill Amortisation (EBITA)	
	2003	2002	2003	2002	2003	2002
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Recreational Vehicles	118,973	101,941	2,588	3,122	13,068	8,921
Parks	8,218	9,075	950	837	2,806	2,407
Manufactured Accommodation	63,817	55,335	2,226	1,772	6,258	5,145
Unallocated	456	344	274	286	(1,833)	(1,651)
	<u>191,464</u>	<u>166,695</u>	<u>6,038</u>	<u>6,017</u>	<u>20,299</u>	<u>14,822</u>
Goodwill amortisation					(1,384)	(1,376)
EBIT					<u>18,915</u>	<u>13,446</u>
Interest expense					(2,328)	(2,249)
Profit from ordinary activities before tax					<u>16,587</u>	<u>11,197</u>
Income tax expense					(5,381)	(3,625)
Profit from ordinary activities after tax					<u>11,206</u>	<u>7,572</u>

	Assets		Acquisitions of Non Current Assets		Liabilities	
	2003	2002	2003	2002	2003	2002
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Recreational Vehicles	65,741	57,259	10,508	5,482	17,068	15,000
Parks	18,554	18,073	800	933	1,839	1,640
Manufactured Accommodation	51,560	30,236	13,164	8,271	20,030	10,454
Unallocated	12,265	6,850	203	292	28,889	36,887
	<u>148,120</u>	<u>112,418</u>	<u>24,675</u>	<u>14,978</u>	<u>67,826</u>	<u>63,981</u>

**11. Information on Audit**

This preliminary final report is based on accounts that are in the process of being audited.