Fleetwood
CORPORATION

Delivering the Promise

Preliminary Final Report 2012

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Review of Operations

- OPAT up 4% to $53.2m
- Return on equity 23%
- Net cash $16.5m at 30 June 2012

Fleetwood recorded another record result in 2012.

A strong performance by Searipple Village coupled with higher margins achieved on other resources sector projects more than offset lower demand from the education sector and soft trading conditions in the recreational and commercial vehicles sectors.

Group EBIT margin increased from 16.2% in 2011 to 18.8% in 2012, whereas revenue decreased from $466.6 million to $407.4 million.

Strong operating cash flows of $77.3 million resulted in a net cash position at year end.

Dividends

A fully franked final dividend of 43 cents per share will be paid on 28 September 2012, resulting in a total dividend payment of 76 cents per share for the 2012 financial year. This represents a 4.1% increase on the 2011 financial year.

The Dividend Reinvestment Plan will be available for the final dividend at a re-investment discount of 2.5%.

Manufactured Accommodation

$ million	2012	2011	% Chg
Revenue	249.4	292.2	-14.7%
EBIT	76.2	61.2	24.6%
EBIT Margin	30.6%	20.9%	

Manufacturing activity for the West Australian resources sector was strong throughout the year and included units produced for BHP Iron Ore under a five year Supply Agreement that commenced in September 2011.

The Government Building the Education Revolution program ended around July 2011 and as a result revenue from the education sector was lower. Lower demand was also experienced in the park and transportable homes sectors.

Searipple Village operated at high levels of occupancy throughout the year underpinned by accommodation agreements with Rio Tinto and Woodside. Rio Tinto has exercised the first of its four options to extend its accommodation agreement with Fleetwood. Each option is for a period of six months with the first commencing on 1 July 2012.

During the year the manufactured accommodation division made good progress on its two key growth strategies: expand its activities in Queensland by entering the resources sector, and leverage its build, own, and operate capability to develop and own additional accommodation assets.

The division won two new accommodation projects during the year:

- Gladstone – accommodation for up to 1,000 workers in Gladstone, Queensland through a 10 year lease of land with the Gladstone Regional Council.

- Osprey – accommodation comprising approximately 300 park homes in South Hedland, Western Australia for a period of 15 years through an agreement with the State Government, underpinned by its Affordable Housing Strategy.

Recreational Vehicles

$ million	2012	2011	% Chg
Revenue	157.7	173.8	-9.3%
EBIT	4.1	18.1	-77.6%
EBIT Margin	2.6%	10.4%	

The recreational vehicles division experienced soft trading conditions during the year.

Demand for recreational vehicles was affected by the decline in consumer sentiment, whereas demand for canopies and trays was affected by the interruption to supply of new commercial vehicles to Australia caused by natural disasters in Asia.

The supply of commercial vehicles to Australia has since recovered to a large extent, and whereas consumer sentiment remains subdued, the population of older Australians continues to grow and interest in recreational vehicles remains strong.

The division made good progress on its business improvement initiatives focused on product innovation, Asia sourcing and process streamlining.

People

The performance of Fleetwood is determined by the creativity and dedication of its people. 2012 was a challenging year for the Fleetwood group. The businesses involved in the resources sector were challenged by strong demand. The businesses involved in other sectors were challenged by weak demand, which necessitated a concerted effort to bolster revenues and reduce costs. On behalf of the directors, I sincerely thank all the people who work for Fleetwood for achieving this record result. Again, well done.

Outlook

Tender activity in the resources sector continues at a high level in both Queensland and Western Australia. Demand in some other sectors, particularly park and transportable homes, is showing signs of increasing.

Revenues for the recreational vehicles division will continue to be strongly influenced by consumer sentiment. However, the division's performance will increasingly benefit from its business improvement initiatives.

Demand for accommodation at Searipple Village was lower in the first two months of the new financial year. However, short and medium term demand can occur suddenly, and long term demand will occur as major new construction projects start up in the region. Searipple Village is the largest and lowest cost independently owned accommodation facility in Karratha.

Fleetwood's two new accommodation projects, Gladstone and Osprey, are sizeable investments that are expected to generate attractive returns over the medium and long terms. Revenue from Osprey is expected to commence in the third quarter of 2013, and from Gladstone in the first quarter of 2014. Deployment of resources to construct the villages may affect group revenue and earnings in the short term.

Fleetwood Corporation Limited
ABN 69 009 205 261

Preliminary Final Report
Year ended 30 June 2012

Results for Announcement to the Market

	Change		Amount $'000
Revenue from ordinary activities	Down 13%	to	407,443
Profit from ordinary activities after tax attributable to members	Up 4%	to	53,209
Net profit attributable to members of Fleetwood Corporation Limited	Up 4%	to	53,209

Dividends	**Amount per security**	**Franked %**
Final dividend	43 ¢	100%
Interim dividend	33 ¢	100%
Total dividend for period	76 ¢	

Dividend Reinvestment Plan

The company's dividend reinvestment plan will be available for the final dividend. The plan offers a 2.5% reinvestment discount. The last date for receipt of an election notice for participation in the plan is 30 August 2012.

Record date for determining entitlements to the final dividend	30 August 2012
Date the final dividend is payable	28 September 2012

For further information contact:
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08 9323 3300

Fleetwood Corporation Limited
Consolidated Statement of Comprehensive Income
Year ended 30 June 2012

	Note	2012 $ '000	2011 $ '000
Revenue	2	**407,443**	466,624
Materials used		**(127,570)**	(177,560)
Sub-contract costs		**(75,774)**	(92,778)
Employee benefits expense		**(79,052)**	(75,756)
Operating leases		**(11,159)**	(11,058)
Other expenses		**(22,190)**	(20,014)
Profit before interest, tax, depreciation and amortisation **(EBITDA)**		**91,698**	89,458
Depreciation and amortisation expense	3	**(15,250)**	(14,049)
Profit before interest and tax **(EBIT)**		**76,448**	75,409
Finance costs	3	**(816)**	(1,811)
Profit before income tax expense		**75,632**	73,598
Income tax expense		**(22,423)**	(22,348)
Profit attributable to members of the parent entity		**53,209**	51,250
Other comprehensive income			
Net exchange difference relating to foreign controlled entities		**104**	(352)
Total comprehensive income attributable to members of the parent entity (net of tax)		**53,313**	50,898
Earnings per share			
Basic (cents per share)	10	**90.4**	90.0
Diluted (cents per share)	10	**89.2**	88.6

Fleetwood Corporation Limited
Consolidated Statement of Financial Position
As at 30 June 2012

Fleetwood CORPORATION
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	Note	2012 $ '000	2011 $ '000
Current assets			
Cash and cash equivalents		**17,380**	17,985
Trade and other receivables		**53,538**	74,730
Inventories		**46,416**	45,559
Other financial assets		**-**	5,302
Total current assets		**117,334**	143,576
Non-current assets			
Trade and other receivables		**18**	25
Property, plant and equipment		**101,545**	93,958
Intangible assets		**2,521**	2,390
Goodwill	7	**64,435**	64,435
Deferred tax assets		**3,955**	3,093
Total non-current assets		**172,474**	163,901
Total assets		**289,808**	307,477
Current liabilities			
Trade and other payables		**44,263**	66,641
Interest bearing liabilities		**272**	398
Current tax liabilities		**5,976**	5,766
Provisions		**4,150**	4,336
Total current liabilities		**54,661**	77,141
Non-current liabilities			
Interest bearing liabilities		**622**	20,890
Provisions		**3,280**	3,217
Total non-current liabilities		**3,902**	24,107
Total liabilities		**58,563**	101,248
Net assets		**231,245**	206,229
Equity			
Issued capital		**179,425**	164,448
Reserves		**(897)**	(1,001)
Retained earnings	5	**52,717**	42,782
Total equity		**231,245**	206,229

Fleetwood Corporation Limited
Consolidated Statement of Changes in Equity
Year ended 30 June 2012

Fleetwood CORPORATION *Delivering the Promise*

	Issued capital $ '000	Cash flow hedging reserve $ '000	Foreign currency translation reserve $ '000	Retained earnings $ '000	Total $ '000
Balance at 1 July 2010	125,780	202	(649)	31,540	156,873
Profit for the period	-	-	-	51,250	51,250
Exchange differences arising on translation of foreign operations	-	-	(352)	-	(352)
Total comprehensive income for the period	-	-	(352)	51,250	50,898
Settlement of cash flow hedges	-	(202)	-	-	(202)
Dividends paid to equity holders	7,146	-	-	(40,008)	(32,862)
Share-based payments	1,880	-	-	-	1,880
Shares issued pursuant to employee and executive option plans	4,817	-	-	-	4,817
Shares issued as consideration for business combination	24,825	-	-	-	24,825
Balance at 30 June 2011	164,448	-	(1,001)	42,782	206,229
Balance at 1 July 2011	164,448	-	(1,001)	42,782	206,229
Profit for the period	-	-	-	53,209	53,209
Exchange differences arising on translation of foreign operations	-	-	104	-	104
Total comprehensive income for the period	-	-	104	53,209	53,313
Dividends paid to equity holders	9,157	-	-	(43,274)	(34,117)
Share-based payments	2,180	-	-	-	2,180
Shares issued pursuant to employee and executive option plans	3,640	-	-	-	3,640
Balance at 30 June 2012	**179,425**	**-**	**(897)**	**52,717**	**231,245**

Fleetwood Corporation Limited
Consolidated Statement of Cash Flows
Year ended 30 June 2012

Fleetwood CORPORATION
Delivering the Promise

	Note	**2012 $ '000**	2011 $ '000
Cash flows from operating activities			
Receipts in the course of operations		**473,666**	485,447
Payments in the course of operations		**(373,011)**	(410,178)
Interest received		**491**	820
Income taxes paid		**(23,073)**	(22,443)
Finance costs paid		**(816)**	(1,811)
Net cash provided by operating activities	6	**77,257**	51,835
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(26,500)**	(20,782)
Proceeds from sale of non-current assets		**237**	743
Payment for acquisition of subsidiary		**-**	(19,805)
Payment for intangible assets		**(788)**	(480)
Net cash used in investing activities		**(27,051)**	(40,324)
Cash flows from financing activities			
Proceeds from issue of shares		**3,640**	4,817
Proceeds from borrowings		**21,105**	40,611
Repayment of borrowings		**(41,500)**	(21,500)
Dividends paid		**(34,117)**	(32,861)
Net cash used in financing activities		**(50,872)**	(8,933)
Net (decrease) increase in cash and cash equivalents held		**(666)**	2,576
Cash and cash equivalents at the beginning of the financial year		**17,985**	15,599
Effects of exchange rate changes on the balance of cash held in foreign currencies.		**61**	(190)
Cash and cash equivalents at the end of the financial year		**17,380**	17,985

1. Significant accounting policies

Basis of preparation

This preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

2. Revenue

	2012 $ '000	2011 $ '000
Sales revenue		
Goods	**185,877**	208,082
Construction	**113,682**	171,804
Rental	**107,261**	85,943
	406,820	465,829
Other income		
Interest	**491**	820
Gain / (loss) on sale of non-current assets	**132**	(25)
	623	795
	407,443	466,624

3. Profit from ordinary activities before income tax expense

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

	2012 $ '000	2011 $ '000
Cost of sales	**253,421**	319,181
Depreciation and amortisation of:		
buildings	**69**	69
leasehold improvements	**4,720**	4,595
plant and equipment	**9,808**	8,577
product development	**653**	808
	15,250	14,049
Finance costs:		
Bank loans and overdraft	**743**	1,705
Charges on hire purchases	**73**	106
	816	1,811
Net bad and doubtful debts	**299**	67
Research and development costs	**97**	73
Superannuation expense	**5,784**	5,264
Equity settled share-based payments	**2,180**	1,880

	2012 $ '000	2011 $ '000

4. Commentary on the results

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

5. Retained earnings

	2012 $ '000	2011 $ '000
Retained earnings at the beginning of the year	**42,782**	31,540
Profit attributable to members of the parent entity	**53,209**	51,250
Dividends recognised	**(43,274)**	(40,008)
Retained earnings at the end of the year	**52,717**	42,782

6. Notes to the cash flow statement

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

	2012 $ '000	2011 $ '000
Operating profit after income tax	**53,209**	51,250
Less items classified as investing activities:		
(Gain) loss on sale of non-current assets	**(132)**	25
Add non-cash items:		
Equity settled share-based payments	**2,180**	1,880
Depreciation and amortisation expense	**15,250**	14,049
Written down value of rental fleet sold	**4,259**	4,801
Changes in assets and liabilities during the year:		
(Increase) decrease in inventories	**(857)**	9,410
(Increase) decrease in trade and other receivables	**21,199**	(21,048)
(Increase) decrease in other financial assets	**5,302**	(5,302)
(Decrease) in trade and other payables	**(22,378)**	(2,004)
(Decrease) in provisions	**(123)**	(1,131)
Increase in income taxes payable	**210**	275
(Increase) in deferred taxes payable	**(862)**	(370)
Net cash provided by operating activities	**77,257**	51,835

Non-cash financing and investing activities
During the year dividends of $9,156,603 (2011: $7,145,923) were reinvested as 826,573 (2011: 681,748) fully paid ordinary shares in the Company.

7. Goodwill

	2012 $ '000	2011 $ '000
Goodwill	**64,435**	64,435

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

	2012 $ '000	2011 $ '000
Carrying amount at beginning of year	**64,435**	28,311
Additional amounts recognised from business combination occurring during the period	**-**	36,124
	64,435	64,435

8. Financing arrangements

	2012 $ '000	2011 $ '000
The economic entity has access to the following lines of credit:		
Multi Option Facility	**40,000**	40,000

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

	2012 $ '000	2011 $ '000
Facilities utilised:		
Bank loans	**-**	20,000
Bank guarantees	**6,793**	6,073
	6,793	26,073
Facilities not utilised	**33,207**	13,927
Hire purchase liabilities	**894**	1,288

9. Dividends

	Date Paid	Cents Per Security	2012 $ '000	2011 $ '000
Interim 2012	30/03/2012	33	**19,444**	-
Final 2011	30/09/2011	41	**23,830**	-
Interim 2011	31/03/2011	32	**-**	18,418
Final 2010	30/09/2010	38	**-**	21,590
			43,274	40,008

The final dividend in respect of ordinary shares for the year ended 30 June 2012 has not been recognised in the financial statements because the dividend was not declared, determined or publicly recommended as at 30 June 2012.

10. Earnings per share

	2012 $ '000	2011 $ '000
Earnings	**53,209**	51,250

	Weighted average number of shares used	
Basic	**58,857,824**	56,923,609
Number of shares deemed to be issued for no consideration in respect of employee and executive options	**779,781**	939,479
Diluted	**59,637,605**	57,863,088

	2012	2011

11. Net tangible assets per security

	2012	2011
Net tangible assets per security	**$2.77**	$2.41

12. Segment information

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

	Segment Revenue		Segment Depreciation and Amortisation		Segment Result (EBIT)	
	2012 $ '000	2011 $ '000	**2012 $ '000**	2011 $ '000	**2012 $ '000**	2011 $ '000
Recreational Vehicles	**157,677**	173,822	**2,765**	2,735	**4,055**	18,088
Manufactured Accommodation	**249,371**	292,180	**12,270**	11,078	**76,241**	61,202
Corporate and other overheads	**395**	622	**215**	236	**(3,848)**	(3,881)
	407,443	466,624	**15,250**	14,049	**76,448**	75,409
Finance costs					**(816)**	(1,811)
Profit before income tax expense					**75,632**	73,598
Income tax expense					**(22,423)**	(22,348)
Profit attributable to members of the parent entity					**53,209**	51,250

Segment result represents the earnings before interest and tax of each segment without the allocation of corporate and other 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	
	2012 $ '000	2011 $ '000	**2012 $ '000**	2011 $ '000	**2012 $ '000**	2011 $ '000
Recreational Vehicles	**98,762**	97,186	**3,745**	3,413	**22,378**	23,347
Manufactured Accommodation	**167,161**	185,091	**23,236**	17,956	**28,826**	50,101
Unallocated	**23,885**	25,200	**307**	111	**7,359**	27,800
	289,808	307,477	**27,288**	21,480	**58,563**	101,248

Acquisition of non-current assets in 2011 excludes assets acquired as part of the business combination.

13. Information on audit

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

14. Comparatives

Comparative information shown is for the year ended 30 June 2011.

15. Business combination

30 June 2012

There was no business combination event during the current reporting period.

30 June 2011

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. This combination was duly recorded in the financial statements of the corresponding period and has been detailed below.

The fair value of the identifiable assets and liabilities of BRB at the date of acquisition, the total cost of the acquisition and the cash flow at acquisition were as follows:

	Carrying Value $ '000	Fair Value Recognised $ '000
Cash and cash equivalents	11,716	11,716
Trade and other receivables	11,538	11,306
Inventories	18,470	17,930
Prepayments	674	674
Property, plant and equipment	7,925	7,593
Current tax assets	1,788	1,788
Deferred tax assets	1,300	1,576
Total assets	53,411	52,583
Trade and other payables	14,266	15,016
Unearned revenue	12,214	12,214
Provisions	2,416	3,250
Finance lease liabilities	2,178	2,178
Deferred tax liabilities	-	(97)
Total liabilities	31,074	32,561
Fair value of identifiable net assets acquired	22,337	20,022

Book value of net assets (including working capital and plant and equipment)	20,022
Goodwill	36,124
	56,146

The receivables acquired, which principally comprised trade receivables, had gross contractual amounts receivable of $11,538,000. The best estimate, at acquisition date, of the contractual cash flows not expected to be collected was $232,000.

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	11,716
Direct costs relating to the acquisition	(200)
Cash paid	(31,321)
Net consolidated cash outflow	(19,805)

The acquired business contributed revenues of $118,835,312 and net profit after tax of $7,887,514 (excluding incremental interest) to the Group for the period 10 August 2010 to 30 June 2011. Had BRB been acquired at 1 July 2010, the revenue for the group in the year ended 30 June 2011 would have been $479,647,855, and the profit attributable to members of the parent entity would have been $52,113,807. The directors have determined these 'pro-forma' numbers to represent an approximate measure of the performance of the group on an annualised basis.

In determining the 'pro-forma' revenue and profit of the group had BRB been acquired at 1 July 2010, the directors have extrapolated the revenue and earnings for BRB for the period from acquisition date to 30 June 2011 over a 12 month period, and added them to the revenues and profits of the remainder of the group for the year.

16. Events after the reporting date

There were no material events after the end of the reporting date.