Fleetwood

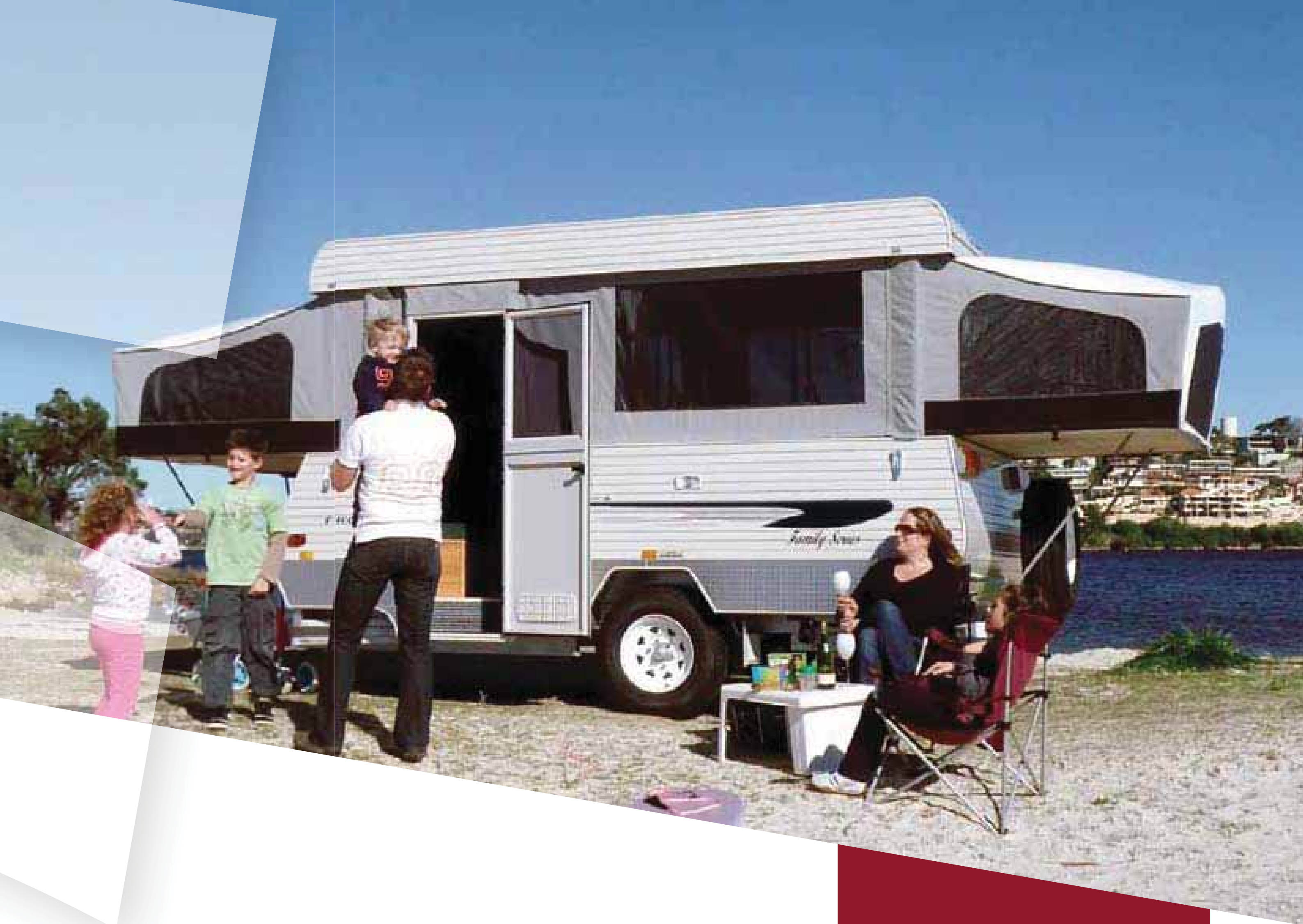
CORPORATION

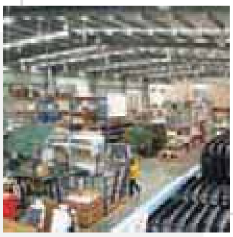
ANNUAL REPORT 2010

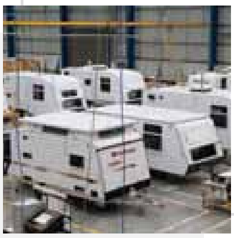
Mixed Sources
Product group from well-managed forests and other controlled sources
www.fsc.org Cert no. SCS-COC-001703
© 1996 Forest Stewardship Council
FSC

This Annual Report is produced on paper harvested from forests that meet stringent environmental, social and economic standards.

Crystal Printing Solutions trading as Worldwide Online Printing Cannington are holders of SCS Certificate Number: SCS-COC-001703







Contents

Fleetwood CORPORATION

Corporate directory

DIRECTORS
Stephen Gill
Peter Gunzburg
Michael Hardy
Greg Tate

CHIEF EXECUTIVE OFFICER
Stephen Price

COMPANY SECRETARY
Bradley Denison

AUDITOR
Deloitte

BANKER
Westpac Banking Corporation

REGISTERED OFFICE & PRINCIPLE PLACE OF BUSINESS
21 Regal Place
East Perth, WA 6004
T: (08) 9323 3300
F: (08) 9202 1106
E: info@fleetwood.com.au

SHARE REGISTRY
Computershare
Level 2, Reserve Bank Bldg
45 St. George's Terrace
Perth, WA 6000
T: (08) 9323 2000
F: (08) 9323 2033
E: info@computershare.com.au

Delivering the promise

OUR PURPOSE

"To provide an optimal return to our shareholders by satisfying the needs of our clients".

OUR PHILOSOPHY

We shall at all times:

Hold ourselves committed and accountable for "Delivering the Promise".
Have as our driving force the achievement of client satisfaction.
Offer and provide genuine value for money.
Acknowledge the loyalty of our clients, shareowners, and suppliers.
Recognise and reward the creativity and dedication of our people.
Provide a safe and fulfilling work environment.

CLIENTS' RIGHTS

All Fleetwood clients have the right to:

Feel privileged by the respect extended to them by Fleetwood people.
Be dealt with in an honest, concerned and professional manner.
Have all agreements fulfilled and honoured.
Receive immediate action from Fleetwood people.

OUR BELIEFS

We live by the beliefs that we:

Want to do business.
Will act with honesty and integrity.
Must seek out and conclude agreements in which each party "wins".
Expect all parties to adhere to the terms of our agreements.
Can be proud of our Company and our achievements.

SERVICE STANDARDS

Our service ideals require Fleetwood people to:

Extend and stretch themselves in servicing clients.
Acknowledge a person upon arrival at Fleetwood.
Accompany and introduce clients seeking a specific Fleetwood person.
Answer the phone with their name and division before four rings.
Respond within 24 hours to all messages.
Ask questions and seek creative solutions.
Avoid saying "No, I'm sorry we can't help you".

Manufactured accommodation


Fleetwood

Portable accommodation providers to the construction and resource industries in Australia. Park home and transportable home manufacturer to the retirement, recreation and resource sectors. Headquartered in Perth with operations in Adelaide, Darwin, Alice Springs and Melbourne.


BRB MODULAR

Designer and manufacturer of prefabricated modular buildings for sale and rental to the public sector markets in New South Wales, Queensland and Victoria.

Recreational vehicles


CAMEC

Manufacturer and retailer of componentry and accessories to the caravan industry in Australasia. Headquartered in Melbourne with operations in Sydney, Brisbane, Perth and Auckland.


CORONAL CARAVANS

Largest caravan manufacturer in Western Australia. Distributing caravans, campers and poptops through a national dealer network.


Windsor CARAVANS

Caravan manufacturer headquartered in Melbourne. Distributing caravans, campers and poptops through a national dealer network.


FLEXIGLASS

Largest fibreglass canopy manufacturer and retailer in Australasia. Headquartered in Perth with branches, dealers and agents in every state of Australia and New Zealand.

Five year summary

$ Million (unless stated)	2010	2009	2008	2007	2006
Revenue	**291.3**	355.3	344.5	314.4	254.1
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**67.8**	64.7	62.5	49.0	39.2
EBITDA margin	**23.3%**	18.2%	18.1%	15.6%	15.4%
Depreciation and amortisation	**12.8**	12.2	11.3	8.7	7.6
Earnings before interest and tax (EBIT)	**55.0**	52.5	51.1	40.4	31.6
EBIT margin	**18.9%**	14.8%	14.8%	13.0%	12.4%
Finance costs	**0.5**	1.9	2.0	2.2	2.2
Income tax expense	**15.8**	15.0	14.9	11.6	8.7
Operating profit after tax	**38.7**	35.6	34.2	26.6	20.7
Interest cover (times)	**110.9**	28.0	25.2	18.6	14.4
Earnings per share (cents)	**72.6**	68.7	68.4	54.1	43.9
Dividends per share (cents)	**68.0**	66.0	65.0	63.0	60.5
Assets	**210.5**	197.2	216.8	201.9	184.7
Debt	**-**	9.0	24.0	28.0	33.0
Shareholders funds	**156.9**	141.7	130.9	119.6	110.7
Debt / Shareholders funds %	**-**	6%	18%	23%	30%
Cash flows from operations	**54.8**	54.0	60.0	40.3	18.8
Number of shares on issue (million)	**54.0**	52.6	51.2	50.0	48.3

Board of Directors & Executive Officers

1 MICHAEL HARDY

Chairman

Non-Executive Director
Barrister & Solicitor
B Juris LLB BA

Age 57 lives in Perth

Appointed to the board in 2005.

Michael was a partner of Clayton Utz (formerly Robinson Cox) from 1983 to 2002 before establishing the firm Hardy Bowen.

2 GREG TATE

Executive Director

Chartered Accountant
Bachelor of Commerce

Age 58 lives in Perth

Greg was appointed a non-executive director during listing of the company in 1987 and became managing director in 1990. He relinquished this role to become executive director of operations in 2007.

Prior to joining Fleetwood he founded a chartered accountancy practice after being employed in Australia and the USA by an international accounting organisation.

3 STEPHEN GILL

Non-Executive Director

Age 58 lives in Perth

Steve became a non-executive director in 2006. He was appointed as an executive director in 1990 and prior to this was employed by Fleetwood in senior sales and management roles.

4 PETER GUNZBURG

Non-Executive Director

Bachelor of Commerce

Age 58 lives in Perth

Appointed to the board in 2002.

Peter has over 20 years experience as a stockbroker and was previously a director of Strike Oil Ltd and Matra Petroleum Plc.

He is currently executive chairman of Eurogold Ltd (director since 2001) and Brinkley Mining Plc (director since 2009), a director of PieNetworks Ltd (since 2002) and Dragon Mining Ltd (since 2010).

5 STEPHEN PRICE

Chief Executive Officer

Master of Business Administration

Age 46 lives in Perth

Stephen was appointed chief executive officer in 2010. Prior to joining Fleetwood, Stephen was employed in the Wesfarmers group for 12 years initially in business development then as director and general manager of two operating companies owned by that group.

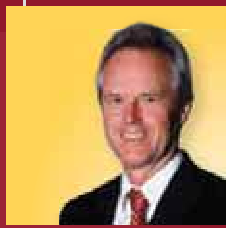
6 BRADLEY DENISON

Company Secretary

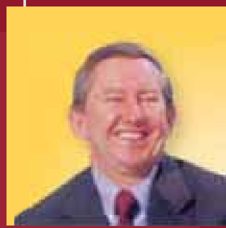
Certified Practising Accountant
Bachelor of Commerce

Age 38 lives in Perth

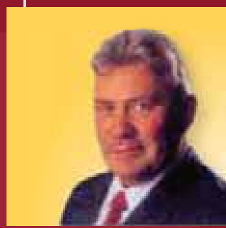
Brad is chief financial officer for the group and was appointed company secretary in 2004. He has been employed by the company in senior finance roles since 1997. Prior to joining Fleetwood, Brad was employed by Cockburn Corporation Ltd as group accountant.



1



2



3

4

5

6

CEO Review

FINANCIAL OVERVIEW

- EBITDA up 5% to $67.8m
- EBIT up 5% to $55.0m
- Operating profit after tax up 9% to $38.7m
- Earnings per share up 6% to 72.6cents
- Debt free at 30 June 2010

REVIEW OF OPERATIONS

Fleetwood has recorded another record result. Operating profit after tax rose to $38.7 million for the 2010 financial year compared with $35.6 million for 2009.

Revenue in 2010 was lower than 2009, however the scope of projects undertaken in 2010 resulted in higher margins. A strong result was also recorded for the Searipple Village in Karratha. These two factors, along with a recovery in demand in the recreational vehicles division resulted in the group's EBIT margin increasing from 14.8% in 2009 to 18.9% in 2010.

Operating cash flows of $55 million allowed all debt to be repaid during the year. At 30 June 2010, the group had cash reserves of $15.6 million.

RECREATIONAL VEHICLES

Financial performance steadily improved in the Recreational Vehicles division in 2010 following a low point at the time of the global financial crisis. A rapid recovery in trading conditions allowed caravan production to increase. The current level of order intake will require further increases in production in the 2011 financial year.

Cost reductions implemented during the previous two years contributed to an improvement in EBIT margin from 5.4% in 2009 to 10.0% in 2010.

A focused effort is currently being made to evaluate new technologies to automate manufacturing including additional CNC machines for producing caravan furniture.

MANUFACTURED ACCOMMODATION

Revenue and EBIT for the Manufactured Accommodation division in 2010 were lower than in 2009, however EBIT margin increased from 22.6% to 30.3%. A change in the scope of projects undertaken contributed to the increase in margins.

The take or pay contract with Woodside for accommodation at Searipple Village continued to make a significant contribution to earnings in 2010. The village is currently at close to full occupancy.

The Manufactured Accommodation division remains strongly focused on the resources sector in WA. Towards the end of the 2010 year sales of park homes and transportable homes began to show an improvement.

The division is currently developing its service offering for build own operate camps to ensure that Fleetwood remains a preferred accommodation provider for workers in the Karratha region, and to support the pursuit of new opportunities.

ACQUISITION OF BRB MODULAR

On 10 August 2010 Fleetwood entered into an agreement to acquire BRB Modular (BRB). The acquisition was settled on 18 August 2010 involving the issue of 2.5 million Fleetwood shares and the payment of $31.3 million, representing total consideration of $56.1 million.

BRB currently manufactures and installs prefabricated modular building solutions predominantly for public sector clients including the education departments in New South Wales, Queensland and Victoria.

BRB commenced operations in 1977 in Bendigo, Victoria. Today, BRB operates from premises in Melbourne, Bendigo and Brisbane and employs some 250 people.

The acquisition provides Fleetwood with an immediate entry into public sector markets in New South Wales, Queensland and Victoria with potential to enter these markets in other States and Territories of Australia. It also provides capability for Fleetwood's existing business, most notably as provider of accommodation for the resources industry, to expand into east coast markets, particularly in Queensland.

Excluding costs of the transaction, the acquisition of BRB is expected to be earnings accretive in the 2011 financial year.

DIVIDENDS

A fully franked final dividend of 38 cents per share was paid on 30 September 2010, resulting in a total dividend payment of 68 cents per share for the 2010 financial year compared to 66 cents for 2009.

PEOPLE

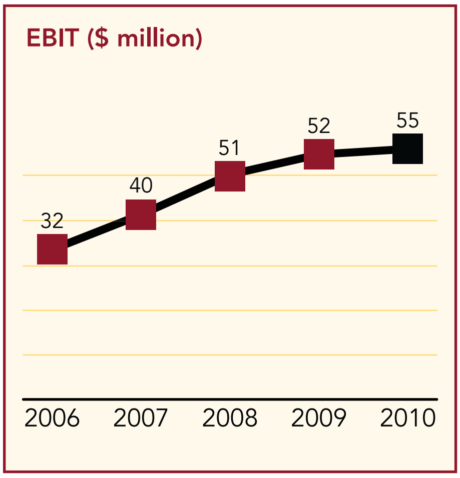
On behalf of the directors I sincerely thank the people who work for Fleetwood for producing this record result. This record result is a reflection of the talents and commitment of those people.

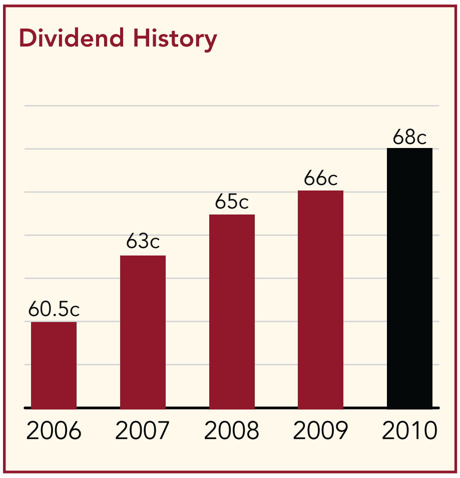
OUTLOOK

Fleetwood is experiencing improved trading conditions.

While it is reasonable to expect earnings in the 2011 year will be a significant improvement over 2010, earnings from the Manufactured Accommodation division will be affected by the level of resource project activity particularly around Karratha.

Notwithstanding this the group's businesses are positioned well in markets that are expected to exhibit significant growth over the medium and long term. In addition, the recent acquisition of BRB provides new avenues for growth.





Fleetwood
CORPORATION

FINANCIAL REPORT 2010

2010

Statement of comprehensive income

Fleetwood Corporation Limited

Year ended 30 June 2010

	Note	2010 $ '000	2009 $ '000
Sales revenue	2	**291,091**	354,587
Other income	2	**248**	727
Materials used		**(122,413)**	(169,468)
Sub-contract costs		**(21,583)**	(28,281)
Employee benefits expense		**(49,732)**	(60,073)
Operating leases		**(6,741)**	(6,077)
Other expenses		**(23,088)**	(26,746)
Profit before interest, tax, depreciation and amortisation **(EBITDA)**		**67,782**	64,669
Depreciation and amortisation expense	3	**(12,797)**	(12,211)
Profit before interest and tax **(EBIT)**		**54,985**	52,458
Finance costs	3	**(496)**	(1,875)
Profit before income tax expense		**54,489**	50,583
Income tax expense	4	**(15,830)**	(14,978)
Profit attributable to members of the parent entity	23	**38,659**	35,605
Other comprehensive income			
Net exchange difference relating to foreign controlled entities		**89**	156
Total comprehensive income attributable to members of the parent entity (net of tax)		**38,748**	35,761
Earnings per share			
Basic earnings per share (cents)	7	**72.6**	68.7
Diluted earnings per share (cents)	7	**71.5**	68.5

To be read in conjunction with the accompanying notes.

Statement of financial position
Fleetwood Corporation Limited
As at 30 June 2010

	Note	2010 $ '000	2009 $ '000
Current assets			
Cash and cash equivalents	8	**15,599**	6,018
Trade and other receivables	9	**40,489**	36,545
Inventories	10	**37,485**	35,559
Other financial assets	14	**202**	-
Total current assets		**93,775**	78,122
Non-current assets			
Trade and other receivables	9	**30**	38
Property, plant and equipment	11	**84,405**	86,969
Goodwill	12	**28,311**	28,311
Intangible assets	13	**2,743**	3,327
Deferred tax assets	4	**1,237**	407
Total non-current assets		**116,726**	119,052
Total assets		**210,501**	197,174
Current liabilities			
Trade and other payables	15	**40,728**	36,145
Tax liabilities		**7,279**	5,232
Provisions	16	**2,918**	2,644
Total current liabilities		**50,925**	44,021
Non-current liabilities			
Interest bearing liabilities	17	**-**	9,000
Provisions	16	**2,703**	2,404
Total non-current liabilities		**2,703**	11,404
Total liabilities		**53,628**	55,425
Net assets		**156,873**	141,749
Equity			
Issued capital	21	**125,780**	114,637
Reserves	22	**(447)**	(737)
Retained earnings	23	**31,540**	27,849
Total equity		**156,873**	141,749

To be read in conjunction with the accompanying notes.

Statement of changes in equity

Fleetwood Corporation Limited
Year ended 30 June 2010

	Note	Issued capital $ '000	Cash flow hedging reserve $ '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		-	-	-	35,605	35,605
Exchange differences arising on translation of foreign operations	22	-	-	156	-	156
Total comprehensive income for the period		-	-	156	35,605	35,761
Dividends paid to equity holders	21, 6	6,920	-	-	(33,512)	(26,592)
Share-based payments		698	-	-	-	698
Shares issued pursuant to employee and executive option plans		956	-	-	-	956
Balance at 30 June 2009		114,637	-	(737)	27,849	141,749
Balance at 1 July 2009		114,637		(737)	27,849	141,749
Profit for the period		-	-	-	38,659	38,659
Exchange differences arising on translation of foreign operations	22	-	-	89	-	89
Total comprehensive income for the period		-	-	89	38,659	38,748
Gain on cash flow hedges	22	-	202	-	-	202
Dividends paid to equity holders	21, 6	8,419	-	-	(34,968)	(26,549)
Share-based payments		917	-	-	-	917
Shares issued pursuant to employee and executive option plans		1,807	-	-	-	1,807
Balance at 30 June 2010	21	**125,780**	**202**	**(649)**	**31,540**	**156,873**

To be read in conjunction with the accompanying notes.

Statement of cash flows

Fleetwood Corporation Limited
Year ended 30 June 2010

	Note	2010 $ '000	2009 $ '000
Cash flows from operating activities			
Receipts in the course of operations		**318,443**	404,549
Payments in the course of operations		**(248,771)**	(329,740)
Interest received		**253**	748
Income taxes paid		**(14,612)**	(19,704)
Finance costs paid		**(496)**	(1,875)
Net cash provided by operating activities	27.1	**54,817**	53,978
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(10,787)**	(14,955)
Proceeds from sale of non-current assets		**132**	347
Payment for goodwill		**-**	(218)
Payment for intangible assets		**(851)**	(761)
Net cash used in investing activities		**(11,506)**	(15,587)
Cash flows from financing activities			
Proceeds from issue of shares	21	**1,807**	956
Repayment of borrowings		**(9,000)**	(15,000)
Dividends paid		**(26,550)**	(26,591)
Net cash used in financing activities		**(33,743)**	(40,635)
Net increase (decrease) in cash and cash equivalents		**9,569**	**(2,244)**
Cash and cash equivalents at the beginning of the financial year		**6,018**	**8,226**
Effect of exchange rate changes on the balance of cash held in foreign currencies		**12**	36
Cash and cash equivalents at the end of the financial year	8	**15,599**	6,018

To be read in conjunction with the accompanying notes.

1 Statement of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are:

1.1 Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards and interpretations include Australian equivalents to International Financial Reporting Standards "A-IFRS". Compliance with A-IFRS ensures the consolidated financial statements and notes of the consolidated and company entity comply with International Financial Reporting Standards "IFRS".

The financial statements were authorised for issue by the directors on 2 September 2010.

1.2 Basis of preparation

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or current valuations of non-current assets. Accounting policies have been consistently applied and except where there are changes in accounting policy, are consistent with those of the previous year.

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 financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

1.3 Principles of consolidation

The financial statements of subsidiaries are included from the date control commences until the date control ceases. Unrealised gains and losses, inter-entity balances and transactions between subsidiaries are eliminated on consolidation.

1.4 Revenue recognition

Revenue is recognised at the fair value of consideration received net of goods and services tax (GST).

Sale of goods
Revenue from the sale of goods is recognised when the company has passed control of the goods to the buyer.

Construction contracts
When the stage of contract completion can be reliably measured, revenue is recognised in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Where the outcome of a contract cannot be reliably estimated, contract costs are immediately recognised as an expense. Where it is probable costs will not be recovered, revenue is only recognised to the extent costs are recoverable. An expected loss is recognised immediately as an expense.

Rental
Rental income is recognised on a straight line basis over the term of the relevant rental contract.

Interest
Interest revenue is recognised on an accrual basis, taking into account the effective yield on the financial asset.

Sale of non-current assets
Gains or losses on sale of non-current assets are included as income or expenses at the date the significant risks and rewards of the asset pass to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Dividends
Dividends and distributions from subsidiaries are recognised by the parent entity when they are declared by the subsidiaries. Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised as revenue.

1.5 Foreign currency

Transactions
Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rate of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of comprehensive income in the financial year in which the exchange rates change.

Translation of controlled foreign operations
The assets and liabilities of foreign operations, including subsidiaries are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. Exchange differences arising from translation are taken directly to the foreign currency reserve until disposal or partial disposal of the operations.

1.6 Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

1.7 Taxation

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid or refundable.

Deferred tax
Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of asset and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that a sufficient taxable amount will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets and liabilities giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

1.8 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in fair value and have a maturity of three months or less at the date of acquisition.

1.9 Acquisition of assets

All assets acquired including property, plant and equipment and intangibles are initially recorded at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials, direct labour directly attributable overheads and other incidental costs.

Expenditure, including that on internally generated assets other than development costs, is only recognised as an asset when it is probable that future economic benefits will eventuate and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable future economic benefits will flow to the consolidated entity. Costs that do not meet the criteria for capitalisation are expensed as incurred.

1.10 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

1.11 Receivables

Trade debtors are recorded at amortised cost less impairment. The collectability of debts is assessed at year-end and a specific provision is made for any doubtful debts. Trade debtors are normally settled within 60 days.

1.12 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first in first out basis and for work in progress includes an appropriate share of both variable and fixed costs. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

1.13 Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value through equity, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value through equity, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.14 Investments

Investments in controlled entities are carried in the consolidated entities financial statements at cost less any provision for impairment.

1.15 Leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.16 Property, plant and equipment

Each class of property, plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of self-constructed assets includes the cost of materials and direct labour and any other costs attributable to bringing an asset to a working condition ready for its intended use.

1.17 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

1.18 Product development costs

An intangible asset arising from product development (or from the development phase of an internal project) is recognised if the following are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Internally generated intangible assets are stated at cost less accumulated amortisation and impairment and are amortised on a straight-line basis over their useful lives of 2 to 5 years.

1.19 Depreciation and amortisation

All non-financial assets of the entity (except land) have limited useful lives and are depreciated / amortised using the straight-line method over their estimated useful lives to their estimated residual values. Assets are depreciated or amortised from the time an asset is ready for use.

Depreciation and amortisation rates and methods and residual values are reviewed annually for appropriateness. When changes are made adjustments are reflected in current and future periods only. Depreciation and amortisation are expensed, except to the extent they are included in the carrying amount of another asset as an allocation of production overheads.

Depreciation / amortisation rates used for each class of asset are as follows:

	2010	2009
Buildings	**2.5%**	2.5%
Leasehold property and improvements	**2% - 25%**	2% - 25%
Plant and equipment	**2.5% - 50%**	2.5% - 50%

1.20 Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received where normally they are expected to be paid within 60 days regardless of whether they have been billed to the consolidated entity.

1.21 Interest bearing liabilities

Bank loans are recognised initially at fair value net of transaction costs. Subsequent to initial recognition, bank loans are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest rate. Interest expense is recognised on an accrual basis.

1.22 Employee benefits

Wages, salaries, annual and long service leave

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of wages and salaries, annual leave, sick leave and other employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of other employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Share option plans

The Company has granted options to employees under share option plans. The value of benefits provided to employees under the plans are measured at grant date and expensed over the vesting periods.

Superannuation plan

Contributions to employee superannuation funds are charged against income as they are made.

1.23 Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is accumulated in equity and only reclassified to profit or loss upon the maturity of the financial instrument.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months. Other derivatives are presented as current assets or current liabilities.

1.24 Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Financial liabilities are stated at fair value, with any gains or losses recognised in profit or loss.

Critical accounting judgments

In the application of accounting policies, management is required to make judgments, estimates and assumptions. The estimates and associated assumptions are based on experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Accounting for construction contracts involves the continuous use of assessed estimates based on assumptions consistent with project scope and schedule, contract and risk management processes. These contracts may span several accounting periods. Estimates of forecast costs at completion of construction contracts are regularly updated in accordance with the agreed work scope and schedule under the contract. Forecast costs are based on the cost expected to apply when the related activity is expected to be undertaken. Contingencies are included in order to cover the risks in those forecasts. Revenues reflect the contract price agreed in the contract and variations where they have been approved or if it is probable they will be approved. Claims are included in contract revenue only where negotiations have reached an advanced stage such that it is probable that the client will accept the claim and recovery of the amount involved is probable.
- Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Details of goodwill and the subsequent testing for impairment are set out in Note 12.

General information

Fleetwood Corporation Limited (the Company) is a public company listed on the Australian Stock Exchange (trading under the symbol ‘FWD’), incorporated in Australia and operating in Australia and New Zealand.

	2010 $ '000	2009 $ '000

2 Revenue

	2010 $ '000	2009 $ '000
Sales revenue		
Goods	**175,721**	195,521
Construction	**39,019**	86,183
Rental	**76,351**	72,883
	291,091	354,587
Other income		
Interest	**253**	748
Loss on sale of non-current assets	**(5)**	(21)
	248	727
	291,339	355,314

All units in the rental fleet are available for sale. The sale of rental units is included in sales revenue - goods rather than profit on sale of non-current assets.

3 Profit from ordinary activities before income tax expense

Profit before income tax expense has been arrived at after charging the following items:

	2010 $ '000	2009 $ '000
Cost of sales	**192,349**	232,411
Depreciation and amortisation of:		
buildings	**69**	69
leasehold improvements	**4,435**	4,326
plant and equipment	**6,942**	6,398
product development	**1,351**	1,418
	12,797	12,211
Finance costs - bank loans and overdraft	**496**	1,875
Net bad and doubtful debts	**85**	626
Research and development costs	**98**	118
Defined contribution plan expense	**3,623**	4,563
Equity settled share-based payments	**917**	698

4 Taxation

Income tax recognised in profit or loss

	2010 $ '000	2009 $ '000
Current tax expense	**16,784**	15,671
Deferred tax expense relating to origination and reversal of temporary differences	**(829)**	(422)
Over provision of income tax in prior year	**(125)**	(271)
	15,830	14,978

Reconciliation of prima facie tax expense on accounting profit to income tax expense

	2010 $ '000	2009 $ '000
Prima facie income tax expense calculated at 30% (2009: 30%) on profit from ordinary activities	**16,347**	15,175
Amortisation of leasehold improvements	**8**	8
Non-deductible expenses	**275**	209
Research & development allowance	**(122)**	(119)
Sundry items	**11**	3
Investment allowance	**(564)**	(27)
	15,955	15,249
Over provision of income tax in prior year	**(125)**	(271)
	15,830	14,978

Taxable and deductible temporary differences arise from the following:

Consolidated	Balance at 2008 $ '000	Charged to income $ '000	Balance at 2009 $ '000	**Charged to income $ '000**	**Balance at 2010 $ '000**
Deferred tax liabilities:					
Property, plant and equipment	(1,894)	611	(1,283)	**708**	**(574)**
Deferred tax assets:					
Provisions / accruals	1,878	(188)	1,690	**121**	**1,811**
	(16)	423	407	**829**	**1,237**

Tax consolidation

The Company and its wholly-owned Australian resident entities have elected to be taxed as a single entity from 1 July 2003.

Fleetwood Corporation Limited, as the head entity, and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. The current tax balances are then transferred to the head entity via intercompany balances.

The method used to calculate current and deferred tax amounts is summarised in Note 1.7.

The entities within the Group have entered a tax funding arrangement whereby each subsidiary will compensate the head entity for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity.

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.

Business segments

Segments	Products / Services
Recreational Vehicles	Manufacture of caravans and vehicle parts and accessories
Manufactured Accommodation	Design, manufacture, sale and rental of manufactured accommodation

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

	Segment revenue		Depreciation & amortisation		Segment result (EBIT)	
	2010	2009	**2010**	2009	**2010**	2009
	$ '000	$ '000	**$ '000**	$ '000	**$ '000**	$ '000
Recreational Vehicles	**154,692**	153,641	**3,287**	3,399	**15,505**	8,339
Manufactured Accommodation	**136,302**	200,806	**9,254**	8,559	**41,257**	45,356
Unallocated	**345**	867	**256**	253	**(1,777)**	(1,238)
	291,339	355,314	**12,797**	12,211	**54,985**	52,458
Finance costs					**(496)**	(1,875)
Profit before income tax expense					**54,489**	50,583
Income tax expense					**(15,830)**	(14,978)
Profit attributable to members of the parent entity					**38,659**	35,605

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 and liabilities by reportable operating segment:

	Segment assets		Acquisitions of non-current assets		Segment liabilities	
Recreational Vehicles	**93,288**	87,037	**2,290**	2,797	**23,610**	17,800
Manufactured Accommodation	**93,455**	93,596	**10,041**	13,002	**20,847**	21,653
Unallocated	**23,758**	16,541	**18**	135	**9,171**	15,972
	210,501	197,174	**12,349**	15,934	**53,628**	55,425

The following is an analysis of the Group's assets and revenues by geographical segment:

	Segment assets		Acquisitions of non-current assets		Segment revenue	
Australia	**201,112**	190,421	**11,763**	15,475	**281,087**	344,258
New Zealand	**9,389**	6,753	**586**	459	**10,252**	11,056
	210,501	197,174	**12,349**	15,934	**291,339**	355,314

	2010 $ '000	2009 $ '000

6 Dividends

Recognised

	2010 $ '000	2009 $ '000
Interim 2010 - paid 30 cents per share fully franked	**16,027**	-
Final 2009 - paid 36 cents per share fully franked	**18,941**	-
Interim 2009 - paid 30 cents per share fully franked	**-**	15,536
Final 2008 - paid 15 cents per share fully franked	**-**	7,704
Special final 2008 - paid 20 cents per share fully franked	**-**	10,272
	34,968	33,512

Unrecognised

	2010 $ '000	2009 $ '000
Final 2010 - 38 cents per share fully franked	**20,508**	-
	20,508	-

On 25 August 2010 the directors declared a final dividend to be paid on 30 September 2010. The dividend was not announced until after 30 June 2010 and has not been included as a liability in these financial statements

Dividend franking account

	2010 $ '000	2009 $ '000
30% franking credits available to shareholders of Fleetwood Corporation Limited for subsequent years	**16,030**	14,774

The reduction in the franking account due to dividends not recognised will be $8,788,941.

7 Earnings per share

	2010 $ '000	2009 $ '000
Earnings used in the calculation of basic and diluted earnings per share	**38,659**	35,605

The weighted average number of ordinary shares used in the calculation of earnings per share:

	Weighted average number of shares used	
Basic earnings per share	**53,257,708**	51,857,955
Number of shares deemed to be issued for no consideration in respect of employee and executive options	**813,173**	137,153
Diluted earnings per share	**54,070,881**	51,995,108

Basic earnings per share (cents)	**72.6**	68.7
Diluted earnings per share (cents)	**71.5**	68.5

There are no potential ordinary shares that are anti-dilutive.

	2010	2009
	$ '000	$ '000

8 Cash and cash equivalents

Cash and cash equivalents	**15,599**	6,018

Cash at bank is at call and receives interest at a w eighted average rate of 2.77% (2009: 3.95%).

9 Trade and other receivables

Current

Trade debtors	**35,515**	32,393
Term loans - secured	**8**	9
Other debtors	**5,106**	4,143
	40,489	36,545

Trade and other debtors are non-interest bearing and are generally on terms ranging betw een 7 and 60 days. The average credit period on sales of goods is 30 days.

Non-current

Term loans - secured	**30**	38

The w eighted average interest rate on term loans w hich have varying maturity dates is 12.5% (2009: 12.5%).

Concentrations of risk

Included in receivables at 30 June 2010 w ere the follow ing amounts from the group's largest customers:

LandCorp	**8,203**	**-**
GE Commercial Finance	**5,232**	**3,314**
Doric Construction	**1,958**	**-**
Jayco Caravans (Recreational)	**1,436**	**998**
NT Link Pty Ltd	**1,413**	**208**

There are no other customers representing more than 5% of the balance of receivables. Before accepting any new customer, the Group assesses the customer's credit quality and defines credit limits.

Trade receivables include amounts that are past due at the end of the reporting period but against w hich the Group has not recognised an allow ance for doubtful receivables because there has not been a significant change in the credit quality and the amount are still considered recoverable. The Group does not hold any collateral over these balances. An analysis of aged receivables is included below :

Less than 3 months	**2,319**	2,833
Betw een 3 - 6 months	**15**	522
Longer that 6 months	**1,101**	-
	3,435	3,355

10 Inventories

Raw materials & stores	**6,749**	7,878
Work in progress	**6,661**	5,340
Finished goods	**24,075**	22,341
	37,485	35,559

11 Property, plant and equipment

	2010 $ '000	2009 $ '000
Freehold land		
Cost	**3,218**	3,218
Buildings		
Cost	**2,747**	2,746
Accumulated depreciation	**(328)**	(259)
	2,419	2,487
Leasehold property and improvements		
Cost	**46,147**	44,775
Accumulated amortisation	**(17,269)**	(12,833)
	28,878	31,942
Plant and equipment		
Cost	**80,332**	74,190
Accumulated depreciation	**(30,661)**	(25,565)
	49,671	48,625
Assets under construction		
Cost	**219**	697
	84,405	86,969

Reconciliation of the carrying amounts for each class of property, plant and equipment is set out below :

	2010 $ '000	2009 $ '000
Freehold land		
Carrying amount at beginning of year	**3,218**	3,217
Additions	**-**	1
	3,218	3,218
Buildings		
Carrying amount at beginning of year	**2,487**	2,555
Depreciation	**(69)**	(69)
	2,419	2,487
Leasehold property and improvements		
Carrying amount at beginning of year	**31,942**	32,225
Additions	**1,371**	4,043
Amortisation	**(4,435)**	(4,326)
	28,878	31,942
Plant and equipment		
Carrying amount at beginning of year	**48,625**	46,031
Additions	**9,198**	10,213
Disposals	**(1,907)**	(1,865)
Transferred from assets under construction	**697**	644
Depreciation	**(6,942)**	(6,398)
	49,671	48,625

	2010 $ '000	2009 $ '000

11 Property, plant and equipment (continued)

Reconciliations (continued)

Assets under construction		
Carrying amount at beginning of year	**697**	644
Additions	**219**	697
Transferred to plant and equipment	**(697)**	(644)
	219	697

12 Goodwill

Goodwill	**28,311**	28,311

Reconciliation of the carrying amount of Goodwill is set out below:

Carrying amount at beginning of year	**28,311**	28,093
Acquisitions	**-**	218
	28,311	28,311

Goodwill has been allocated for impairment testing purposes to individual cash-generating units (CGU) as follows:

Caravan manufacturing	**7,097**	7,097
Parts and accessories	**12,401**	12,401
Canopies, trays and accessories	**6,617**	6,617
Manufactured accommodation	**2,196**	2,196
	28,311	28,311

The recoverable amount of cash-generating units is determined based on a value in use calculation using cash flow projections based on financial budgets approved by management and utilising a cash flow growth rate of 0% (2009: 0%) for manufactured accommodation CGU, 7.5% (2009: 10.8%) for canopies, trays and accessories CGU and 11% (2009: 11%) for caravan manufacturing and parts and accessories CGU's for the first five years and negative 2% growth thereafter. The implied discount rate of 8.52% pa (2009: 10.07%) reflects the consolidated entity's weighted average cost of capital, and has been used in the recoverable amount calculations of each CGU.

Testing for impairment is carried out on a bi-annual basis. No impairment charge has been recorded since recognising goodwill. The recoverable amount of each CGU exceeds the carrying amount of goodwill at 30 June 2010.

13 Intangible assets

Product development		
At cost	**6,557**	6,650
Accumulated amortisation	**(4,670)**	(4,183)
	1,887	2,467
Product development WIP		
At cost	**856**	860
	2,743	3,327

	2010 $ '000	2009 $ '000

13 Intangible assets (continued)

Reconciliation of the carrying amounts is set out below :

	2010 $ '000	2009 $ '000
Product development		
Carrying amount at beginning of year	**2,467**	3,053
Transferred from product development WIP	**770**	832
Amortisation	**(1,351)**	(1,418)
	1,887	2,467
Product development WIP		
Carrying amount at beginning of year	**860**	932
Additions	**851**	760
Disposals	**(84)**	-
Transferred to product development	**(770)**	(832)
	856	860

14 Other financial assets

	2010 $ '000	2009 $ '000
Current		
Foreign currency forward contracts	**202**	-

15 Trade and other payables

	2010 $ '000	2009 $ '000
Trade creditors	**26,097**	16,593
Other creditors and accruals	**14,631**	19,552
	40,728	36,145

Payables include amounts for goods received not invoiced. Trade and other payables are non-interest bearing. The average credit period on purchases is 45 days.

16 Provisions

	2010 $ '000	2009 $ '000
Current		
Employee benefits	**2,918**	2,644
Non-current		
Employee benefits	**2,703**	2,404
Aggregate employee benefits	**5,621**	5,048

	Note	2010 $ '000	2009 $ '000

17 Interest bearing liabilities

Non-current

	Note	2010 $ '000	2009 $ '000
Bank loans - secured	18	**-**	9,000

18 Financing arrangements

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

	Note	2010 $ '000	2009 $ '000
Multi Option Facility		**40,000**	40,000

Under the terms of the Multi Option Facility, the consolidated entity is allowed to draw on any mix of commercial bill, bank guarantee, standby letter of credit or bank overdraft.

	Note	2010 $ '000	2009 $ '000
Facilities utilised			
Bank loans	17	**-**	9,000
Bank guarantees		**1,256**	200
		1,256	9,200
Facilities not utilised		**38,744**	30,800

Bank overdrafts
The bank overdraft is secured by a mortgage debenture over the assets of the consolidated entity, is payable on demand subject to annual review with interest charged at prevailing market rates. The effective interest rate at the end of the financial year was 8.95% (2009: 7.50%).

Bank loans
Bank loans are secured by a mortgage debenture over the assets of the consolidated entity and bear interest at the banks prime rate plus 0.60% (2009: 0.55%) plus a line fee of 0.9% (2009: 0.4%). The effective annual interest rate at the end of the financial year was 5.10% (2009: 3.76%).

Bank guarantees
Bank guarantees are utilised for construction contracts. No liability has been recognised in the statement of financial position in respect to bank guarantees.

19 Commitments

Operating lease commitments

	2010 $ '000	2009 $ '000
Within one year	**5,775**	5,730
One year or later and no later than five years	**13,277**	8,177
Later than five years	**1,936**	1,567
	20,988	15,474

The group leases properties for its operations under non-cancellable operating leases expiring in 1 to 8 years. The leases have varying terms and renewal rights.

The group has a number of non-cancellable operating lease arrangements with lease terms of between 1 and 5 years. The aggregate receivable relating to these lease receivables is $22,305,112 (2009: $28,245,244). The majority of these lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have the option to purchase the property at the expiry of the lease period.

20 Employee and Executive Options

Employee option plan

In accordance with the provisions of the plan, employees with more than 2 years service with the consolidated entity are granted options to purchase ordinary shares in Fleetwood Corporation Limited. No amounts are payable for the options. 50% of the options are exercisable 1 year from the date of issue and a further 25% are exercisable in each of the next 2 years. The options expire 5 years from the date of issue. There are no voting or dividend rights attaching to the options.

The following is a summary of movements under the plan:

Issue date	Exercise price $	Options at beginning of year	Options granted	Options expired / forfeited	Options exercised (shares issued)	Options at end of year	Vested at end of year	Proceeds received on exercise $	Fair value (market value) of shares at date of exercise $
31/10/03	4.44								
2009		87,092	-	(72,646)	(14,446)	-	-	-	-
31/10/04	7.85								
2010		**164,025**	**-**	**(164,025)**	**-**	**-**	**-**	**-**	**-**
2009		191,025	-	(27,000)	-	164,025	164,025	-	-
31/10/05	6.40								
2010		**273,277**	**-**	**(22,100)**	**(6,919)**	**244,258**	**244,258**	**44,282**	**58,137**
2009		327,067	-	(49,565)	(4,225)	273,277	273,277	27,040	33,462
31/10/06	6.38								
2010		**385,887**	**-**	**(37,275)**	**(9,525)**	**339,087**	**339,087**	**60,770**	**78,947**
2009		471,537	-	(81,950)	(3,700)	385,887	286,437	23,606	29,111
31/10/07	8.30								
2010		**451,000**	**-**	**(51,250)**	**(1,874)**	**397,876**	**397,876**	**15,554**	**17,803**
2009		556,750	-	(105,750)	-	451,000	225,500	-	-
14/11/08	4.20								
2010		**476,000**	**-**	**(55,800)**	**(17,700)**	**402,500**	**-**	**74,340**	**150,604**
2009		-	510,000	(34,000)	-	476,000	-	-	-
31/10/09	6.00								
2010		**-**	**557,200**	**(6,400)**	**-**	**550,800**	**-**	**-**	**-**
Total 2010		**1,750,189**	**557,200**	**(336,850)**	**(36,018)**	**1,934,521**	**981,221**	**194,946**	**305,491**
Total 2009		1,633,471	510,000	(370,911)	(22,371)	1,750,189	949,239	50,646	62,573
Weighted average price ($)									
2010		**6.42**	**6.00**	**7.02**	**5.41**	**6.22**	**7.16**		
2009		7.11	4.20	6.46	5.13	6.42	7.10		
Weighted average price at exercise date ($)									
2010					**4.30**				
2009					7.66				

Executive option plan

In accordance with the provisions of the plan, executives are granted options to purchase ordinary shares in Fleetwood Corporation Limited. No amounts are payable for the options. One third of the options are exercisable after the 30 June subsequent to the date of issue, a further one third of the options are exercisable in each of the next 2 years. The options are only exercisable if the company's total shareholder return equals or exceeds 15% p.a. compounded from the inception of the plan (1999) or is equal to or greater than the ASX300 All Industrial Accumulation Index. The options expire 5 years from the date of issue. There are no voting or dividend rights attaching to the options.

20 Employee and Executive Options (continued)

Executive option plan (continued)

The following is a summary of movements under the plan:

Issue date	Exercise price $	Options at beginning of year	Options granted	Options expired / forfeited	Options exercised (shares issued)	Options at end of year	Vested at end of year	Proceeds received on exercise $	Fair value (market value) of shares at date of exercise $
31/10/04	7.85								
2010		**67,000**	**-**	**(67,000)**	**-**	**-**	**-**	**-**	**-**
2009		67,000	-	-	-	67,000	67,000	-	-
31/10/05	6.40								
2010		**116,667**	**-**	**-**	**(100,000)**	**16,667**	**16,667**	**640,000**	**648,000**
2009		233,334	-	-	(116,667)	116,667	116,666	746,669	1,038,336
31/10/06	6.38								
2010		**48,334**	**-**	**-**	**(18,334)**	**30,000**	**30,000**	**116,971**	**118,804**
2009		56,667	-	-	(8,333)	48,334	20,001	53,165	74,164
31/10/07	8.30								
2010		**335,000**	**-**	**(43,334)**	**(66,666)**	**225,000**	**133,334**	**553,328**	**633,327**
2009		340,000	-	-	(5,000)	335,000	108,333	41,500	44,500
14/11/08	7.25								
2010		**405,000**	**-**	**(102,084)**	**(41,666)**	**261,250**	**76,666**	**302,079**	**395,827**
2009		-	405,000	-	-	405,000	-	-	-
31/10/09	6.00								
2010		**-**	**370,000**	**(93,750)**	**-**	**276,250**	**-**	**-**	**-**
Total 2010		**972,001**	**370,000**	**(306,168)**	**(226,666)**	**809,167**	**256,667**	**1,612,377**	**1,795,958**
Total 2009		697,001	405,000	-	(130,000)	972,001	312,000	841,334	1,157,000
Weighted average price ($)									
2010		**7.51**	**6.00**	**7.15**	**7.11**	**7.07**	**7.64**		
2009		6.47	8.30	6.39	6.33	7.46	7.85		
Weighted average price at exercise date ($)									
2010					**7.92**				
2009					8.90				

Total Employee and Executive share options outstanding at the end of the financial year had a weighted average remaining contractual life of 1,144 days.

The grant date weighted average fair value of options in existence at reporting date is as follows:

- Options issued in 2006: $0.88 per option
- Options issued in 2007: $1.04 per option
- Options issued in 2008: $1.64 per option
- Options issued in 2009: $0.32 per option
- Options issued in 2010: $1.73 per option

Options were priced using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of exercise restrictions and behavioral considerations. The expected volatility is based on the historical share price volatility over the past 5 years (37.50%), whilst the risk free interest rate (4.50%) and dividend yield (8.54%) have been assessed based on prevailing market conditions.

	2010 $ '000	2009 $ '000

21 Issued capital

Issued and paid-up capital

	2010 $ '000	2009 $ '000
53,967,182 (2009: 52,598,325) ordinary shares, fully paid	**125,780**	114,637

Holders of ordinary shares are entitled to receive dividends as declared and to one vote per share held.

	2010		2009	
	# Shares	**$ '000**	# Shares	$ '000
Movements in ordinary share capital				
Balance at beginning of year	**52,598,325**	**114,637**	51,196,490	106,063
Equity settled share-based payments	**-**	**917**	-	698
Shares issued pursuant to Dividend Reinvestment Plan	**1,106,173**	**8,419**	1,249,464	6,920
Shares issued pursuant to Employee and Executive Option Plans	**262,684**	**1,807**	152,371	956
Balance at the end of year	**53,967,182**	**125,780**	52,598,325	114,637

Ordinary shares are allotted under the dividend reinvestment plan at a discount to the weighted average price of ordinary shares sold on the Stock Exchange over the period of 5 business days up to and including the record date. The current discount is 2.5%.

Since the end of the financial year 201,917 shares have been issued pursuant to the exercise of employee and executive options.

	2010 $ '000	2009 $ '000

22 Reserves

	2010 $ '000	2009 $ '000
Foreign currency translation reserve	**(649)**	(737)
Hedging reserve	**202**	-
	(447)	(737)
Foreign currency translation reserve		
Balance at beginning of year	**(737)**	(893)
Translation of foreign operations	**89**	156
	(649)	(737)
Hedging reserve		
Forward exchange contracts	**202**	-

Reserves relate to exchange differences on the translation of self-sustaining foreign operations and hedging gains or losses recognised on the effective portion of cash flow hedges.

23 Retained earnings

	2010 $ '000	2009 $ '000
Balance at beginning of year	**27,849**	25,756
Profit attributable to members of the parent entity	**38,659**	35,605
Dividends recognised	**(34,968)**	(33,512)
	31,540	27,849

	2010 $	2009 $
24 Auditors' remuneration		
Audit services	**148,875**	141,875
Other services - in relation to BRB acquisition	**62,438**	-
	211,313	141,875

The auditor of Fleetwood Corporation Limited is Deloitte Touche Tohmatsu.

25 Deed of cross guarantee

Pursuant to an ASIC Class Order 98/1418 dated 13 August 1998, relief was granted to the wholly owned subsidiaries listed below from the requirement to prepare, have audited and lodge financial reports.

It is a condition of the Class Order that the Company and each of the subsidiaries listed below enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor, payment in full of any debt in the event of winding up of any subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Law, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

Subsidiaries subject to the deed are:

A.C.N. 008 763 193 Pty Ltd
Camec Pty Ltd
Coromal Caravans Pty Ltd
Fleetwood Finance (WA) Pty Ltd
Fleetwood Pty Ltd
Flexiglass Challenge Pty Ltd
Windsor Caravans Pty Ltd

A consolidated statement of financial performance and financial position comprising the Company and its subsidiaries, which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee is set out below:

	2010 $ '000	2009 $ '000
Income statement		
Sales revenue	**281,856**	343,732
Other income	**155**	645
Materials used	**(116,305)**	(162,005)
Sub-contract costs	**(21,570)**	(28,280)
Employee benefits expense	**(48,517)**	(58,721)
Operating leases	**(6,417)**	(5,764)
Other expenses	**(22,748)**	(26,058)
Profit before interest, tax, depreciation and amortisation **(EBITDA)**	**66,454**	63,549
Depreciation and amortisation expense	**(12,678)**	(12,096)
Profit before interest and tax **(EBIT)**	**53,776**	51,453
Finance costs	**(496)**	(1,875)
Profit before income tax expense	**53,280**	49,578
Income tax expense	**(15,469)**	(14,684)
Profit attributable to members of the parent entity	**37,811**	34,894

	2010 $ '000	2009 $ '000

25 Deed of cross guarantee (continued)

Balance sheet

	2010 $ '000	2009 $ '000
Current assets		
Cash and cash equivalents	**11,394**	3,466
Trade and other receivables	**39,063**	35,269
Inventories	**34,376**	32,370
Other financial assets	**202**	-
Total current assets	**85,035**	71,105
Non-current assets		
Trade and other receivables	**30**	38
Investments	**111**	114
Property, plant and equipment	**84,080**	86,634
Intangibles	**2,743**	3,327
Goodwill	**28,333**	28,333
Deferred tax assets	**1,782**	1,663
Total non-current assets	**117,079**	120,109
Total assets	**202,114**	191,214
Current liabilities		
Trade and other payables	**39,413**	35,533
Tax liabilities	**7,307**	5,307
Provisions	**2,820**	2,555
Total current liabilities	**49,540**	43,395
Non-current liabilities		
Interest bearing liabilities	**-**	9,000
Deferred tax liabilities	**577**	1,279
Provisions	**2,703**	2,404
Total non-current liabilities	**3,280**	12,683
Total liabilities	**52,820**	56,078
Net assets	**149,294**	135,136
Equity		
Issued capital	**125,780**	114,637
Reserves	**(446)**	(737)
Retained earnings	**23,960**	21,236
Total equity	**149,294**	135,136

26 Financial instruments

Capital management

The group manages capital to ensure entities in the group will be able to continue as a going concern, while maximising returns to shareholders through optimisation of debt and equity balances. The categories of financial instruments of the entity are apparent from the face of the statement of financial position.

The group's overall strategy remains unchanged from 2009.

The capital structure of the group consists of debt, which includes borrowings disclosed in Note 17, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 21, 22 and 23 respectively.

Operating cash flows are used to maintain and expand the group's operating assets, make payments of tax and dividends and to repay maturing debt. The group's policy is to borrow centrally to meet anticipated funding requirements.

26 Financial instruments (continued)

Financial risk management objectives

Principal financial instruments comprise receivables, payables, bank loans and cash. The group manages its exposure to key financial risks, including interest rate and currency risk, in accordance with the group's financial risk management policy. The objective of the policy is to support delivery of financial targets whilst providing financial security.

The main financial instrument risks are interest rate risk, foreign currency risk, credit risk and liquidity risk. Different methods are used to measure and manage different types of risks including monitoring of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest and foreign exchange rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Policies for managing each of these risks is summarised below.

Foreign currency

30 June 2010 (and 30 June 2009) exposure to foreign currency was immaterial.

Interest rate

Interest rate risk arises from borrowings disclosed in Note 18. Group policy is to manage finance costs by using a mix of fixed and variable rate debt after considering market forecasts. The following table summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk:

		- 75 bps		+ 75 bps	
	Carrying amount $ '000	**Profit $ '000**	**Equity $ '000**	**Profit $ '000**	**Equity $ '000**
Financial assets					
Cash and cash equivalents - 2010	**15,600**	**(117)**	**(117)**	**117**	**117**
Cash and cash equivalents - 2009	6,018	(45)	(45)	45	45
Financial liabilities					
Borrow ings - 2009	9,000	68	68	(68)	(68)
Total - 2010		**(117)**	**(117)**	**117**	**117**
Total - 2009		22	22	(22)	(22)

Exposure to interest rate risk on financial assets and liabilities, both recognised and unrecognised, has been disclosed in Notes 8, 9 and 18.

Credit

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group's policy is to deal with creditworthy counterparties and obtain sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. Reviews of each new customer's creditworthiness are undertaken before the group's standard payment and delivery terms are offered. The review assesses credit quality of the customer, taking into account its financial position, past experience, industry reputation and other factors. Purchase limits are established for each customer. Compliance by customers with credit limits is regularly monitored by management. Customers that fail to meet the benchmark creditworthiness may transact with the group only on a prepayment basis. Sales to retail customers are required to be settled in cash or by using major credit cards, mitigating credit risk.

The carrying amount of financial assets recorded in the financial statements represents the group's maximum exposure to credit risk.

Liquidity

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of short, medium and long-term funding. Liquidity risk is managed by maintaining adequate reserves, banking facilities and monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 18 is a listing of additional unused facilities that the group has at its disposal to further reduce liquidity risk. The remaining contractual maturities of the group and parent entity's financial liabilities are:

- 3 months or less: Trade and other payables as disclosed at Note 15
- 12 months or less: Commercial Bills – 2010 Nil (2009: $675,000)
- Greater than 12 months: Commercial Bills – 2010 Nil (2009: $9,018,493)

26 Financial instruments (continued)

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities recognised in the statement of financial position is based on cash flows due from customers or payable to suppliers. The cash flows have not been discounted to their present value. The carrying values approximate fair value.

The fair values of financial instruments are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. There are clearly observable quoted prices for all financial instruments held by the Group.

27 Notes to the statement of cash flows

27.1 Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities

	2010 $ '000	2009 $ '000
Operating profit after income tax	**38,659**	35,605
Less items classified as investing activities:		
Loss on sale of non-current assets	**5**	21
Add non-cash items:		
Equity settled share-based payments	**917**	698
Depreciation and amortisation expense	**12,797**	12,211
Written down value of rental fleet sold	**1,855**	1,508
Changes in assets and liabilities during the year:		
(Increase) decrease in inventories	**(1,927)**	6,575
(Increase) decrease in trade and other receivables	**(3,936)**	13,146
Increase (decrease) in trade and other payables	**4,656**	(10,770)
Increase (decrease) in provisions	**572**	(290)
Increase (decrease) in income taxes payable	**2,048**	(4,303)
Decrease in deferred taxes payable	**(829)**	(423)
Net cash provided by operating activities	**54,817**	53,978

27.2 Non-cash financing and investing activities

During the year, dividends of $8,418,361 (2009: $6,920,711) were reinvested in the Company as 1,106,173 (2009: 1,249,464) fully paid ordinary shares pursuant to the Dividend Reinvestment Plan.

The Company received dividends of $33,647,296 (2009: $40,501,317) from controlled entities by way of an increase in controlled entities loan accounts.

28 Contingent liabilities

Under the terms of the Deed of Cross Guarantee, the Company has guaranteed the repayment of all current and non-current liabilities totalling $52,819,912 (2009: $56,077,221) in the event any of the entities which are party to the Deed are wound up. No deficiency in net assets exists in these companies.

The directors are not aware of any circumstances or information that would lead them to believe these liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.

Certain claims arising out of construction and insurance contracts have been made by or against controlled entities in the ordinary course of business, some of which involved litigation or adjudication. The directors do not consider that the outcome of any of these claims will have a material adverse impact on the financial position of the consolidated entity.

29 Particulars relating to controlled entities

Fleetwood Corporation Limited (Ultimate parent entity)

Controlled entities	Interest held 2010 %	2009 %
A.C.N. 008 275 250 Pty Ltd	0	100
A.C.N. 008 763 193 Pty Ltd	100	100
Camec Pty Ltd	100	100
Coromal Caravans Pty Ltd	100	100
Fleetwood Pty Ltd	100	100
Fleetwood Finance (WA) Pty Ltd	100	100
Flexiglass Challenge Pty Ltd	100	100
Windsor Caravans Pty Ltd	100	100
Flexiglass Challenge Industries (NZ) Limited (incorporated in New Zealand)	100	100
Serada Limited (incorporated in New Zealand)	100	100

30 Related parties

Directors

The names of each person holding the position of director of Fleetwood Corporation Limited during the financial year are S Gill, P Gunzburg, M Hardy, R McKinnon and G Tate. Details of directors' remuneration is set out in the Remuneration Report contained in the Directors' Report.

No director has entered into a material contract with the Company or the consolidated entity since the end of the financial year and there were no material contracts involving directors' interests existing at year-end.

Directors of the Company or its controlled entities may purchase goods from the consolidated entity. These purchases are on the same terms and conditions as those entered into by other consolidated entity employees.

Directors' and executives' share and option holdings

The interest of directors and executives of the consolidated entity and its related entities, in shares and options of Fleetwood Corporation Limited are

	Shares at beginning of year	Options exercised	Net other change	Shares at end of year
Directors				
Stephen Gill				
2010	**2,907,360**	**50,000**	**32,035**	**2,989,395**
2009	2,819,182	50,000	38,178	2,907,360
Robert McKinnon				
2010	**10,000**	**108,332**	**(118,332)**	**-**
2009	10,000	-	-	10,000
Greg Tate				
2010	**6,307,518**	**50,000**	**220,135**	**6,577,653**
2009	6,218,777	50,000	38,741	6,307,518
Executives				
Bradley Denison				
2010	**24,296**	**8,334**	**(14,500)**	**18,130**
2009	32,297	18,333	(26,334)	24,296
Bradley Van Hemert				
2010	**169,889**	**-**	**(18,893)**	**150,996**
2009	200,221	-	(30,332)	169,889
Wayne Manners				
2010	**5,000**	**-**	**(5,000)**	**-**
2009	-	5,000	-	5,000
2010	**9,424,063**	**216,666**	**95,445**	**9,736,174**
2009	9,280,477	123,333	20,253	9,424,063

There are no shares held nominally.

30 Related parties (continued)

Directors	Options at beginning of year	Granted (forfeited)	Exercised	Options at end of year	Vested during the year	Vested at end of year	Proceeds received on exercise $
Stephen Gill							
2010	**50,000**	**-**	**(50,000)**	**-**	**-**	**-**	**320,000**
2009	100,000	-	(50,000)	50,000	-	50,000	320,000
Robert McKinnon							
2010	**225,000**	**(29,168)**	**(108,332)**	**-**	**75,000**	**-**	**855,406**
2009	100,000	125,000	-	225,000	33,333	33,333	-
Greg Tate							
2010	**275,000**	**125,000**	**(50,000)**	**350,000**	**75,000**	**108,334**	**320,000**
2009	200,000	125,000	(50,000)	275,000	33,333	83,333	320,000
Executives							
Michael Birks							
2010	**-**	**400**	**-**	**400**	**-**	**-**	**-**
Bradley Denison							
2010	**86,334**	**48,000**	**(8,334)**	**126,000**	**21,000**	**31,000**	**53,171**
2009	71,667	33,000	(18,333)	86,334	18,333	25,001	117,165
Bradley Van Hemert							
2010	**186,667**	**10,000**	**-**	**196,667**	**33,334**	**96,667**	**-**
2009	136,667	50,000	-	186,667	31,667	88,334	-
Wayne Manners							
2010	**85,000**	**(85,000)**	**-**	**-**	**-**	**-**	**-**
2009	40,000	50,000	(5,000)	85,000	13,333	8,333	41,500
2010	**908,001**	**69,232**	**(216,666)**	**673,067**	**204,334**	**236,001**	**1,548,577**
2009	648,334	383,000	(123,333)	908,001	129,999	288,334	798,665

All vested options are exercisable.

The aggregate compensation of the key management personnel of the consolidated entity and the Company for the year is set-out below:

	2010	2009
	$	$
Short-term employee benefits	**1,904,070**	2,411,816
Post-employment benefits	**165,765**	301,408
Share-based payment	**340,821**	249,831
	2,410,656	2,963,055

Transactions between Fleetwood Corporation and its related parties

During the financial year, the following transactions occurred between the company and its other related parties:

- Subsidiaries of the parent company made dividend payments totaling $33,647,296 (2009: $40,501,317) to the parent entity.

The following balances arising from transactions between the company and its other related parties are outstanding at reporting date:

- Current loans totaling $106,229,367 (2009: $112,113,243) are repayable to the parent.

Transactions and balances between the company and its subsidiaries were eliminated in the preparation of the consolidated financial statements of the Group.

31 Business combination

Fleetwood Corporation Ltd (Fleetwood) entered into an agreement to purchase all of the issued capital of BRB Modular Pty Ltd (BRB) on 10 August 2010, subject to certain conditions precedent.

BRB designs and manufactures prefabricated modular buildings for sale and rental to the public sector markets in New South Wales, Queensland and Victoria. The acquisition paves the way for Fleetwood's existing accommodation products to enter east coast markets, and BRB's products to enter west coast markets.

Fleetwood settled the transaction on 18 August 2010.

The estimated total cost of the transaction is $56.1 million, comprised of 2.5 million Fleetwood shares and $31.3 million in cash. The value of Fleetwood shares issued is calculated as the closing market price of $9.93 on the day control passed, being the execution date. Due diligence, legal and other costs of the transaction are estimated to be $200,000.

The acquisition was executed and completed after the end of the reporting period and as at the date of this report the initial accounting for the business combination is incomplete including the determination of fair values of the identifiable assets acquired (including identifiable intangibles) and the liabilities assumed (including contingent liabilities). As such the disclosures in respect of these assets and liabilities have not been made. Following, is the book value of the net assets recorded by BRB at the date of executing the agreement:

	Book value
	$ '000
Book value of net assets (including working capital and plant and equipment)	25,938
Preliminary allocation to intangibles arising on acquisition (including goodwill)	30,208
	56,146
Cost of the combination:	
Fair value of shares issued	24,825
Cash paid	31,321
Direct costs relating to the acquisition (recorded in the income statement)	200
Total cost of the combination	**56,346**
The cash outflow on acquisition is as follows:	
Net cash acquired with the subsidiary	10,260
Direct costs relating to the acquisition	(200)
Cash paid	(31,321)
Net consolidated cash outflow	**(21,261)**

The consideration paid for the combination included amounts in relation to the benefit of expected synergies, future market growth, customer relationships and the assembled workforce of BRB. Fair values of identifiable intangibles have not been determined at the date of this report for the reasons outlined above.

BRB did not contribute any net profit to the Group during the 2010 year.

	Note	2010 $ '000	2009 $ '000

32 Parent entity disclosures

32.1 Financial position

	Note	2010 $ '000	2009 $ '000
Assets			
Current assets		**11,846**	3,957
Non-current assets		**128,541**	134,931
Total assets		**140,387**	138,888
Liabilities			
Current liabilities		**8,787**	6,449
Non-current liabilities		**385**	9,357
Total liabilities		**9,172**	15,806
Equity			
Issued capital		**125,780**	114,637
Retained earnings		**5,435**	8,445
Total equity		**131,215**	123,082

32.2 Financial performance

	Note	2010 $ '000	2009 $ '000
Total comprehensive income		**31,959**	38,489

32.3 Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

	Note	2010 $ '000	2009 $ '000
Guarantee provided under the deed of cross guarantee	25	**52,820**	56,077

Under the terms of the Deed of Cross Guarantee, the Company has guaranteed the repayment of all current and non-current liabilities totalling $52,819,912 (2009: $56,077,221) in the event any of the entities which are party to the Deed are wound up.

33 Events after the reporting period

There were no material events after the end of the reporting period other than the business combination disclosed in Note 31.

Corporate Governance Statement

Compliance with the ASX Corporate Governance Council's Principles and Recommendations

Fleetwood has a governance culture based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

This statement outlines the main corporate governance practices of the Company, which were in place throughout the year and at the date of this report. In accordance with the ASX Principles, the Company has posted copies of its corporate governance practices on its website www.fleetwood.com.au

Areas of non-compliance and the reasons for non-compliance are noted in this statement.

Role of the Board

The Board operates in accordance with the general principles set out in its Charter, which is available from the corporate governance section of the Company's website. The major roles of the Board are to:

- Set the strategic direction of the Group with Management and monitor implementation of the strategy;
- Select and appoint the Chief Executive Officer, determine conditions of service and monitor performance;
- Ratify appointment of the Chief Financial Officer and Company Secretary;
- Approve conditions of service and performance monitoring of senior executives;
- Monitor financial outcomes and the integrity of reporting;
- Set limits of authority for committing to expenditure, entering into contracts or acquiring businesses;
- Ensure effective audit, risk management and compliance systems are in place;
- Monitor compliance with regulatory requirements and ethical standards;
- Review executive succession planning and development on a regular basis;
- Ensure effective and timely reporting to Shareholders.

Audit Committee

The Audit Committee provides advice and assistance to the Board in fulfilling its responsibilities relating to the Company's financial statements, financial reporting processes, internal audit, external audit and such other matters as the Board may request from time to time.

The Audit Committee is comprised of three non-executive directors a majority of whom are independent of the Company and management and who have appropriate business and financial expertise. The Chairman is nominated by the Board and may not be the Chairman of the Board.

The Audit Committee oversees the adequacy of the Company's accounting and financial policies and controls including holding discussions with management and external auditors and seeks assurance on compliance with relevant regulatory and statutory requirements.

In exercising its oversight role, the Audit Committee may investigate any matter relevant to its Charter. The Audit Committee reviews and reassesses its Charter at least annually, and recommends any changes it considers necessary to the Board.

The Board delegates responsibility for implementing the strategic direction and for managing the day-to-day operations of the Group to the Chief Executive Officer. There are clear lines of communication established between the Chairman and Chief Executive Officer.

Board Structure

The Board determines Board size and composition, subject to limits imposed by the Company's Constitution.

The Board has determined that there shall be five Directors, at least three of whom, including the Chairman, are to be non-executive.

At the date of this report the Board comprised three non-executive directors, two of whom are independent, and one executive director, who is not independent. Mr. S Gill is a non-executive director however is not an independent director due to his shareholding in the Company. Mr. G Tate is an executive director however is not an independent director due to his shareholding in the company. Mr. P Gunzburg and Mr. M Hardy are both non-executive directors and are free of any business or other relationship which could interfere with the independent exercise of their judgment.

The Company recognises the importance of having a Board comprised of directors with an appropriate range of backgrounds, skills and experience. In considering candidates for appointment to the Board, the Company considers the following factors.

- Qualifications, expertise and experience of the person;
- Professional and personal reputation of the person.

The Board considers that the establishment of a nominations committee is unnecessary as the Board is not of a size sufficient to justify the formation of a sub-committee for this task and in this regard the responsible entity does not comply with Recommendation 2.3 of the ASX Principles.

Continuous Disclosure

A continuous disclosure regime operates throughout the Group. Policies and procedures are in place to ensure matters that a person could reasonably expect to have a material effect on the share price are announced to the ASX in a timely manner. Directors receive copies of all announcements immediately after notification to the ASX. All announcements are posted on the Company's website www.fleetwood.com.au

In the event a decision is made not to notify the ASX of a particular event or development, the reasons for non-notification are advised to the Board.

Ethics and Conduct

The Company has a policy on share trading by Directors and senior managers, which is available on the company's website. Due to the limited financial products available to facilitate hedging of unvested or vested options it is not relevant for the policies on share trading to address such transactions.

The Company has policies regarding conflicts of interest. It has a Code of Conduct, which applies to Directors and employees. These are available on the Company's website.

Equally important is the encouragement of ethical conduct not just by edict but by example from all involved in the Company. It is the Board's objective that all dealings with staff, customers, regulatory authorities and the community should be conducted honestly, fairly, diligently and in accordance with all applicable laws.

The Fleetwood Group has a code of conduct "Delivering The Promise" which sets out the behavior required of Fleetwood. There is also an Employee Code of Conduct. The Codes are published on the Company's website.

Financial Reporting

The Chief Executive Officer and the Chief Financial Officer provide undertakings to the Board that the Group's financial reports present a true and fair view and are in accordance with relevant accounting standards.

The Chief Executive Officer, Chief Financial Officer and the external auditor attend Audit Committee meetings at the discretion of the Committee. The minutes of each Audit Committee meeting are reviewed at the subsequent meeting of the Board.

The role and responsibilities of the Audit Committee include reviewing:

- The annual audit plan with the external auditor;
- Accounting and financial reporting practices, ASX listing requirements and corporate legislation;
- Significant transactions which are not a normal part of the Group's business;
- Half-year and full-year accounts;
- Audit reports and reports on risk management activities;
- Performance of the external auditor and the use of auditors to provide consulting and other services;
- Other financial matters which the Audit Committee or the Board determines desirable.

Shareholders Rights

The Company keeps its Shareholders informed of matters likely to be of interest to them through:

- Reports to the ASX;
- Half-yearly profit announcements;
- Annual Reports;
- Information provided to analysts

all of which are posted on the Company's website www.fleetwood.com.au

At the Annual General Meeting, questions and comments from Shareholders are encouraged. In the interests of clarity, questions on operational matters may be answered by the Chief Executive Officer or another appropriate member of management. The external auditor is available at the meeting to respond to questions about the conduct of the audit and the preparation and content of the Independent Audit Report.

Risk Management

The Company is committed to the identification, monitoring and management of material risks associated with its business activities and has embedded in its reporting systems a number of overarching risk management controls.

The Company manages the diverse nature of its operations as autonomous divisions. The management of each division is required by the Board to design and implement risk management policies and internal control systems to best manage the material business risks of the division in accordance with the Company's risk management policy. The effectiveness of the internal control systems of each division in managing the material business risks have been periodically reported to the Board.

The Board has received a written assurance from the Chief Executive Officer and the Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks in all material respects.

Review of Board Performance

Fleetwood has processes in place to review the performance of senior management and Board members. The assessment and monitoring of the Chief Executive Officer is undertaken by the Chairman and discussed with Board members. Assessment and monitoring of senior managers is undertaken by the Chief Executive Officer who reports to the Board.

Each year the Board devotes time to consideration of broad corporate governance matters. The Chairman is responsible, in the first instance, for monitoring the contribution of individual Directors and counseling them on any areas for improvement. The Board plays a similar role in respect of the Chairman's performance.

Subject to normal privacy requirements directors have unfettered access to Company records and information, to the Company Secretary and to other senior officers. They receive regular detailed reports on financial and operational aspects of the Company's business and may request elaboration or explanation of those reports at any time. Each director has the right to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required which may not be unreasonably withheld.

Directors and senior management are encouraged to broaden their knowledge of the Company's business and developments in business generally by attendance at relevant courses, seminars, conferences etc. both in Australia and overseas. The Company meets expenses involved in such activities.

Remuneration

Details of remuneration policies are set out in Directors' Report under the heading "Remuneration Report".

Directors' Report

Fleetwood Corporation Limited

The directors of Fleetwood Corporation Limited present their report for the year ended 30 June 2010.

Directors

The names, qualifications, experience, special responsibilities and previous directorships for the last 3 years of the directors who are in office at the date of the report are disclosed in the CEO's Review.

Principal Activities

The principal activities of the entities in the Fleetwood group during the financial year were:

- Manufacture and sale of caravans, parts and accessories.
- Design, manufacture, sale and rental of manufactured accommodation.

Review of Operations

A review of operations for the year is contained in the CEO's Review.

State of Affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than as referred to in the financial statements or notes thereto.

Future Developments

The consolidated entity will continue to pursue its policy of increasing profitability and market share in its major business sectors.

Further information as to likely developments and expected future results are disclosed in the CEO's Review.

Dividends

A final dividend for the year to 30 June 2010 of 38 cents per ordinary share will be paid on 30 September 2010. Dividends paid and declared during the year are disclosed in Note 6 to the financial statements.

All dividends paid or declared by the Company since the end of the previous financial year are 100% franked at the corporate income tax rate of 30%.

Share Options

Unissued shares subject to options at the date of this report and shares issued pursuant to the exercise of options during or since the end of the year are disclosed in Note 20 to the financial statements. No options have been issued subsequent to year end.

Indemnification of Directors and Officers

The Company has indemnified current and former directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums in this regard relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or any related body corporate against a liability incurred as an auditor.

Directors' and Audit Committee Meetings

Number of Board and Audit Committee meetings held and attended by each director of the Company during the financial year:

	Board		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Stephen Gill	11	9	2	2	1	1
Peter Gunzburg	11	10	2	1	1	1
Michael Hardy	11	9	2	2	1	1
Robert McKinnon	7	7				
Greg Tate	11	11				

Directors' Shareholdings

The relevant interest of each director in the shares of the Company at the date of this report, as notified by the directors to the Australian Stock Exchange in accordance with s205G(1) of the Corporations Act 2001 are as follows:

	Number of shares	Number of options
Stephen Gill	2,989,395	Nil
Greg Tate	6,577,653	350,000

Remuneration Report

The Board has established a remuneration committee responsible for remuneration policies and packages applicable to Board members and senior executives of the Group. The board is currently in the process of developing a charter for the remuneration committee.

During the year the remuneration committee reviewed:

- Conditions of service and remuneration of the Chief Executive;
- Performance of the Board, it's committees, the Chief Executive and Senior Executives;
- Remuneration policies of the Group;
- Proposals for new issues under, or changes to, the Company's option plans;
- Succession plans for senior management; and
- Other related matters.

The Board does not impose any restrictions in relation to a person limiting his or her exposure to the risk in respect of options issued by the Company.

Non-executive directors receive fees determined by the Board, but within the aggregate limit approved by shareholders.

Senior executives of the Group receive a balance of fixed and variable ('at risk') remuneration. The proportions vary reflecting the capacity of executives to influence the overall outcome of the Company's operations and returns to shareholders. The variable component including cash bonuses and options is based on the profit earned by the Company and at the discretion of the Remuneration Committee. Part of the remuneration is in the form of a short-term incentive, payable in cash and the remaining part is in the form of a long-term incentive, payable in options subject to vesting provisions and performance hurdles.

Remuneration packages contain the following key elements:

- Short-term – salary & fees, bonus and non-monetary;
- Post employment – superannuation;
- Share-based payment – options subject to performance hurdles.

Key management personnel	Short-term Salary & fees	Bonus	Non-monetary	Post Employment Superannuation	Share Based Payment Options	Total	Performance based remuneration
	$	$	$	$	$	$	%
Directors							
Stephen Gill							
2010	**50,000**	**-**	**-**	**-**	**-**	**50,000**	**-**
2009	50,000	-	-	-	-	50,000	-
Peter Gunzburg							
2010	**50,000**	**-**	**-**	**-**	**-**	**50,000**	**-**
2009	50,000	-	-	-	-	50,000	-
Michael Hardy							
2010	**65,000**	**-**	**-**	**-**	**-**	**65,000**	**-**
2009	65,000	-	-	-	-	65,000	-
Robert McKinnon (Resigned 31/3/2010)							
2010	**264,154**	**-**	**30,122**	**33,443**	**76,121**	**403,840**	**18.8**
2009	372,105	150,000	28,495	99,400	83,815	733,815	31.9
Greg Tate							
2010	**433,338**	**-**	**27,521**	**50,000**	**153,315**	**664,174**	**23.1**
2009	433,333	100,000	28,017	100,000	83,815	745,165	24.7
Total 2010 Company and Consolidated	**862,492**	**-**	**57,643**	**83,443**	**229,436**	**1,233,014**	**18.6**
Total 2009 **Company and Consolidated**	970,438	250,000	56,512	199,400	167,630	1,643,980	25.4

All bonuses were at the discretion of the Remuneration Committee.

Remuneration Report (continued)

Key management personnel	Salary	Short-term Bonus	Non-monetary	Post Employment Superannuation	Share Based Payment Options	Total	Performance based remuneration
	$	$	$	$	$	$	%
Executives							
Michael Birks GM, Flexiglass							
2010	**137,826**	**-**	**7,175**	**12,404**	**370**	**157,775**	**0.2**
2009	129,818	-	9,777	11,684	-	151,279	-
Steve Carroll GM, Camec (Appointed 1/10/2008)							
2010	**154,029**	**-**	**29,454**	**16,514**	**-**	**199,997**	**-**
2009	119,693	-	17,920	12,385	-	149,998	-
Bradley Denison Chief Financial Officer							
2010	**207,332**	**25,000**	**9,008**	**18,660**	**52,099**	**312,099**	**24.7**
2009	207,332	13,761	8,217	20,690	21,552	271,552	13.0
Bradley Van Hemert CEO, RV Manufacturing							
2010	**266,055**	**-**	**-**	**23,945**	**58,916**	**348,916**	**16.9**
2009	266,055	50,000	-	29,143	36,096	381,294	22.6
Wayne Manners CEO, Manufactured Accommodation (Resigned 14/8/2009)							
2010	**37,844**	**-**	**-**	**3,319**	**-**	**41,163**	**-**
2009	252,293	60,000	-	28,106	24,583	364,982	23.2
Stephen Price CEO, Fleetwood Corporation (Appointed 29/3/2010)							
2010	**110,212**	**-**	**-**	**7,480**	**-**	**117,692**	**-**
Total 2010 Company and Consolidated	**913,298**	**25,000**	**45,637**	**82,322**	**111,385**	**1,177,642**	**11.6**
Total 2009 Company and Consolidated	855,498	123,761	17,994	89,623	82,231	1,169,107	17.6

The amount included in remuneration as share-based payment is not related to or indicative of the benefits (if any) that individual executives may ultimately realise should the equity instruments vest. No options issued during the year vested during the year and no bonuses or options were forfeited during the year because the person did not meet service or performance criteria.

In accordance with the provisions of the executive option plan, executives are granted options to purchase ordinary shares in Fleetwood Corporation Limited. No amounts are payable for the options. One third of the options are able to be exercised after the 30 June subsequent to the date of issue, a further one third of the options are able to be exercised in each of the next 2 years. The options are only exercisable if the company's total shareholder return equals or exceeds 15% pa compounded from the inception of the plan and the company's total shareholder return is equal to or greater than the ASX300 All Industrial Accumulation Index. The options expire 5 years from the date of issue. There are no voting or dividend rights attaching to the options. No options lapsed during the year. 239,168 options were forfeited during the year. Each option entitles the holder to subscribe for one share upon exercise at an exercise price of $6.00 per share.

Details of share based payment arrangements that were in existence at reporting date has been disclosed in Note 20 to the financial statements.

Remuneration Report (continued)

Option values that form part of current year remuneration is shown below:

	Year Options Granted				
	2007	**2008**	**2009**	**2010**	**Total**
	$	**$**	**$**	**$**	**$**
Robert McKinnon					
2010	**-**	**16,289**	**8,269**	**51,563**	**76,121**
2009	-	54,648	29,167	-	83,815
Greg Tate					
2010	**-**	**21,720**	**16,725**	**114,870**	**153,315**
2009	-	54,648	29,167	-	83,815
Michael Birks					
2010	**-**	**-**	**-**	**370**	**370**
Bradley Denison					
2010	**-**	**6,516**	**1,212**	**44,371**	**52,099**
2009	3,360	16,394	1,798	-	21,552
Bradley Van Hemert					
2010	**-**	**10,860**	**1,836**	**46,220**	**58,916**
2009	6,048	27,324	2,724	-	36,096
Wayne Manners					
2009	-	21,859	2,724	-	24,583
Total 2010	**-**	**55,385**	**28,042**	**257,394**	**340,821**
Total 2009	9,408	174,873	65,580	-	249,861

The performance hurdle chosen links executive remuneration with shareholder wealth generation. The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2010:

	2010	**2009**	**2008**	**2007**	**2006**
Share price at start of year ($)	5.90	9.25	8.70	6.60	6.21
Share price at end of year ($)	9.19	5.90	9.25	8.70	6.60
Dividend per share (cents)	66.0	66.0	65.0	63.0	60.5
Earnings per share (cents)	72.6	68.7	68.4	54.1	43.9
Diluted earnings per share (cents)	71.5	68.5	67.8	53.4	43.7
$ Million					
Revenue	291.3	355.3	344.5	314.4	254.1
Net profit before tax	54.5	50.6	49.1	38.2	29.4
Net profit after tax	38.7	35.6	34.2	26.6	20.7

Value of options issued to directors and executives:

	Options granted		**Options exercised (shares issued)**			**Options Vested**	**Value of options**	
Key management personnel	**No. at grant date**	**Value at grant date $**	**No. during year**	**Value at exercise date $**	**Amounts paid $**	**No. during year**	**included in remuneration for the year $**	**Remuneration by options %**
Stephen Gill	-	-	50,000	403,000	320,000	-	-	-
Robert McKinnon	125,000	210,600	108,332	873,156	855,406	75,000	76,121	18.8
Greg Tate	125,000	210,600	50,000	403,000	320,000	75,000	153,315	23.1
Michael Birks	400	678	-	-	-	-	370	0.2
Bradley Denison	48,000	81,341	8,334	67,172	53,171	21,000	52,099	16.7
Bradley Van Hemert	50,000	84,730	-	-	-	33,334	58,916	16.9

The issue date of the options granted to the directors is 20 November 2009, while the issue date for the executives is 31 October 2009. Assuming the employee continues to be employed by Fleetwood one third of the options are able to be exercised after the 30 June subsequent to the date of issue, a further one third of the options are able to be exercised in each of the next 2 years.

Non-audit Services

The directors are satisfied that the provision of non-audit services during the year by the auditor were compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditors did not compromise the auditor independence requirement of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards board, including reviewing or auditing the auditors own work acting in a management or a decision making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 24 to the financial statements.

Auditor's Independence Declaration

The directors received the following declaration from the external auditor:

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

DX 206
Tel: +61 (0) 8 9365 7000
Fax: +61 (0) 8 9365 7001
www.deloitte.com.au

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 audit of the financial statements of Fleetwood Corporation Limited for the financial year ended 30 June 2010, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Kathleen Bozanic

Kathleen Bozanic
Partner, Perth, 24 September 2010

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Liability limited by a scheme approved under Professional Standards Legislation

Company Secretary

Bradley Denison, a Certified Practising Accountant with 18 years experience in senior financial roles.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and accordingly amounts in the financial report and directors' report have been rounded to the nearest one thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

M Hardy
Chairman

24 September 2010

Directors' Declaration

The directors of Fleetwood Corporation Limited declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;

(c) 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; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, as detailed in Note 25 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

M Hardy
Chairman

24 September 2010

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

DX 206
Tel: +61 (0) 8 9365 7000
Fax: +61 (0) 8 9365 7001
www.deloitte.com.au

Independent Auditor's Report to the members of Fleetwood Corporation Ltd

We have audited the accompanying financial report of Fleetwood Corporation Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 1 to 28 and 36.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of Fleetwood Corporation Limited is in accordance with the *Corporations Act 2001*, including:
    (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
    (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 34 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Fleetwood Corporation Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Kathleen Bozanic

Kathleen Bozanic
Partner
Chartered Accountants
Perth, 24 September 2010

ASX Additional Information
as at 10 September 2010

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Twenty largest shareholders

Name	Number of ordinary shares held	%
Karrad Pty Ltd	5,169,856	9.10%
J P Morgan Nominees Australia Limited	4,206,914	7.41%
HSBC Custody Nominees (Australia) Limited	4,109,095	7.24%
National Nominees Limited	3,243,617	5.71%
Bendigo Re-Locatable Buildings Pty Ltd	2,500,000	4.40%
Adventure Holdings Pty Ltd	1,924,665	3.39%
ARGO Investments Limited	1,492,485	2.63%
Citicorp Nominees Pty Limited	1,386,511	2.44%
Fleetw ood Retirement Fund Pty Ltd	1,014,730	1.79%
Cogent Nominees Pty Limited <SMP Accounts>	819,789	1.44%
Australian Foundation Investment Company Limited	735,444	1.29%
Mirrabooka Investments Limited	720,519	1.27%
ANZ Nominees Limited <Cash Income A/C>	712,841	1.26%
RBC Dexia Investor Services Australia Nominees Pty Limited <Pipooled A/C>	674,417	1.19%
Cogent Nominees Pty Limited	629,160	1.11%
Mr Greg Tate	441,508	0.78%
UBS Nominees Pty Ltd	381,470	0.67%
Mr Thomas Joseph Falvey	372,000	0.66%
RBC Dexia Investor Services Australia Nominees Pty Limited <MLCI A/C>	356,426	0.63%
AMP Life Limited	341,751	0.60%
	31,233,198	**54.99%**

Substantial shareholders

The number of shares held by substantial shareholders are set out below :

Name		
Greg Tate	6,676,653	11.76%
HSBC Custody Nominees (Australia) Limited	4,397,776	7.74%
J P Morgan Nominees Australia Limited	4,207,014	7.41%
National Nominees Limited	3,243,717	5.71%
Stephen Gill	3,025,395	5.33%

Distribution of equity security holders

Category	Number of shareholders
1 -1,000	3,432
1,001 - 5,000	4,206
5,001 - 10,000	592
10,001 - 100,000	305
100,001 and over	37
	8,572
Shareholders holding less than a marketable parcel	198

Voting rights of shareholders

On a show of hands, every member in person or by proxy shall have one vote. Upon a poll, voting rights of such members shall be one vote for each share held.

On market buy-back

There is no current on market buy-back.

Other information

Fleetw ood Corporation Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

21 Regal Place, East Perth, WA 6004 | Tel: (08) 9323 3300 | Fax: (08) 9202 1106 | info@fleetwood.com.au

ABN 69 009 205 261