Fleetwood
CORPORATION

Delivering the Promise

ANNUAL REPORT 2013

Fleetwood CORPORATION

Delivering the Promise

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Corporate Directory

DIRECTORS

Michael Hardy

Greg Tate

John Bond

Peter Gunzburg

CHIEF EXECUTIVE OFFICER

Stephen Price

COMPANY SECRETARY

Bradley Denison

AUDITOR

Deloitte Touche Tohmatsu

BANKER

Westpac Banking Corporation

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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Delivering the Promise

Our Objective

To outperform financially by providing genuine value

Our Beliefs

We:

want to do business

build strong relationships in which each party wins

expect all parties to make and honour their commitments

value the support of our shareholders, clients and suppliers

Our Commitment

We will:

act with honesty and integrity

provide a safe and healthy workplace

operate in an environmentally responsible manner

develop and reward our people for their creativity and dedication

deal with people in a concerned and professional way

find better ways to do things

always hold ourselves accountable for 'Delivering the Promise'

Manufactured Accommodation

Accommodation solutions provider to the resources, education and affordable housing sectors. Headquartered in Perth with operations in WA and NT.

Accommodation solutions provider to the resources, education and affordable housing sectors. Headquartered in Melbourne with operations in Queensland and Victoria.

Recreational Vehicles

Manufacturer of caravans, pop-tops and campers distributed through a national dealer network. Headquarters and main operations in Perth.

Key brands are:

Manufacturer, marketer and distributor of parts and accessories to the recreational vehicles industry in Australia and NZ. Headquartered in Melbourne with branches in NSW, Queensland, Victoria, WA and NZ.

Marketer and distributor of canopies and trays for commercial vehicles. Headquartered in Melbourne with branches and dealers across mainland Australia.

Five Year Summary

$ million (unless stated)	2013*	2012*	2011	2010	2009
Revenue	**333.9**	382.6	466.6	291.3	355.3
Earnings before interest, tax, depreciation and amortisation **(EBITDA)**	**40.5**	94.2	89.5	67.8	64.7
EBITDA margin	**12.1%**	24.6%	19.2%	23.3%	18.2%
Depreciation and amortisation	**16.1**	14.9	14.0	12.8	12.2
Earnings before interest and tax **(EBIT)**	**24.5**	79.3	75.4	55.0	52.5
EBIT margin	**7.3%**	20.7%	16.2%	18.9%	14.8%
Finance costs	**1.3**	0.8	1.8	0.5	1.9
Income tax expense	**6.6**	23.3	22.3	15.8	15.0
Operating profit before income tax	**23.2**	78.5	73.6	54.5	50.6
Operating profit after tax	**16.6**	55.2	51.3	38.7	35.6
Interest cover (times)	**19.3**	103.8	41.6	110.9	28.0
Earnings per share (cents)	**27.8**	93.8	90.0	72.6	68.7
Dividends per share (cents)	**30.0**	76.0	73.0	68.0	66.0
Assets	**312.6**	289.8	307.5	210.5	197.2
Debt	**44.6**	0.9	21.3	-	9.0
Shareholders funds	**214.1**	231.2	206.2	156.9	141.7
Return on equity	**8%**	24%	25%	25%	25%
Debt / Shareholders funds %	**21%**	0%	10%	-	6%
Cash flows from operations	**25.4**	77.3	51.8	54.8	54.0
Number of shares on issue (million)	**60.9**	59.2	57.8	54.0	52.6

** From continuing operations.*

Board of Directors & Executive Officers

1 MICHAEL HARDY

Chairman
Non-Executive Director

Barrister & Solicitor
B Juris LLB BA

Age 60 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

Non-Executive Director

Chartered Accountant
Bachelor of Commerce

Age 61 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. Greg retired from his executive position in December 2010. Prior to joining Fleetwood he founded a chartered accountancy practice after being employed in Australia and the USA by Deloitte.

3 JOHN BOND

Non-Executive Director

B. Juris, L. LB, B. Comm.

Age 57 lives in Perth

John became a Non-Executive Director in 2013. John has been a Director of Primewest Management Ltd since 2000, and as a professional property investor, he has over 20 years experience in negotiating acquisitions, overseeing the development of properties and asset management. John is currently a Director of ASX listed Stratatel Ltd and Chairman of the Fathering Project.

4 PETER GUNZBURG

Non-Executive Director

Bachelor of Commerce

Age 61 lives in Perth

Mr Gunzburg was appointed to the board of Fleetwood in 2002.

Mr Gunzburg has over 20 years experience as a stockbroker. He has a Commerce Degree from the University of Western Australia and has previously been a director of Resolute Limited, the Australian Stock Exchange Limited, Eyres Reed Limited and CIBC World Markets Australia Limited, Strike Oil Limited and Matra Petroleum Plc.

He is currently Executive Chairman of Eurogold Limited, Non-Executive Chairman of PieNetworks Limited and a Non-Executive Director of Dragon Mining Limited.

5 STEPHEN PRICE

Chief Executive Officer

Master of Business Administration

Age 49 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

Chief Financial Officer
Company Secretary

Certified Practising Accountant
Bachelor of Commerce

Age 41 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.

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CEO Review

OPERATIONAL AND FINANCIAL REVIEW

- Revenue (from continuing operations) down 13% to $333.9m
- Net profit after tax down 70% to $16.6m (excluding loss of $4.2m from discontinued operation)
- Net debt of $32m at 30 June 2013

Trading conditions in the group's key markets were weak in 2013.

Demand for manufactured accommodation from the resources sector and workforce accommodation demand in Karratha fell significantly.

Demand for classroom builds and recreational vehicles was down.

A number of actions were taken to reduce costs and support revenues. These included closing operations, restructuring businesses, securing agreements and upgrading facilities.

DIVIDENDS

An interim dividend of 30 cents per share was paid in March 2013. In view of the earnings performance in the second half and the capital expenditure requirements of the Osprey project, the directors believe it was prudent not to pay a final dividend in respect of the 2013 year.

Fleetwood has a long history of paying fully franked dividends and has a large franking account available. It is the directors' intention to reinstate dividend payments as soon as trading conditions allow.

MANUFACTURED ACCOMMODATION

$ million	2013	2012
Revenue	220.7	249.4
EBIT	31.6	76.2

Strategy:

To develop a national accommodation solutions capability for the resources, education and affordable housing sectors.

Markets

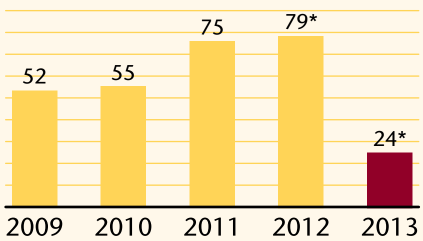
The significant drop in commodity prices during the year caused delays and cancellations to resources projects that flowed through to demand for manufactured accommodation.

The completion of major projects by Rio Tinto and Woodside reduced demand for workers in the Karratha region causing accommodation providers to experience high vacancy rates.

Education sector demand has been low since the end of the Government Building the Education Revolution program in July 2011. In NSW and Victoria this has been made worse by lower public sector expenditure following the change of governments in those States. Queensland and WA have fared better driven by initiatives such as the programs to move year seven students to high schools.

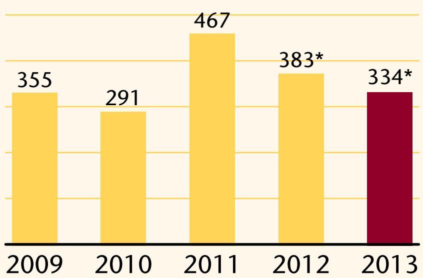
The transportable and park home markets showed some improvement with government support for initiatives that promote growth in affordable housing.

EBIT ($ million)



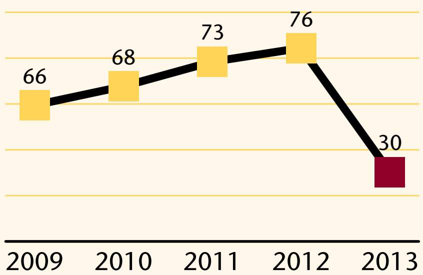
** Figures for 12/13 represent continuing operations only.*

Revenue ($ million)



** Figures for 12/13 represent continuing operations only.*

Dividend History (cents)



Performance

In October 2012 Fleetwood and the WA Department of Housing agreed an early start to build the Osprey village in South Hedland. The village comprises approximately 300 transportable homes to accommodate key workers in the region in accordance with the WA State Government Affordable Housing Strategy. Fleetwood will operate the village for 15 years and will receive a guaranteed minimum income stream on its investment. The project is on budget and on schedule to be completed in the second quarter of the 2014 financial year.

Occupancy at Searipple village averaged around 40% of village capacity during the first half. In December Fleetwood entered into an agreement with Rio Tinto to accommodate more of its workforce at Searipple. The agreement has a term of one year with four options of six months each, and room rates that reflect changed market conditions. It also included an upgrade to the village, which was completed over the third quarter. Occupancy at Searipple averaged around 50% during the third quarter and around 70% during the fourth.

Demand expectations for Gladstone village declined over the year as existing resources projects in the region employed more people from the local workforce than was expected and some new projects became less likely. This led to the commencement of a review of the village specification and costs.

Low levels of manufacturing activity were experienced in WA prior to commencement of the Osprey and Searipple upgrade projects. During the year the number of rental units on hire reduced as contracts expired and some were not renewed.

A number of resource related projects were won in Queensland for which approximately 1,000 rooms have been built, 152 of which are for a two year build, own, operate agreement with Aurizon that commenced in August 2013. These projects complemented a moderate volume of new builds for the Queensland education sector.

In January the Victorian Department of Education extended the term of the Transfer Program agreement to July 2015. The program involves the transfer, storage, refurbishment and commissioning by Fleetwood of the department's relocatable buildings. However, lower volumes of classroom builds were experienced for Victoria in 2013.

In June Fleetwood secured its first education contract in WA, which involves building and supplying 43 classrooms valued at approximately $7m.

CEO Review (continued)

RECREATIONAL VEHICLES

$ million	2013	2012
Revenue	111.4	132.9
EBIT	- 4.7*	6.9

Strategy:

Market leadership through product innovation, Asian sourcing and streamlined operations.

*excludes $6.0m loss from a discontinued operation

Markets

Demand for recreational vehicles has been soft since the start of the 2012 financial year reflecting a gradual decline in consumer sentiment. Caravan builds have declined and there has been a shift in buyer preference towards lower specification and price point vehicles, which has affected industry revenue and margins. The trend is also relevant to Camec, which is the largest supplier of parts and accessories to the industry.

Demand for canopies and trays for commercial vehicles improved after the natural disasters in Asia that affected the previous year, but remained subdued reflecting business sentiment in Australia.

Performance

During the first half Fleetwood combined the Windsor caravan manufacturing activity with that of Coromal at the group's main facility in WA. Prior to the restructure both companies had excess production capacity, employed a full overhead structure, and operated largely as separate businesses with limited synergies between them.

The restructure was completed in December, the cost of which combined with operating losses in the first half, resulted in an EBIT loss from this discontinued operation of $6.0m.

Fleetwood RV (the combined Coromal and Windsor) repositioned Coromal as a quality/volume brand and Windsor as a premium brand. Designs, product range and dealer networks were rationalised. A range of lower specification and price point caravans was developed and released alongside an Asian sourced camper, which has strengthened the order book and increased production.

During the second half Flexiglass centralised its head office and warehousing in Victoria, closed its fibreglass manufacturing operation in WA, and completed the process of sourcing all its primary products from Asia.

Camec contained costs in the difficult trading environment while developing and sourcing a new range of products from Asia.

The EBIT loss for the division in the second half resulted from:

- Fleetwood RV production being below break-even levels;
- costs associated with restructuring Flexiglass; and
- a lower contribution from Camec as the market weakened further.

The results for the recreational vehicles division in 2013 are very disappointing. They reflect a year in which non performing operations were closed and investment was made in new business structures.

DEBT

Long term Government guaranteed revenue from the Osprey project will result in the debt profile of Fleetwood changing. The company deferred renewing its funding arrangements while agreements relating to Osprey were finalised which resulted in debt at the 30 June being classified as a current liability.

Subject to any other new investments, group debt/equity at the completion of the Osprey project will be less than 30%.

PEOPLE

2013 was a challenging year for Fleetwood. It required its people to make the most of the difficult trading conditions whilst simultaneously implementing or experiencing major changes to their businesses. On behalf of the directors, I sincerely thank the people that worked hard through the year to keep Fleetwood strong.

OUTLOOK

Trading conditions in the group's key markets continue to be weak.

Demand from the resources sector remains low. The opportunities that currently exist mostly relate to oil and gas, and iron ore projects that were underway or advanced at the time commodity prices fell.

Activity in the education sector is affected by government programs and expenditure. Recent contract awards and allocations of funding are expected to provide some recovery of activity levels in Victoria. Demand in Queensland and WA remains moderate.

In addition to resources and education, Fleetwood continues to target affordable housing opportunities. The sector is large and diverse with some opportunities being driven by government initiatives.

Occupancy at Searipple has averaged around 65% of village capacity in the new financial year. Rio Tinto's accommodation requirements can vary. However, other demand exists and is being pursued.

Homes in the new Osprey village become available for rent early in the second quarter. Occupancy is expected to ramp up ahead of the commencement on 1 March 2014 of the 15 year operating agreement at which point the guaranteed minimum income stream becomes effective.

Construction of Gladstone Village remains subject to further consideration of market conditions, village specification and costs.

Expectations for the recreational and commercial vehicle markets remain subdued, however, the major restructures implemented in FY2013 are expected to produce positive results. Fleetwood RV has a strong order book for caravans and Asian sourced campers.

FINANCIAL REPORT 2013

Consolidated statement of profit or loss and other comprehensive income

Fleetwood Corporation Limited

Year ended 30 June 2013

Continuing operations	**Note**	**2013 $ '000**	2012 $ '000
Sales revenue	2	**332,947**	382,010
Other income	2	**925**	623
Materials used		**(107,418)**	(112,598)
Sub-contract costs		**(86,972)**	(73,939)
Employee benefits		**(67,516)**	(71,193)
Operating leases		**(10,963)**	(10,530)
Other expenses		**(20,458)**	(20,169)
Profit before interest, tax, depreciation and amortisation **(EBITDA)**		**40,545**	94,204
Depreciation and amortisation	3	**(16,074)**	(14,898)
Profit before interest and tax **(EBIT)**		**24,471**	79,306
Finance costs	3	**(1,267)**	(764)
Profit before income tax expense		**23,204**	78,542
Income tax expense	4	**(6,556)**	(23,316)
Profit from continuing operations		**16,648**	55,226
Discontinued operations			
Loss from discontinued operations	32	**(4,193)**	(2,017)
Profit for the year	23	**12,455**	53,209
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Net exchange difference relating to foreign controlled entities (net of tax)	22	**319**	104
Total comprehensive income for the year		**12,774**	53,313
Earnings per share from continuing and discontinued operations			
Basic earnings per share (cents)	7	**20.8**	90.4
Diluted earnings per share (cents)	7	**20.7**	89.2
Earnings per share from continuing operations			
Basic earnings per share (cents)	7	**27.8**	93.8
Diluted earnings per share (cents)	7	**27.6**	92.6

To be read in conjunction with the accompanying notes.

Consolidated statement of financial position

Fleetwood Corporation Limited
As at 30 June 2013

	Note	2013 $ '000	2012 $ '000
Current assets			
Cash and cash equivalents	8	**12,665**	17,380
Trade and other receivables	9	**54,054**	53,538
Inventories	10	**41,707**	46,416
Non-current assets held for sale	11	**4,168**	-
Total current assets		**112,594**	117,334
Non-current assets			
Trade and other receivables	9	**11**	18
Property, plant and equipment	12	**114,471**	101,545
Inventories	10	**14,088**	-
Goodwill	13	**64,435**	64,435
Intangible assets	14	**3,028**	2,521
Deferred tax assets	4	**3,973**	3,955
Total non-current assets		**200,006**	172,474
Total assets		**312,600**	289,808
Current liabilities			
Trade and other payables	15	**45,167**	44,263
Interest bearing liabilities	17	**44,610**	272
Tax liabilities		**1,147**	5,976
Provisions	16	**4,416**	4,150
Total current liabilities		**95,340**	54,661
Non-current liabilities			
Interest bearing liabilities	17	**11**	622
Provisions	16	**3,158**	3,280
Total non-current liabilities		**3,169**	3,902
Total liabilities		**98,509**	58,563
Net assets		**214,091**	231,245
Equity			
Issued capital	21	**193,001**	179,425
Reserves	22	**(578)**	(897)
Retained earnings	23	**21,668**	52,717
Total equity		**214,091**	231,245

To be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

Fleetwood Corporation Limited
Year ended 30 June 2013

	Issued capital $ '000	Foreign currency translation reserve $ '000	Retained earnings $ '000	Total $ '000
Balance 1 July 2011	164,448	(1,001)	42,782	206,229
Profit for the year	-	-	53,209	53,209
Exchange differences arising on translation of foreign operations	-	104	-	104
Total comprehensive income for the year	-	104	53,209	53,313
Dividends paid	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
Profit for the year	-	-	12,455	12,455
Exchange differences arising on translation of foreign operations	-	319	-	319
Total comprehensive income for the year	-	319	12,455	12,774
Dividends paid	9,187	-	(43,504)	(34,317)
Share-based payments	1,470	-	-	1,470
Shares issued pursuant to employee and executive option plans	2,919	-	-	2,919
Balance at 30 June 2013	193,001	(578)	21,668	214,091

To be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

Fleetwood Corporation Limited
Year ended 30 June 2013

	Note	2013 $ '000	2012 $ '000
Cash flows from operating activities			
Receipts in the course of operations		**370,494**	473,666
Payments in the course of operations		**(334,339)**	(373,011)
Interest received		**206**	491
Income taxes paid		**(9,602)**	(23,073)
Finance costs paid		**(1,310)**	(816)
Net cash provided by operating activities	27.1	**25,449**	77,257
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(37,976)**	(26,500)
Proceeds from sale of non-current assets		**941**	237
Payment for intangible assets		**(1,638)**	(788)
Payment for capital work in progress		**(3,856)**	-
Net cash used in investing activities		**(42,529)**	(27,051)
Cash flows from financing activities			
Proceeds from issue of shares	21	**2,919**	3,640
Proceeds from borrowings		**47,728**	21,105
Repayment of borrowings		**(4,000)**	(41,500)
Dividends paid		**(34,318)**	(34,117)
Net cash used in financing activities		**12,329**	(50,872)
Net (decrease) in cash and cash equivalents		**(4,751)**	(666)
Cash and cash equivalents at the beginning of the financial year		**17,380**	17,985
Effect of exchange rate changes on the balance of cash held in foreign currencies		**36**	61
Cash and cash equivalents at the end of the financial year	8	**12,665**	17,380

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. Compliance with Australian Accounting Standards ensures the consolidated financial statements and notes of the consolidated and company entity comply with International Financial Reporting Standards. The Company is a for profit entity and the financial statements comprise the consolidated financial statements of the Group.

The financial statements were authorised for issue by the directors on 26 September 2013.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Adoption of these standards has had no effect on the amounts reported for the current or prior period other than presentational changes which are disclosed below.

Certain amendments to AASB 101 'Presentation of Financial Statements' were adopted during the year which introduce new terminology for the statement of comprehensive income, which is renamed the statement of profit or loss and other comprehensive income. The amendments also require items of other comprehensive income to be grouped into amounts which may or may not subsequently be reclassified into profit or loss.

In addition, at the date of authorisation of the financial statements, the following applicable standards and interpretations were in issue but not yet effective:

Standard	Effective for reporting periods beginning on or after:	Expected to be initially applied in the financial year ending:
AASB 9 'Financial Instruments', and the relevant amending standards[1]	1 January 2015	30 June 2016
AASB 10 "Consolidated Financial Statements", AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'.	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'.	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities' AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'.	1 January 2013	30 June 2014
AASB 127 Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'.	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Offsetting Financial Assets and Financial Liabilities	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accouting Standards arising from Annual Improvements 2009-2011 Cycle'	1 January 2013	30 June 2014
AASB 2012-9 'Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039'	1 January 2013	30 June 2014
AASB 2012-10 'Amendments to Australian Accounting Standards- Transition Guidance and Other Amendments'	1 January 2013	30 June 2014
AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2014	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1 January 2014	30 June 2015

[1] The AASB has issued the following versions of AASB 9 and the relevant amending standards:

- AASB 9 'Financial Instruments' (December 2009), AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'
- AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9' (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'

The Directors note that the impact of the initial application of the Standards and Interpretations is not expected to have a material impact. These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

1.2 Basis of preparation

The financial report has been prepared on the basis of historical costs, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in accounting policies below. Cost is generally based on the fair values of the consideration given in exchange for assets. Accounting policies have been consistently applied and except where there are changes in accounting policy, are consistent with those of the previous year. All amounts are presented in Australian Dollars unless otherwise noted.

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 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

1.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity instruments issued by the Company in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities or assets related to employment benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively.

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. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Business combinations that took place prior to 1 July 2009 were accounted for in accordance with the previous version of AASB 3.

1.5 Revenue recognition

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

Sale of goods
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, for advances received. Amounts billed for work performed but not yet paid are included in the consolidated statement of financial position as trade and other receivables.

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

Interest
Interest 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.

1.6 Foreign currency

Functional currency
The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

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 they arose.

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. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognised in other comprehensive income and accumulated in equity.

1.7 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.

1.8 Taxation

Current tax
Current tax is calculated by reference to the amount of income tax 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.

Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax
Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary differences between the carrying amount of assets 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 liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets and the liabilities giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted by the 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.

1.9 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.

1.10 Acquisition of assets

All assets 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.

1.11 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets 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 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.

1.12 Receivables

Trade debtors are recorded at amortised cost less impairment. The collectability of debts is assessed at year-end and a provision is made for any doubtful debts. Changes in the carrying amount of the allowance are recognised in profit or loss. Trade debtors are normally settled within 60 days.

1.13 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using standard cost 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.

1.14 Impairment of assets other than goodwill

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed 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 any impairment loss. 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.

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.

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.

1.15 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.

Property in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.17 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:

	2012	2011
Buildings	**2.5%**	2.5%
Leasehold property and improvements	**2% - 25%**	2% - 25%
Plant and equipment	**2.5% - 50%**	2.5% - 50%

1.18 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.19 Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.20 Product development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the asset first meets the recognition criteria. Where no internally-generated asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

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.

1.21 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 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 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 in respect of services provided by employees up to reporting date.

Share option plans

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of equity instruments that will eventually vest. At the end of each reporting period, estimate of the number of equity instruments expected to vest is reviewed. The impact of the revision is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

Superannuation plan

Contributions to employee superannuation funds are expensed when the employees have rendered service entitling them to the contributions.

1.22 Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Equity instruments issued by the Group are recognised at the amount received, net of direct issue costs

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. They are initially valued at fair value, net of transaction costs.

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.

The Group derecognises liabilities when, and only when, the obligations are discharged, cancelled or expire. The difference between the carrying amount of the liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.23 Comparative information

Comparative information for items contained within the consolidated statement of profit or loss and other comprehensive income, and associated notes, have been restated to account for the impact of the discontinued operation and other reclassifications to bring them in line with the current year classifications.

1.24 Critical accounting judgments and key sources of estimation uncertainty

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. Contracts may span several accounting periods. Estimates of forecast costs are regularly updated in accordance with the agreed work scope and schedule under the contract. Forecasts are based on the cost expected to apply when the related activity is undertaken. Contingencies are included in order to cover the risks in those forecasts. Revenues reflect the 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 13.

- The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of options issued during the year. Note 20 provides information about the key assumptions used in the determination of the fair value of these options. The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the options.

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.

The registered & business address of the Company is 21 Regal Place, East Perth, Western Australia.

	2013	2012
	$ '000	$ '000

2 Revenue

Revenue from continuing operations comprises:

	2013 $ '000	2012 $ '000
Sales revenue		
Goods	**140,489**	161,067
Construction	**131,835**	113,682
Rental	**60,623**	107,261
	332,947	382,010
Other income		
Interest	**206**	491
Gain on revaluation of investment property	**1,151**	-
Gain / (loss) on sale of non-current assets	**(432)**	132
	925	623
	333,872	382,633

All rental fleet units 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

Expenses from continuing operations contain the following items:

	2013 $ '000	2012 $ '000
Cost of sales	**235,118**	230,930
Depreciation and amortisation of:		
buildings	**69**	69
leasehold improvements	**4,854**	4,686
plant and equipment	**10,583**	9,583
product development	**568**	560
	16,074	14,898
Finance costs:		
Bank loans and overdraft	**1,218**	691
Charges on hire purchases	**49**	73
	1,267	764
Net bad and doubtful debts	**(29)**	299
Research and development costs	**245**	97
Superannuation expense	**4,854**	5,254
Equity settled share-based payments	**1,470**	2,180

	Note	2013 $ '000	2012 $ '000

4 Taxation relating to continuing operations

Income tax recognised in profit or loss

	Note	**2013 $ '000**	2012 $ '000
Current tax expense		**6,665**	24,538
Deferred tax expense relating to origination and reversal of temporary differences		**(76)**	(847)
Over provision of income tax in prior year		**(33)**	(375)
		6,556	23,316
Attributable to:			
Continuing operations		**6,556**	23,316
Discontinued operations	32	**(1,801)**	(893)
		4,755	22,423

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

	2013 $ '000	2012 $ '000
Profit before income tax expense	**23,204**	78,542
Prima facie income tax expense on profit from ordinary activities	**6,961**	23,563
Amortisation of leasehold improvements	**8**	8
Effect of lower tax rates on overseas income	**(14)**	(25)
Non-deductible expenses	**441**	654
Research & development allowance	**(249)**	(52)
Rights to future income deductions	**(474)**	(473)
Non-assessable amounts	**(104)**	-
Sundry items	**20**	16
	6,589	23,691
Over provision of income tax in prior year	**(33)**	(375)
	6,556	23,316

The tax rate used for the 2013 and 2012 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There is no income tax recognised directly in equity or other comprehensive income.

Taxable and deductible temporary differences:

	Balance 2011 $ '000	Charged to income $ '000	Balance 2012 $ '000	**Charged to income $ '000**	**Balance 2013 $ '000**
Deferred tax					
Property, plant and equipment	676	800	1,476	**107**	**1,583**
Employee provisions	2,266	(37)	2,229	**42**	**2,271**
Other provisions	45	(14)	30	**(6)**	**24**
Accruals	106	114	220	**(126)**	**95**
	3,093	862	3,955	**18**	**3,973**

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 continues to be a stand-alone taxpayer in its own right due to the existence of a tax funding arrangement between the entities in the tax consolidated group. 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 1.8.

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

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

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

Group revenue and results by reportable operating segment:

	Segment revenue		Depreciation & amortisation		Segment result (EBIT)	
	2013	2012	**2013**	2012	**2013**	2012
	$ '000	$ '000	**$ '000**	$ '000	**$ '000**	$ '000
Recreational Vehicles	**111,408**	132,867	**2,454**	2,413	**(4,714)**	6,913
Manufactured Accommodation	**220,662**	249,371	**13,383**	12,270	**31,637**	76,241
Corporate and other overheads	**1,802**	395	**237**	215	**(2,452)**	(3,848)
	333,872	382,633	**16,074**	14,898	**24,471**	79,306
Finance costs					**(1,267)**	(764)
Profit before income tax expense					**23,204**	78,542
Income tax expense					**(6,556)**	(23,316)
Profit from continuing operations					**16,648**	55,226
Loss from discontinued operations					**(4,193)**	(2,017)
Profit attributable to members of the parent entity					**12,455**	53,209

Segment result represents 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.

Group assets and liabilities by reportable operating segment:

	Segment assets		Additions to non-current assets		Segment liabilities	
	2013	2012	**2013**	2012	**2013**	2012
	$ '000	$ '000	**$ '000**	$ '000	**$ '000**	$ '000
Recreational Vehicles	**88,198**	98,762	**4,064**	3,745	**18,169**	22,378
Manufactured Accommodation	**195,489**	167,161	**48,685**	23,236	**33,747**	28,826
Unallocated*	**28,913**	23,885	**46**	307	**46,593**	7,359
	312,600	289,808	**52,795**	27,288	**98,509**	58,563

For the purposes of monitoring segment performance and allocating resources all assets and liabilities are allocated to the reportable segments other than current and deferred tax amounts and assets and liabilities directly utilised by the Corporate entity.

The Group operates in two principal geographical areas - Australia (country of domicile) and New Zealand.

Group non-current assets and revenues by geographical segment:

	Segment non-current assets		Revenue from external customers	
	2013	2012	**2013**	2012
	$ '000	$ '000	**$ '000**	$ '000
Australia	**195,517**	168,014	**328,284**	376,599
New Zealand	**516**	505	**5,588**	6,034
	196,033	168,519	**333,872**	382,633

* Includes non-current assets held for sale.

	2013 $ '000	2012 $ '000

6 Dividends

	2013 $ '000	2012 $ '000
Recognised amounts		
Interim 2013 - paid 30 cents per share fully franked	**18,031**	-
Final 2012 - paid 43 cents per share fully franked	**25,473**	-
Interim 2012 - paid 33 cents per share fully franked	**-**	19,444
Final 2011 - paid 41 cents per share fully franked	**-**	23,830
	43,504	43,274
Dividend franking account		
30% franking credits available to shareholders of Fleetwood Corporation Limited for subsequent years	**22,730**	31,984

7 Earnings per share

	2013 $ '000	2012 $ '000
Earnings used in the calculation of basic and diluted earnings per share from continuing and discontinued operations	**12,455**	53,209
Adjustment to exclude loss from discontinued operation	**4,193**	2,017
Earnings used in the calculation of basic and diluted earnings per share from continuing operations	**16,648**	55,226

The weighted average number of ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Weighted average number of shares used	
Weighted average number of ordinary shares used in the calculation of basic EPS	**59,944,825**	58,857,824
Number of shares deemed to be issued for no consideration in respect of options	**302,073**	779,781
Weighted average number of ordinary shares used in the calculation of diluted EPS	**60,246,898**	59,637,605

From continuing and discontinued operations		
Basic earnings per share (cents)	**20.8**	90.4
Diluted earnings per share (cents)	**20.7**	89.2
From continuing operations		
Basic earnings per share (cents)	**27.8**	93.8
Diluted earnings per share (cents)	**27.6**	92.6

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

8 Cash and cash equivalents

	2013 $ '000	2012 $ '000
Cash and cash equivalents	**12,665**	17,380

Cash at bank is at call and receives interest at a weighted average rate of 2.16% (2012: 3.43%).

	2013 $ '000	2012 $ '000

9 Trade and other receivables

Current

	2013 $ '000	2012 $ '000
Trade receivables	**44,244**	41,313
Less: allowance for doubtful debts	**(102)**	(269)
Term loans - secured	**7**	6
Other debtors	**9,905**	12,488
	54,054	53,538

Trade and other debtors are non-interest bearing and are generally on terms ranging between 7 and 60 days. The average credit period on sales of goods is 30 to 60 days. All trade and other debtors are expected to be settled within 60 days of year end.

Non-current

	2013 $ '000	2012 $ '000
Term loans - secured	**11**	18

The weighted average interest rate on term loans which have varying maturity dates is 12.5% (2012: 12.5%).

Concentrations of risk

The five largest outstanding receivables at 30 June 2013 by customer are as follows:

	2013 $ '000	2012 $ '000
GE Commercial Finance	**7,282**	3,912
Housing Authority	**3,792**	-
Mirvac	**3,447**	-
Department of Education & Early Childhood Development	**3,179**	3,218
Aurizon Operations Limited	**2,310**	-

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

	2013 $ '000	2012 $ '000
Less than 3 months	**6,772**	4,810
Between 3 - 6 months	**2,426**	2,550
Longer than 6 months	**2,259**	2,591
	11,457	9,951

Movement in provision for doubtful debts

	2013 $ '000	2012 $ '000
Balance at beginning of year	**269**	93
Impairment losses recognised on receivables	**9**	122
Amounts written off during the year as uncollectable	**(176)**	54
	102	269

	2013 $ '000	2012 $ '000

10 Inventories

Current

Raw materials & stores	**8,844**	9,475
Work in progress	**10,811**	16,816
Finished goods	**22,052**	20,125
	41,707	46,416

Non-current

Work in progress	**14,088**	-
	14,088	-

The cost of inventories recognised as an expense during the year in respect of continuing operations was $107.4 million (2012: $112.6 million).

Non-current inventories relate to the Osprey project.

11 Non-current assets held for sale

Land held for sale	**2,961**	-
Buildings held for sale	**1,108**	-
Plant & equipment held for sale	**99**	-
	4,168	-

The group has entered into a sale contract to dispose of an investment property, comprised of land and buildings, due to be settled in the 2014 financial year. Plant & equipment held for sale is residual assets from the discontinued operation.

12 Property, plant and equipment

Freehold land		
Cost	**1,408**	3,218
Buildings		
Cost	**1,342**	2,747
Accumulated depreciation	**(238)**	(466)
	1,104	2,281
Leasehold property and improvements		
Cost	**53,528**	46,900
Accumulated amortisation	**(31,410)**	(26,582)
	22,118	20,318
Plant and equipment		
Cost	**134,536**	119,074
Accumulated depreciation	**(53,226)**	(47,751)
	81,310	71,323
Assets under construction		
Cost	**8,531**	4,405
	114,471	101,545

12 Property, plant and equipment (continued)

Movement in the carrying amounts for each class of property, plant and equipment:

2013 Financial Year	Freehold land	Buildings	Leasehold Property	Plant and equipment	Assets under Construction
Balance at 1 July 2012	3,218	2,281	20,318	71,323	4,405
Additions	-	-	6,870	19,464	12,480
Transferred to non current assets held for sale	(1,810)	(1,108)	-	(140)	-
Transferred from assets under construction	-	-	-	7,517	-
Transferred to plant and equipment	-	-	-	-	(7,517)
Disposals	-	-	(179)	(6,218)	(837)
Depreciation and amortisation	-	(69)	(4,891)	(10,656)	-
Effect of foreign exchange differences	-	-	-	20	-
Balance at 30 June 2013	**1,408**	**1,104**	**22,118**	**81,310**	**8,531**
2012 Financial Year					
Balance at 1 July 2011	3,218	2,350	24,326	58,199	5,865
Additions	-	-	712	21,373	4,405
Transferred to non current assets held for sale	-	-	-	-	-
Transferred from assets under construction	-	-	-	5,865	-
Transferred to plant and equipment	-	-	-	-	(5,865)
Disposals	-	-	-	(4,309)	-
Depreciation and amortisation	-	(69)	(4,720)	(9,808)	-
Effect of foreign exchange differences	-	-	-	3	-
Balance at 30 June 2012	**3,218**	**2,281**	**20,318**	**71,323**	**4,405**

No items of property, plant and equipment are pledged as security.

13 Goodwill

	2013 $ '000	2012 $ '000
Goodwill	**64,435**	64,435
Individual cash-generating units (CGU) allocations:		
Caravan manufacturing	**7,097**	7,097
Parts and accessories	**12,401**	12,401
Canopies, trays and accessories	**6,617**	6,617
Manufactured accommodation	**38,320**	38,320
	64,435	64,435

The recoverable amount of the cash generating units has been determined as the higher of fair value less costs to sell and value in use.

The value in use has been calculated using cashflow projections based on financial budgets approved by the board and utilising a cashflow growth rate of 2.6% (2012: 6.9%) for caravan manufacturing CGU, 4% (2012:5%) for canopies, trays and accessories CGU and 5% (2011: 5%) for manufactured accommodation CGU.

Assessment of the recoverable amount of the caravan manufacturing CGU involved consideration of the likely impact of future initiatives including Asian sourcing and stock reduction strategies.

The implied discount rates of 18.0% (2012:16.1%) for caravan manufacturing CGU, 18% (2012: 16.1%) for canopies, trays and accessories CGU and 8.4%(2012:16.1%) for manufactured accomodation CGU, reflect the respective CGU's pre-tax weighted average cost of capital, and has been used in the value in use calculations of the respective CGU. The terminal growth rate used is 2% (2012: 2%).

The recoverable amount for the parts and accessories CGU has been assessed using a fair value less cost to sell model, based on an EBIT multiple. The EBIT multiple method consists of calculating the CGU's average EBIT over the last 5 years, to which an earnings multiple is applied. The assumed cost of sale is then deducted to arrive at the recoverable value of the CGU. The EBIT multiple is calculated based on the implied multiple applicable to Fleetwood Corporation Limited, which is adjusted to reflect the parts and accessories CGU on a standalone basis.

Testing for impairment is carried out on an annual basis and whenever there is an indication of impairment. No impairment charge has been recorded since recognising goodwill. The recoverable amount of each CGU exceeds the carrying amount of goodwill as at 30 June 2013.

14 Intangible assets

	2013	2012
Product development		
At cost	**4,670**	7,209
Accumulated amortisation	**(2,788)**	(6,133)
	1,882	1,076
Product development WIP		
At cost	**1,146**	1,445
	3,028	2,521

Reconciliation of the carrying amounts is set out below:

	2013	2012
Product development		
Cost		
Opening balance	**7,209**	6,987
Transferred from product development WIP	**1,390**	173
Additions	**67**	48
Disposals	**(3,996)**	-
	4,670	7,209
Accumulated amortisation		
Opening balance	**6,133**	5,479
Amortisation charged for the year	**593**	654
Eliminated on disposal	**(3,938)**	-
	2,788	6,133

14 Intangible assets (continued)

	2013 $ '000	2012 $ '000
Product development WIP		
Carrying amount at beginning of year	**1,445**	882
Additions	**1,571**	738
Disposals	**(480)**	(2)
Transferred to product development	**(1,390)**	(173)
	1,146	1,445

15 Trade and other payables

	2013 $ '000	2012 $ '000
Trade creditors	**25,084**	27,024
Other creditors and accruals	**20,083**	17,239
	45,167	44,263

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

	2013 $ '000	2012 $ '000
Current		
Employee benefits	**4,005**	4,034
Other	**411**	116
	4,416	4,150
Non-current		
Employee benefits	**3,158**	3,280
Aggregate employee benefits	**7,163**	7,314

Provisions for employee benefits represent accrued annual leave and long sevice leave entitlements. Other provisions represent amounts required to remove asbestos from portable buildings and other costs associated with the discontinued operation.

17 Interest bearing liabilities

	Note	2013 $ '000	2012 $ '000
Current - at amortised cost			
Bank loans - secured	18	**44,000**	-
Hire purchase creditors - secured	19	**610**	272
		44,610	272
Non-current - at amortised cost			
Hire purchase creditors - secured	19	**11**	622
		11	622

The company deferred renewing its funding arrangments while agreements pertaining to the Osprey project were finalised which resulted in bank loans - secured being classified as a current liability.

Hire purchases have repayment periods ranging from 1 to 5 years, with interest rates payable of 6.18% to 7.47% (2012: 6.22% to 11.07%).

	Note	2013 $ '000	2012 $ '000

18 Financing arrangements

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

		2013 $ '000	2012 $ '000
Facilities available			
Bank loans		**50,000**	30,000
Bank guarantees		**5,000**	10,000
Multi Option Facility		**55,000**	40,000

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

		2013 $ '000	2012 $ '000
Facilities utilised			
Bank loans	17	**44,000**	-
Bank guarantees		**3,189**	6,793
		47,189	6,793
Facilities not utilised			
Bank loans		**6,000**	30,000
Bank guarantees		**1,811**	3,207
		7,811	33,207

Bank loans
Bank loans are secured by a mortgage debenture over the assets of the consolidated entity and bear interest at the BBSY rate plus 0.60% (2012: 0.60%) plus a line fee of 0.6% (2012: 0.5%). The effective annual interest rate at the end of the financial year was 3.48% (2012: N/A).

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

19 Commitments

	2013 $ '000	2012 $ '000
Operating lease commitments		
Within one year	**9,314**	9,878
One year or later and no later than five years	**15,597**	22,708
Later than five years	**-**	738
	24,911	33,324

The Group has a number of non-cancellable operating lease arrangements for land and buildings with lease terms of between 1 to 5 years. The leases have varying terms and renewal rights. 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.

	2013 $ '000	2012 $ '000
Operating lease receivables		
Within one year	**28,571**	22,207
One year or later and no later than five years	**33,527**	3,812
Later than five years	**-**	-
	62,098	26,019

The Group has a number of non-cancellable operating lease arrangements for portable buildings and contracts for the provision of accommodation services with terms of between 1 to 5 years. The leases have varying terms and renewal rights. 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.

19 Commitments (continued)

Hire purchase commitments

	Minimum lease payments		**Present value of minimum lease payments**	
	2013	2012	**2013**	2012
	$ '000	$ '000	**$ '000**	$ '000
Within one year	**639**	318	**610**	272
One year or later and no later than five years	**11**	654	**11**	622
Later than five years	**-**	-	**-**	-
	650	972	**621**	894
Less: future finance charges	**(29)**	(78)	**-**	-
Present value of minimum lease payments	**621**	894	**621**	894

20 Share based payments

Employee option plan

In accordance with the provisions of the plan, employees with more than 1 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.

Summary of movements under the plan:

Issue date	Exercise price $	Options at beginning of year No.	Options granted No.	Options expired / forfeited No.	Options exercised (shares issued) No.	Options at end of year No.	Vested at end of year No.	Proceeds received on exercise $	Fair value (market value) of shares at date of exercise $
31/10/06	6.38								
2012		243,150	-	(123,300)	(119,850)	-	-	764,643	1,467,800
31/10/07	8.30								
2013		**222,750**	**-**	**(106,500)**	**(116,250)**	**-**	**-**	**964,875**	**1,171,290**
2012		324,386	-	(60,750)	(40,886)	222,750	221,250	339,354	495,526
14/11/08	4.20								
2013		**203,350**	**-**	**(39,200)**	**(53,950)**	**110,200**	**110,200**	**226,590**	**538,713**
2012		309,250	-	(62,150)	(43,750)	203,350	203,350	183,750	538,989
31/10/09	6.00								
2013		**312,277**	**-**	**(62,450)**	**(54,500)**	**195,327**	**195,327**	**327,000**	**536,940**
2012		451,417	-	(97,700)	(41,440)	312,277	215,627	248,640	516,047
31/10/10	8.02								
2013		**470,465**	**-**	**(100,538)**	**(39,533)**	**330,394**	**219,934**	**317,055**	**390,264**
2012		665,280	-	(154,140)	(40,675)	470,465	217,340	326,214	510,156
02/09/11	8.68								
2013		**492,625**	**-**	**(103,779)**	**(32,275)**	**356,571**	**182,188**	**280,147**	**318,583**
2012		-	580,300	(87,675)	-	492,625	-	-	-
29/08/12	9.39								
2013		**-**	**573,250**	**(135,680)**	**-**	**437,570**	**-**	**-**	**-**
Total 2013		**1,701,467**	**573,250**	**(548,147)**	**(296,508)**	**1,430,062**	**707,649**	**2,115,667**	**2,955,789**
Total 2012		1,993,483	580,300	(585,715)	(286,601)	1,701,467	857,567	1,862,600	3,528,518
Weighted average exercise price ($)									
2013		**7.42**	**9.39**	**8.04**	**7.14**	**8.03**	**7.04**		
2012		6.82	8.68	7.06	6.50	7.42	6.68		

For options in existence, the following information is presented.

Issue Date	Expiry Date	Option life Years	Volatility %	Dividend yield %	Risk free interest rate %	Fair value at grant date $	Exercise price $	Share price at grant date $	Weighted average share price at exercise date 2013 $	Weighted average share price at exercise date 2012 $
31/10/06	30/10/11	5	28.01	7.92	5.85	1.04	6.38	6.98	-	11.39
31/10/07	30/10/12	5	28.01	6.88	7.20	1.64	8.30	10.68	10.08	12.12
14/11/08	13/11/13	5	45.90	10.74	3.97	0.42	4.20	5.25	9.99	12.32
31/10/09	30/10/14	5	50.00	8.54	4.53	2.09	6.00	7.57	9.85	12.45
31/10/10	30/10/15	5	40.00	6.14	4.50	4.03	8.02	10.02	9.87	12.54
02/09/11	01/09/16	5	35.69	6.18	4.50	2.53	8.68	10.66	9.87	-
29/08/12	28/08/17	5	35.80	7.59	2.77	2.31	9.39	11.78	-	-

20 Share based payments (continued)

Executive option plan

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. For options issued prior to 1 July 2012, 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. Options issued during the current year vest three years from the issue date. 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) and is equal to or greater than the ASX300 All Industrials Accumulation Index. 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 No.	Options granted No.	Options expired / forfeited No.	Options exercised (shares issued) No.	Options at end of year No.	Vested at end of year No.	Proceeds received on exercise $	Fair value (market value) of shares at date of exercise $
31/10/07	8.30								
2013		**24,000**	**-**	**-**	**(24,000)**	**-**	**-**	**199,200**	**262,800**
2012		34,000	-	-	(10,000)	24,000	24,000	83,000	1,996,370
14/11/08	7.25								
2013		**42,451**	**-**	**-**	**(11,329)**	**31,122**	**31,122**	**82,135**	**120,185**
2012		155,001	-	-	(112,550)	42,451	42,451	815,988	1,109,540
31/10/09	6.00								
2013		**81,669**	**-**	**-**	**(65,669)**	**16,000**	**16,000**	**394,014**	**262,822**
2012		180,001	-	-	(98,332)	81,669	-	589,992	1,018,373
31/10/10	8.02								
2013		**151,000**	**-**	**-**	**(16,000)**	**135,000**	**70,667**	**128,320**	**160,400**
2012		198,000	-	(11,000)	(36,000)	151,000	-	288,720	-
02/09/11	8.68								
2013		**206,337**	**-**	**-**	**-**	**206,337**	**68,779**	**-**	**-**
2012		-	211,867	(5,530)	-	206,337	-	-	-
20/02/13	10.57								
2013		**-**	**325,000**	**-**	**-**	**325,000**	**-**	**-**	**-**
Total 2013		**505,457**	**325,000**	**-**	**(116,998)**	**713,459**	**186,568**	**803,669**	**806,207**
Total 2012		567,002	211,867	(16,530)	(256,882)	505,457	66,451	1,777,700	4,124,283
Weighted average exercise price ($)									
2013		**7.91**	**10.57**	**N/A**	**6.87**	**9.29**	**7.96**		
2012		7.51	6.00	7.15	7.11	7.07	7.64		

For options in existence during the current and prior year, the following information is presented.

Issue Date	Expiry Date	Option life Years	Volatility %	Dividend yield %	Risk free interest rate %	Fair value at grant date $	Exercise price $	Share price at grant date $	Weighted average share price at exercise date 2013 $	Weighted average share price at exercise date 2012 $
31/10/07	30/10/12	5	28.01	6.88	7.20	1.64	8.30	10.68	10.95	10.85
14/11/08	13/11/13	5	45.90	10.74	3.97	0.32	7.25	5.25	10.61	10.95
31/10/09	30/10/14	5	50.00	8.54	4.53	2.09	6.00	7.57	12.02	10.84
31/10/10	30/10/15	5	40.00	6.14	4.50	2.43	8.02	10.02	10.03	10.99
02/09/11	01/09/16	5	35.69	6.18	4.50	2.53	8.68	10.66	-	-
20/02/13	19/02/18	5	35.39	7.59	2.85	1.15	10.57	9.66	-	-

20 Employee and Executive Options (continued)

Total Employee and Executive share options outstanding at the end of the financial year had a weighted average remaining contractual life of 1,115 days.

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

- Options issued in 2009: $0.32 per option
- Options issued in 2010: $1.73 per option
- Options issued in 2011: $3.24 per option
- Options issued in 2012: $2.50 per option
- Options issued in 2013: $1.57 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, whilst the risk free interest rate and dividend yield have been assessed based on prevailing market conditions.

584,500 employee options with an exercise price of $2.56 were issued on 30 August 2013. 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.

580,000 executive options with an exercise price of $2.88 were issued on 30 August 2013. The options vest three years from the issue date. 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) and is equal to or greater than the ASX300 All Industrials Accumulation Index. The options expire 5 years from the date of issue. There are no voting or dividend rights attaching to the options.

21 Issued capital

	2013	2012
	$ '000	$ '000
Issued and paid-up capital		
60,522,619 (2012: 59,217,993) ordinary shares, fully paid	**193,001**	179,425

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

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

	2013		2012	
	# Shares	**$ '000**	# Shares	$ '000
Movements in ordinary share capital				
Balance at beginning of year	**59,217,993**	**179,425**	57,847,937	164,448
Equity settled share-based payments	**-**	**1,470**	-	2,180
Shares issued pursuant to Dividend Reinvestment Plan	**891,120**	**9,187**	826,573	9,157
Shares issued pursuant to Employee and Executive Option Plans	**413,506**	**2,919**	543,483	3,640
Balance at the end of year	**60,522,619**	**193,001**	59,217,993	179,425

Ordinary shares are allotted under the dividend reinvestment plan at a discount to the weighted average price of ordinary shares sold on the ASX over the period of 5 business days up to and including the record date. The current discount is 2.5% (2012: 2.5%).

At 30 June 2013, employees held options over 1,430,062 ordinary shares of the Company, of which 110,200 will expire on 13 November 2013. At 30 June 2012, employees held options over 1,701,467 ordinary shares of the Company, of which 222,750 were due to expire on 30 October 2012.

At 30 June 2013, executives held options over 713,459 ordinary shares of the Company, of which 31,122 will expire on 13 November 2013. At 30 June 2012, executives held options over 505,457 ordinary shares of the Company, of which 24,000 were due to expire on 30 October 2012.

	2013 $ '000	2012 $ '000

22 Reserves (net of income tax)

Foreign currency translation reserve	**(578)**	(897)
	(578)	(897)
Foreign currency translation reserve		
Balance at beginning of year	**(897)**	(1,001)
Translation of foreign operations	**319**	104
	(578)	(897)

Reserves relate to exchange differences on the translation of self-sustaining foreign operations.

23 Retained earnings

Balance at beginning of year	**52,717**	42,782
Profit attributable to members of the parent entity	**12,455**	53,209
Dividends recognised	**(43,504)**	(43,274)
	21,668	52,717

	2013 $	2012 $

24 Auditors' remuneration

Audit services	**175,500**	172,000
Other services - taxation and accounting assistance	**28,983**	-
	204,483	172,000

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
BRB Modular Pty Ltd
Camec Pty Ltd
Fleetwood Recreational Vehicles Pty Ltd (formerly 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:

	2013	2012
	$ '000	$ '000
Statement of profit or loss and other comprehensive income		
Continuing operations		
Sales revenue	**327,570**	376,455
Other income	**7,028**	475
Materials used	**(103,704)**	(109,177)
Sub-contract costs	**(86,972)**	(73,939)
Employee benefits expense	**(66,800)**	(70,513)
Operating leases	**(10,699)**	(10,293)
Other expenses	**(20,346)**	(20,014)
Profit before interest, tax, depreciation and amortisation **(EBITDA)**	**46,077**	92,994
Depreciation and amortisation expense	**(16,010)**	(14,845)
Profit before interest and tax **(EBIT)**	**30,067**	78,149
Finance costs	**(1,267)**	(764)
Profit before income tax expense for the year	**28,800**	77,385
Income tax expense	**(6,360)**	(22,825)
Profit from continuing operations for the year	**22,440**	54,560
Discontinued operations		
Loss from discontinued operation	**(4,193)**	(2,017)
Total profit and other comprehensive income for the year	**18,247**	52,543

25 Deed of cross guarantee (continued)

Statement of financial position

	2013 $ '000	2012 $ '000
Current assets		
Cash and cash equivalents	**12,189**	11,318
Trade and other receivables	**53,029**	52,583
Inventories	**39,269**	43,777
Non-current assets held for sale	**4,168**	-
Total current assets	**108,655**	107,678
Non-current assets		
Trade and other receivables	**11**	18
Investments	**102**	121
Property, plant and equipment	**114,207**	101,270
Intangibles	**3,028**	2,521
Goodwill	**64,457**	64,457
Deferred tax assets	**3,976**	3,944
Inventories	**14,089**	-
Total non-current assets	**199,870**	172,331
Total assets	**308,525**	280,009
Current liabilities		
Trade and other payables	**44,526**	43,693
Interest bearing liabilities	**44,610**	272
Tax liabilities	**1,112**	5,911
Provisions	**4,373**	4,124
Total current liabilities	**94,621**	54,000
Non-current liabilities		
Interest bearing liabilities	**11**	622
Provisions	**3,158**	3,280
Total non-current liabilities	**3,169**	3,902
Total liabilities	**97,790**	57,902
Net assets	**210,735**	222,107
Equity		
Issued capital	**193,001**	179,427
Reserves	**(578)**	(897)
Retained earnings	**18,312**	43,577
Total equity	**210,735**	222,107

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 statement of financial position. The Group's overall strategy remains unchanged from 2012.

The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

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 funding requirements. The Group does not have a target gearing ratio.

26 Financial instruments (continued)

Financial risk management objectives

Principal financial instruments comprise cash, receivables, payables, hire purchase creditors, and bank loans. All financial instruments are carried at amortised cost. 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, foreign currency, credit and liquidity risk. Different methods are used to measure and manage different types of risks including monitoring exposure to interest and foreign exchange rates 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 2013 (30 June 2012) exposure to foreign currency was immaterial.

Interest rate

Interest rate risk arises from borrowings disclosed in Note 17. 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:

Interest rate sensitivity analysis

		- 75 bps		+ 75 bps	
	Carrying amount $ '000	**Profit $ '000**	**Equity $ '000**	**Profit $ '000**	**Equity $ '000**
Financial assets					
Cash and cash equivalents - 2013	**12,665**	**(95)**	**(95)**	**95**	**95**
Cash and cash equivalents - 2012	17,380	(130)	(130)	130	130
Financial liabilities					
Borrowings - 2013	**44,623**	**335**	**335**	**(335)**	**(335)**
Borrowings - 2012	894	7	7	(7)	(7)
Total - 2013		**240**	**240**	**(240)**	**(240)**
Total - 2012		(124)	(124)	124	124

Credit

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Group policy is to deal with creditworthy counterparties and obtain sufficient collateral where appropriate as a means of mitigating the risk of financial loss from default. Reviews of a 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 framework for the management of short, medium and long-term funding. Liquidity risk is managed by maintaining adequate reserves and banking facilities, by monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Included in Note 18 is a listing of 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. Trade and other payables do not attract an interest charge and are expected to be settled within 60 days of year end.
- 3 months or less: Bank Loans as disclosed at Note 17. Weighted average interest rate 4.18% (2012: N/A). Loans are expected to be settled within three months of year end.
- 12 months or less: Hire purchase creditors – 2013 $610,364 (2012: $271,717). Weighted average interest rate 6.31% (2012: 6.55%). The hire purchase creditors are expected to be settled during the 2014 financial year.
- Greater than 12 months: Hire purchase creditors – 2013 $11,407 (2012: $621,771). Weighted average interest rate 7.47% (2012: 6.43%). The hire purchase creditors are expected to be settled in the first half of the 2015 financial year.

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 consolidated statement of cash flows

	2013	2012
	$ '000	$ '000
27.1 Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities		
Operating profit after income tax	**12,455**	53,209
Less items classified as investing activities:		
(Gain) / loss on sale of non-current assets	**983**	(132)
Add / (subtract) non-cash items:		
Equity settled share-based payments	**1,469**	2,180
Depreciation and amortisation expense	**16,209**	15,250
Written down value of rental fleet sold	**5,277**	4,259
Gain on revaluation of investment property	**(1,151)**	-
Changes in assets and liabilities during the year:		
Increase in inventories	**(5,524)**	(857)
(Increase) decrease in trade and other receivables	**(509)**	21,199
Decrease in other financial assets	**41**	5,302
Increase (decrease) in trade and other payables	**904**	(22,378)
Increase (decrease) in provisions	**142**	(123)
Increase (decrease) in income taxes payable	**(4,829)**	210
Decrease in deferred taxes payable	**(18)**	(862)
Net cash provided by operating activities	**25,449**	77,257

27.2 Non-cash financing and investing activities

During the year, dividends of $9,187,172 (2012: $9,156,603) were reinvested in the Company as 891,120 (2012: 826,573) fully paid ordinary shares pursuant to the Dividend Reinvestment Plan.

The Company received dividends of $72,565,976 (2012: $40,260,255) 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 $97,789,810 (2012: $57,901,553) in the event any of the entities which are party to the Deed are wound up.

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.

Included within Trade and Other Receivables is an amount of $0.5m which remains unpaid at the date of this report. A further $0.9m is included within Inventories and relates to works performed for the same customer. Fleetwood has received a notice of dispute from the customer in respect of these works. Fleetwood refutes these claims. Revenue recognised reflects the contract price agreed. Costs to complete the project have been expensed at 30th June and are not carried as assets at balance date.

Fleetwood has received a warranty notice from a customer regarding a supplied product. Fleetwood is assessing the notice, and consequently it is too early to determine the whether the claim has merit.

29 Particulars relating to controlled entities

Fleetwood Corporation Limited (Ultimate parent entity)

Controlled entities	Place of Incorporation	Principal Activities	Interest held (%) 2013	2012
A.C.N. 008 763 193 Pty Ltd	Australia		100	100
BRB Modular Pty Ltd	Australia	Accommodation solutions provider to the resources, education and affordable housing sectors.	100	100
Camec Pty Ltd	Australia	Manufacturer, marketer and distributor of parts and accessories to the recreational vehicles industry.	100	100
Fleetwood Recreational Vehicles Pty Ltd	Australia	Manufacturer of caravans, pop-tops and campers distributed through a national dealer network.	100	100
Fleetwood Pty Ltd	Australia	Accommodation solutions provider to the resources, education and affordable housing sectors.	100	100
Fleetwood Finance (WA) Pty Ltd	Australia	Provider of finance	100	100
Flexiglass Challenge Pty Ltd	Australia	Marketer and distributor of canopies and trays for commercial vehicles.	100	100
Windsor Caravans Pty Ltd	Australia		100	100
Flexiglass Challenge Industries (NZ) Limited (incorporated in New Zealand)	New Zealand		100	100
Camec NZ Limited (incorporated in New Zealand) – formerly Serada Limited	New Zealand	Manufacturer, marketer and distributor of parts and accessories to the recreational vehicles industry.	100	100

Fleetwood Corporation Limited is the head entity within the tax consolidated group. All companies incorporated in Australia are members of the tax consolidated group.

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, G Tate, J. Bond. 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 during and 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.

30 Related parties (continued)

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 Directors	Shares at beginning of year No.	Options exercised No.	Net other change No.	Shares at end of year No.
Michael Hardy				
2013	**-**	**-**	**1,975**	**1,975**
Stephen Gill (Resigned 23/11/12)				
2013	**3,028,823**	**-**	**(3,028,823)**	**-**
2012	3,028,823	-	-	3,028,823
Greg Tate				
2013	**6,526,220**	**41,667**	**1,540**	**6,569,427**
2012	6,798,512	128,334	(400,626) (1)	6,526,220
Executives				
Bradley Denison				
2013	**116,464**	**-**	**(91,000)**	**25,464**
2012	76,130	50,334	(10,000)	116,464
Bradley Van Hemert				
2013	**247,794**	**51,997**	**(124,457)**	**175,334**
2012	224,848	40,881	(17,935)	247,794
Stephen Price				
2013	**16,666**	**-**	**-**	**16,666**
2012	-	16,666	-	16,666
Ben Rosser				
2013	**-**	**10,000**	**-**	**10,000**
2013	**6,907,144**	**103,664**	**(211,942)**	**6,798,866**
2012	10,128,313	236,215	(428,561)	9,935,967

(1) Includes 400,000 shares beneficially owned by Stephen Gill which were transferred during the year to a superannuation fund associated with Stephen Gill. The number of shares beneficially held by Greg Tate did not change as a result of this transfer.

There are no shares held nominally. There are no amounts unpaid on issued shares. Peter Gunzburg, John Bond, Steve Carroll and David Martin did not hold any shares as at 30 June 2013 (2012: nil).

30 Related parties (continued)

Options Directors	Options at beginning of year No.	Granted (forfeited) No.	Exercised No.	Options at end of year No.	Vested during the year No.	Vested at end of year No.	Proceeds received on exercise $
Greg Tate							
2013	**41,667**	**-**	**(41,667)**	**-**	**41,667**	**-**	**250,002**
2012	170,001	-	(128,334)	41,667	83,333	-	878,338
Executives							
Steve Carroll							
2013	**33,433**	**25,000**	**-**	**58,433**	**11,144**	**16,144**	**-**
2012	15,000	18,433	-	33,433	5,000	5,000	-
Bradley Denison							
2013	**81,837**	**50,000**	**-**	**131,837**	**42,389**	**42,389**	**-**
2012	93,000	39,171	(50,334)	81,837	40,333	-	365,689
Bradley Van Hemert							
2013	**162,290**	**40,000**	**(51,997)**	**150,293**	**43,057**	**70,845**	**381,343**
2012	164,000	39,171	(40,881)	162,290	46,666	79,784	254,722
Stephen Price							
2013	**108,334**	**110,000**	**-**	**218,334**	**41,667**	**41,667**	**-**
2012	50,000	75,000	(16,666)	108,334	16,666	-	133,661
Ben Rosser							
2013	**64,562**	**60,000**	**(10,000)**	**114,562**	**21,520**	**21,520**	**80,200**
2012	30,000	34,562	-	64,562	-	-	-
David Martin							
2013	**-**	**25,000**	**-**	**25,000**	**-**	**-**	**-**
2013	**492,123**	**310,000**	**(103,664)**	**698,459**	**201,444**	**192,565**	**711,545**
2012	522,001	206,337	(236,215)	492,123	191,998	84,784	1,632,410

All vested options are exercisable. Further information on options exercised during the year can be found in the remuneration report. There were no options held by Michael Hardy, Peter Gunzburg, Stephen Gill or John Bond (2012: nil).

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

	2013 **$**	2012 $
Short-term employee benefits	**2,499,644**	2,271,018
Post-employment benefits	**139,769**	159,066
Share-based payment	**218,938**	454,763
	2,858,351	2,884,847

Further information on remuneration of key management personnel can be found in the remuneration report.

Transactions between Fleetwood Corporation and its related parties

During the financial year subsidiaries of the parent company made dividend payments totaling $72,565,976 (2012: $40,260,255) to the parent entity.

Non-current loans totaling $174,593,998 (2012: $103,634,697) repayable to the parent are outstanding at reporting date.

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

31 Parent entity disclosures

31.1 Financial position

	Note	2013 $ '000	2012 $ '000
Assets			
Current assets		**16,864**	12,027
Non-current assets		**253,780**	181,870
Total assets		**270,644**	193,897
Liabilities			
Current liabilities		**50,095**	7,040
Non-current liabilities		**745**	384
Total liabilities		**50,840**	7,424
Equity			
Issued capital		**193,001**	179,425
Retained earnings		**26,803**	7,048
Total equity		**219,804**	186,473
31.2 Financial performance			
Total comprehensive income		**63,261**	47,406
31.3 Guarantees entered into by the parent entity in relation to the debts of its subsidiaries	**Note**		
Guarantee provided under the deed of cross guarantee	25	**97,790**	57,902
31.4 Commitments			
Operating lease commitments			
Within one year		**350**	336
One year or later and no later than five years		**970**	1,319
Later than five years		**-**	-
		1,320	1,655

The accounting policies of the parent entity, which have been applied in determining the financial information above are the same as those applied in the consolidated financial statements.

Under the terms of the Deed of Cross Guarantee, the Company has guaranteed the repayment of all current and non-current liabilities totaling $97,789,810 (2012: $57,901,553) in the event any of the entities which are party to the Deed are wound up.

The parent entity had no contingent liabilities as at 30 June 2013 (2012: nil).

32 Discontinued operation

On 2 November 2012 the Company closed its Victorian caravan manufacturing operations. Financial information relating to the discountinued operation for the period is set out below. The comparative profit and cashflow from the discontinued operation has been represented to include those operations classified as discontinued in the current year.

	2013 $ '000	2012 $ '000
32.1 Financial performance		
Revenue	**4,326**	24,810
Expenses	**(10,320)**	(27,720)
Loss from discontinued operation before income tax	**(5,994)**	(2,910)
Attributable income tax	**1,801**	893
Loss from discontinued operation after income tax	**(4,193)**	(2,017)
Proft attributable to members of the consolidated entity relates to		
Profit from continuing operations	**16,648**	55,226
Loss from discontinued operation	**(4,193)**	(2,017)
	12,455	53,209
32.2 Cashflow information		
Net cash outflows from operating activities	**(5,608)**	(4,455)
Net cash inflows (outflows) from investing activities	**334**	(483)
Net cash outlfow from discontinued operations	**(5,274)**	(4,938)

33 Significant events after the reporting period

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

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 and Chief Executive Officer

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 monitor performance 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; and
- ensure effective and timely reporting to Shareholders.

The Board has delegated responsibility 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 the Chief Executive Officer.

Board Structure

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

Directors must retire from office no later than the third Annual General Meeting or three years following the Director's last election or appointment, whichever is last to occur. The director is then eligible for re-election.

At the date of this Annual Report the Board was comprised of four non-executive Directors, with the majority being independent. Mr. M. Hardy, who is the Chairman, Mr. P. Gunzburg, and Mr. J. Bond are non-executive Directors and are free of any business or other relationship which could interfere with the exercise of their independent judgment. Mr. G. Tate is a non-executive Director who is not independent due to the nature of his shareholdings in the Company.

The period of office together with the background, skills and experience of each director is described in this Annual Report.

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

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

Newly appointed directors participate in an induction program which introduces the director to the financial, strategic, operational and risk management systems, culture and values of the Company, and describes the duties and responsibilities that are required and expected.

The Board considers that the establishment of a Nominations Committee is unnecessary as the Company 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 2.4 of the ASX Principles.

Review of Senior Executive, Director and Board Performance

Fleetwood has processes in place to review the performance of senior executives, Directors and the Board.

The assessment and monitoring of the Chief Executive Officer is undertaken annually by the Chairman and discussed with Board members. The Chief Executive Officer's performance is evaluated by reference to the overall performance of the Company together with relevant key performance indicators and period specific objectives. The assessment and monitoring of the Chief Financial Officer is undertaken annually by the Chief Executive Officer and the Board. The Chief Financial Officer's performance is evaluated by reference to the financial results of the Company, relevant key performance indicators and period specific objectives.

The Chairman is responsible for monitoring the contribution of individual Directors. The Board plays a similar role in respect of the Chairman's performance.

The Board undertakes an annual performance review of itself that compares the performance of the Board with the requirements of its Charter.

During the reporting period the performance of the Chief Executive Officer, the Chief Financial Officer, each Director and the Board was reviewed as described above.

Each year the Board considers broad corporate governance matters. Subject to normal privacy requirements Directors have unfettered access to Company records and information, to the Company Secretary and to other senior executives and officers. Directors receive regular detailed reports on financial and operational aspects of the Company and may request elaboration or explanation of those reports at any time. The Directors have the right to seek independent professional advice at the Company's expense.

Directors and senior management are encouraged to expand and enhance their knowledge of the Company's business by keeping abreast of developments in business generally by attending relevant professional development activities. The Company meets expenses involved in such activities.

Ethics and Conduct

The Company has a policy on conflicts of interest and share trading by Directors, key management personnel and senior managers. These policies are 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 policy on share trading to address such transactions.

The Company has implemented codes of conduct for Directors and employees. The codes of conduct establish the standards of ethical behaviour and the practices necessary to comply with legal obligations and include a code of conduct entitled "Delivering the Promise" which sets out the Company's objective and standards of behaviour expected of its people. These codes of conduct seek to enhance shareholder confidence in the Company by clearly articulating the acceptable practices of the Board, senior executives and employees. These codes of conduct are available on the Company's website.

Diversity

The Company has a Diversity Policy, which is available on the Company's website.

The policy supports and promotes the achievement in the Group of diversity in gender, ethnicity, religion, culture, language, sexual orientation, disability, and age by ensuring appropriate internal and external recruitment practices are undertaken, and that training regimes and management practices are developed and implemented.

The Board believes that the promotion and achievement of diversity will contribute to an inclusive workplace culture where there is equality of opportunity and treatment, and will also provide different perspectives on the efficient and successful running of the Group.

In accordance with the Company's Diversity Policy and the ASX Principles, the Company has established measurable objectives for achieving diversity. Those objectives and the progress towards achieving those objectives are described below.

	Measureable Objective	**Progress**
1.	Review equality of remuneration.	Undertaken annually
2.	Review candidates from diverse backgrounds, both internal and external, to identify key talent for purposes of promotion/employment.	Ongoing
3.	Assess and provide flexible working arrangements that balance employee and Company needs.	Ongoing
4.	Implementation of Equal Opportunity, Discrimination, Bullying and Harassment Policy throughout the Group.	In place

The Diversity Policy, objectives and progress towards achieving the objectives are reviewed and assessed by the Board on an annual basis.

In relation to Recommendation 3.4 of the ASX Principles, the proportion of women employees within the Group is described below:

	Number	**Women**	**Men**
Board	4	0%	100%
Executives	10	30%	70%
Managers	113	15%	85%
Admin & other	749	18%	82%
Total	**876**	**18%**	**82%**

Audit Committee

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

All four Directors are members of the Audit Committee. All members are non-executive directors, a majority of whom are independent of the Company and management and all of whom have appropriate business and financial expertise. The chairman of the Audit Committee is nominated by the Board and is not the Chairman of the Board. On 27 March 2013, the Board appointed Mr. P. Gunzburg as chairman of the Audit Committee.

The Audit Committee oversees the adequacy of the accounting and financial policies and controls of the Company. The committee also holds 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, and each member has the right to seek independent professional advice at the Company's expense.

The Audit Committee reviews and reassesses its Charter at least annually and recommends any changes it considers necessary to the Board.

The number of Audit Committee meetings and attendances are noted on page 40 of this Annual Report.

The Audit Committee's Charter is available 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 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 includes 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; and
- other financial matters which the Audit Committee or the Board determines desirable.

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. The Company Secretary has primary responsibility for ensuring that the Company complies with its disclosure obligations. Directors receive copies of all announcements immediately after notification to the ASX. All announcements are posted on the Company's website.

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.

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; and
- information provided to analysts.

These are posted on the Company's website.

The Company also conducts teleconferences for shareholders and interested parties upon the release of half year and full year results.

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 other appropriate members 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 are 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.

The Group's Risk Management Policy is available on the Company's website.

Workplace Health and Safety

The Company places a high importance on workplace health and safety and has over the past 2 years, undertaken a significant review of the Group's internal practices. The review resulted in a number of improvements being made to the workplace health and safety systems across the Group. These improvements are as follows:

- a Group Health and Safety Manager was appointed in July 2011;
- a Fleetwood Corporation Safety Policy, Safety Guidelines and Standards, and Operating Company Safety Procedures were developed and implemented.
- OHS Training has been implemented at various levels of the Group;
- employee compliance with the Group's safety policies is assessed on a bi-annual basis; and
- a safety audit is conducted across the Group on a bi-annual basis with corrective action plans developed and closed out to address audit non-conformances.

Since introduction of these initiatives workplace health and safety culture in the Group has improved resulting in LTIFR's, MTIFR's, and first aid injuries being significantly reduced.

Remuneration

Details of the Remuneration Committee and remuneration policies are set out in the Directors' Report on page 40 of this Annual Report under the heading "Remuneration Report".

Environment

Protecting the environment is a core Company value. The Company is committed to reduce, re-use and recycle across all its operations so as to minimise the impact the Group has on the environment.

- ***NGER Act 2007***: Since 2008 the Company has undertaken an annual review of its energy usage and emissions, and although they do not exceed legislative reporting thresholds the Company is still committed to reducing its carbon footprint.

- ***Water Efficiency Initiative***: Fleetwood, with the support of the Water Corporation, constructed a waste water treatment plant at its accommodation village in Karratha. The plant, to be commissioned in October 2013, will substantially reduce water usage at the village. The recycled treated water will be used to “green” the village environment.

The Company is developing a Group sustainability policy which will be implemented during 2014.

Directors' Report

Fleetwood Corporation Limited

The Directors of Fleetwood Corporation Limited present their report for the year ended 30 June 2013.

Directors and Officers

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 on page 5 of this Annual Report.

Stephen Gill ceased to be a non-executive Director on 23 November 2012. Mr. Gill served as a non-executive director of Fleetwood for six years, prior to which, he served in the capacity of executive director of Fleetwood for 16 years.

The names, qualifications and experience of the Chief Executive Officer and the Chief Financial Officer are disclosed on page 5 of this Annual Report.

Principal Activities

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

- manufacture and sale of caravans, parts and accessories; and
- design, manufacture, sale and rental of manufactured accommodation.

Operations

A review of operations for the year is contained in the CEO's Review. Results of operations for the year are contained in the Financial Report.

Financial Position

A summary of the financial position of the Group is disclosed on page 2 of this Annual Report.

State of Affairs

During the first half of the financial year the Group undertook restructuring activities in its Recreational Vehicles division. This included discontinuing the manufacture of Windsor caravans in Victoria and commencing the manufacture of Windsor caravans in the Group's Western Australian facility. This restructure was completed in December at a cost, including Windsor's operating losses for the period of $6.0m. Further information is contained in note 32 to the financial statements.

Other than the above, there was no significant change in the state of affairs of the consolidated entity during the financial year.

Significant Events After the Reporting Period

There were no significant events which occurred after the reporting period.

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

An interim dividend of 30 cents per ordinary share was paid on 28 March 2013. The interim dividend is disclosed in note [6] to the financial statements. The Directors resolved not to declare a final dividend.

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

Share Options

Unissued shares the subject of options at the date of this Annual 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. 584,500 employee options have been issued subsequent to year end. 580,000 executive options have been issued subsequent to year end. 59,185 employee options have been forfeited subsequent to year end. Details of all share based payment arrangements in existence at 30 June 2013 have been disclosed in note 20. Details of unissued shares the subject of options as at the date of this report are outlined below.

Employee Options

Issue date	**15/11/2008**	**31/10/2009**	**31/10/2010**	**2/09/2011**	**30/08/2012**	**30/08/2013**
Total unissued shares under option	107,150	187,157	316,554	340,296	419,940	584,500
Exercise price ($)	4.20	6.00	8.02	8.68	9.39	2.56
Expiry date	14/11/2013	30/10/2014	30/10/2015	1/09/2016	29/08/2017	29/08/2017

Executive Options

Issue date	**31/10/2008**	**31/10/2009**	**31/10/2010**	**2/09/2011**	**21/02/2013**	**30/08/2013**
Total unissued shares under option	31,122	16,000	135,000	206,337	325,000	580,000
Exercise price ($)	7.25	6.00	8.02	8.68	10.57	2.88
Expiry date	30/10/2013	30/10/2014	30/10/2015	1/09/2016	20/02/2018	29/08/2017

There are no voting or dividend rights attaching to the options. Details of options granted to Directors and key management personnel during and since year end are contained in note 20 and note 30 to the financial statements and in the Remuneration Report.

Indemnification of Directors and Officers

The Company has indemnified current and former Directors and officers 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 Director or officer 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 Directors and 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', Audit Committee and Remuneration Committee Meetings

Number of Board, Audit Committee and Remuneration Committee meetings held and attended by each Director of the Company during the financial year are as follows:

	Board		**Audit Committee**		**Remuneration Committee**	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Stephen Gill	4	4	1	1	1	1
Peter Gunzburg	8	8	2	2	1	1
Michael Hardy	8	8	2	2	1	1
Greg Tate	8	8				
John Bond	3	2				

Directors' Shareholdings

The relevant interest of each Director in shares of the Company at the date of this report, as notified by the Directors to the ASX in accordance with s205G(1) of the Corporations Act 2001 are as follows:

	Number of shares	**Number of options**
Michael Hardy	1,975	Nil
Greg Tate	6,569,427	Nil

Remuneration Report

The Remuneration Committee is responsible for determining the remuneration of Board members, senior executives and key management personnel. The remuneration of non-executive directors is determined by the Board, upon recommendation by the Remuneration Committee, within the aggregate limits approved by shareholders.

On 27 March 2013 the Board appointed Mr J. Bond and Mr G. Tate to the Remuneration Committee. All Directors are members of the Remuneration Committee, with Mr. P. Gunzburg being chairman. All members are non-executive directors a majority of whom are independent of the Company and management.

The Remuneration Committee reviews and reassesses its charter annually, and recommends any changes it considers necessary to the Board. The Remuneration Committee's charter is available on the Company's website.

The Remuneration Committee has authority to seek independent legal, financial, remuneration or other advice it considers necessary to achieve its objectives and fulfil its responsibilities. In doing so it may invite external consultants and/or senior executives to its meetings to seek input on the Group's remuneration policies, however no senior executive is directly involved in deciding their own remuneration.

During the year the Remuneration Committee reviewed:

- conditions of service and remuneration of the Directors, Chief Executive Officer, Chief Financial Officer and key management personnel;
- 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.

An objective of the Remuneration Committee is to ensure that remuneration arrangements motivate senior executives and key management personnel to pursue the long-term objectives of the Company. It does this by ensuring that there is a clear relationship between Company performance and remuneration, by striking an appropriate balance between fixed and variable ('at risk') remuneration.

The proportion of fixed and variable remuneration is determined by the Remuneration Committee and is based on available market data for comparable roles, the capacity of the individual to influence the overall outcome of Company operations and return to shareholders. When considering the fixed component of remuneration, the Remuneration Committee will take into account the person's responsibilities, qualifications and experience. When considering the variable component of remuneration, the Remuneration Committee considers the capacity of the individual to affect profit earned by the Company and the individual's performance against key responsibilities, key competencies and period specific objectives. The variable remuneration includes short-term incentives in the form of cash payments and long-term incentives in the form of share options, which are subject to performance hurdles and vesting provisions.

The short-term incentive amounts received by senior executives and key management personnel are determined in accordance with the provisions of the Fleetwood Short Term Incentive Plan (STIP). Fleetwood's STIP was implemented in the 2011 financial year. The objective of the STIP is to motivate superior performance and to align the financial interests of the participant with that of the Company.

Remuneration Report (continued)

The STIP uses a combination of individual and Company performance targets. The weighting is generally 50% non-financial and 50% financial, though can differ depending on the individual and their role within the Company. Individual performance targets are derived from position descriptions, key responsibilities, key competencies and period specific objectives which are in turn aligned with key business strategies identified annually during the business planning process. Financial performance targets are derived from budgeted Earnings Before Interest and Tax and Return on Capital. These targets are considered appropriate given their effectiveness in measuring the efficiency and profitability of invested capital. Depending on the individual and their role within the Group, some targets may be restricted to the operating company in which the participant is employed, or expanded to include a Division and/or the Group as a whole. Financial targets are expressed as a range over which performance will be measured. The standard range is 95% to 110% of the applicable budget. The maximum amount a participant can earn through the STIP is capped at a percentage of the participant's Annual Fixed Remuneration (AFR), and payments are based on the achievement of individual and financial key performance indicators. In order for a payment under the STIP to be made, the participant must be an employee at the time the payment is to be made.

The Remuneration Committee's determination of the parameters of the STIP for FY2013 as applicable to key management personnel were as follows:

Participant	Maximum STIP as % of AFR	STI Component Summary % – FY2013		
		Non-financial Targets	Group EBIT, ROC	Operating Company EBIT, ROC
Stephen Price	50.0	50.0	25.0	25.0
Bradley Denison	40.0	50.0	25.0	25.0
Bradley Van Hemert	40.0	50.0	25.0	25.0
Ben Rosser	40.0	50.0	25.0	25.0
David Martin	40.0	50.0	25.0	25.0
Steve Carroll	25.0	50.0	25.0	25.0

The Remuneration Committee is of the opinion that the STIP appropriately aligns executive remuneration with shareholder wealth generation.

Long-term incentives in the form of options received by senior executives and key management personnel are determined in accordance with the provisions of the executive option plan, which plan is currently under review by the Remuneration Committee. The objective of this plan is to retain and reward senior executives and key management personnel and to align executives' long term interests with those of shareholders. Invitation to participate in the plan is at the discretion of the Board, however participants generally must be employed in a senior executive or key management position for a minimum period of two years before such invitation will be extended. Under the plan, executives are granted options to purchase ordinary shares in Fleetwood. The number of options granted is determined by the Board with reference to the participant's individual performance over the immediately preceding financial year, the Group's financial performance and shareholder wealth generation. No amounts are payable for the options. Each option entitles the holder to subscribe for one share upon exercise. Assuming the participant continues to be employed by Fleetwood and the performance hurdles are reached, for options issued after 1 July 2012 100% of the issued options vest on the third anniversary of the grant date, and for options issued prior to 1 July 2012, one third of the options vest after 30 June subsequent to the date of issue, a further one third of the options vest over each of the next 2 years. The exercise price of options issued is calculated using the Volume Weighted Average Price (**VWAP**) of the shares over the five days prior to the issue date. The maximum discount that can be applied to the VWAP is 10%.

Executive options are only exercisable if the company's total shareholder return equals or exceeds 15% p.a. compounded from the inception of the plan and is equal to or greater than the ASX 300 All Industrials Accumulation Index. The Remuneration Committee considers that the use of this index reduces sensitivity to the performance of a particular competitor or the influence of cyclical industry specific factors.

In the event that a performance hurdle is not reached, the options do not vest. If the participant ceases to be an employee for reasons other than death, illness, injury, the attainment of the normal age of retirement or for other reasons approved by the Board, the options lapse and terminate. The options expire 5 years from the date of issue. There are no voting or dividend rights attaching to the options.

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2013:

Movements in shareholder wealth	2009	2010	2011	2012	2013
Share price at start of year ($)	9.25	5.90	9.19	11.33	11.74
Share price at end of year ($)	5.90	9.19	11.33	11.74	3.60
Dividend per share (cents)	66.0	68.0	73.0	76.0	30.0
Earnings per share (cents)	68.7	72.6	90.0	90.4	20.8
Diluted earnings per share (cents)	68.5	71.5	88.6	89.2	20.7
$ Million					
Revenue	355.3	291.3	466.6	382.0	332.9
Net profit before tax	50.6	54.5	73.6	75.6	23.2
Net profit after tax	35.6	38.7	51.3	53.2	16.6

Remuneration Report (continued)

Key management personnel	Short-term employee benefits Salary & fees $	Bonus $	Non-monetary $	Post Employment Superannuation $	Share Based Payment Options $	Total $	Performance based remuneration %
Directors							
Michael Hardy							
2013	**85,000**	**-**	**-**	**-**	**-**	**85,000**	**-**
2012	85,000	-	-	-	-	85,000	-
Stephen Gill (Resigned 23/11/12)							
2013	**35,000**	**-**	**-**	**-**	**-**	**35,000**	**-**
2012	70,000	-	-	-	-	70,000	-
Peter Gunzburg							
2013	**70,000**	**-**	**-**	**-**	**-**	**70,000**	**-**
2012	70,000	-	-	-	-	70,000	-
Greg Tate							
2013	**70,000**	**-**	**-**	**-**	**-**	**70,000**	**-**
2012	70,000	-	-	-	33,150	103,150	13.9
John Bond (Appointed 18/03/13)							
2013	**20,192**	**-**	**-**	**-**	**-**	**20,192**	**-**
Executives							
Stephen Price CEO, Fleetwood Corporation							
2013	**591,667**	**75,000**	**-**	**25,000**	**74,981**	**766,648**	**19.6**
2012	550,000	150,000	-	25,000	132,892	857,892	33.0
Bradley Denison Chief Financial Officer							
2013	**283,913**	**40,000**	**8,431**	**25,000**	**42,698**	**400,042**	**20.7**
2012	269,680	39,503	10,919	24,758	93,268	438,129	30.3
Bradley Van Hemert CEO, Fleetwood RV							
2013	**385,288** (1)	**36,000**	**-**	**25,000**	**41,562**	**487,850**	**15.9**
2012	268,353	24,401	-	49,980	93,799	436,533	27.1
Ben Rosser CEO, Fleetwood Pty Ltd							
2013	**258,855**	**42,000**	**3,572**	**23,297**	**37,806**	**365,530**	**21.8**
2012	244,889	34,859	3,959	25,177	66,819	375,703	27.1
Steve Carroll GM, Camec Pty Ltd							
2013	**191,197**	**11,000**	**33,759**	**25,000**	**19,053**	**280,009**	**10.7**
2012	192,908	10,000	24,990	20,511	34,835	283,244	15.8
David Martin CEO, BRB Modular Pty Ltd (Appointed 14/11/11)							
2013	**227,770**	**31,000**	**-**	**16,472**	**2,838**	**278,080**	**12.2**
2012	151,557	-	-	13,640	-	165,197	-
Total 2013 Company and	**2,218,882**	**235,000**	**45,762**	**139,769**	**218,938**	**2,858,351**	**15.9**
Total 2012 **Consolidated**	1,972,387	258,763	39,868	159,066	454,763	2,884,848	24.7

(1) Includes $86,538 of unused long-service leave entitlements paid in lieu of exercising entitlements, accrued and recognised in prior periods.

Remuneration Report (continued)

There are no post-employment benefits other than superannuation. Executive contracts do not provide for any termination payments, other than the payment of accrued leave entitlements.

All short-term bonuses recognised in the reporting period relate to the individuals performance under the STIP for FY2013.

The amount included in remuneration as share-based payments is not related to or indicative of the benefits (if any) that individual executives may ultimately realise should the equity instruments vest.

Details of share based payment arrangements that were in existence at the reporting date are disclosed below.

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
	$	No.	No.	No.	No.	No.	No.	$	$
31/10/07	8.30								
2013		**24,000**	**-**	**-**	**(24,000)**	**-**	**-**	**199,200**	**262,800**
2012		34,000	-	-	(10,000)	24,000	24,000	83,000	1,996,370
14/11/08	7.25								
2013		**42,451**	**-**	**-**	**(11,329)**	**31,122**	**31,122**	**82,135**	**1,996,370**
2012		147,667	-	-	(105,216)	42,451	42,451	815,988	1,109,540
31/10/09	6.00								
2013		**74,335**	**-**	**-**	**(58,335)**	**16,000**	**-**	**350,010**	**182,515**
2012		165,334	-	-	(90,999)	74,335	-	589,992	1,018,373
31/10/10	8.02								
2013		**145,000**	**-**	**-**	**(10,000)**	**135,000**	**70,667**	**80,200**	**94,700**
2012		180,000	-	(6,000)	(30,000)	145,000	-	288,720	-
02/09/11	8.68								
2013		**206,337**	**-**	**-**	**-**	**206,337**	**68,779**	**-**	**-**
2012		-	**211,867**	**(5,530)**	**-**	**206,337**	**-**	**-**	**-**
20/02/13	10.57								
2013		**-**	**310,000**	**-**	**-**	**310,000**	**-**	**-**	**-**
Total 2013		**492,123**	**310,000**	**-**	**(103,664)**	**698,459**	**170,568**	**711,545**	**2,536,385**
Total 2012		527,001	211,867	(11,530)	(236,215)	492,123	66,451	1,777,700	4,124,283
Weighted average price ($)									
2013		**7.94**	**10.57**	**N/A**	**6.86**	**9.27**	**8.15**		
2012		7.51	6.00	7.15	7.11	7.07	7.64		

For options in existence during the current and prior year, the following information is presented:

Issue Date	Expiry Date	Option life	Volatility	Dividend yield	Risk free interest rate	Fair value at grant date	Exercise price	Share price at grant date	Weighted average share price at exercise date 2013	Weighted average share price at exercise date 2012
		Years	%	%	%	$	$	$	$	$
31/10/07	30/10/12	5	28.01	6.88	7.20	1.64	8.30	10.68	10.95	10.85
14/11/08	13/11/13	5	45.90	10.74	3.97	0.32	7.25	5.25	10.61	10.95
31/10/09	30/10/14	5	50.00	8.54	4.53	2.09	6.00	7.57	12.02	10.84
31/10/10	30/10/15	5	40.00	6.14	4.50	2.43	8.02	10.02	10.03	10.99
02/09/11	01/09/16	5	35.69	6.18	4.50	2.53	8.68	10.66	-	-
20/02/13	19/02/18	5	35.39	7.59	2.85	1.15	10.57	9.66	-	-

Remuneration Report (continued)

Details of shares and options held by Directors, senior executives and key management personnel and movements during the reporting period are disclosed in below.

Shares **Directors**	**Shares at beginning of year No.**	**Options exercised No.**	**Net other change No.**	**Shares at end of year No.**
Michael Hardy				
2013	**-**	**-**	**1,975**	**1,975**
Stephen Gill (Resigned 23/11/12)				
2013	**3,028,823**	**-**	**(3,028,823)**	**-**
2012	3,028,823	-	-	3,028,823
Greg Tate				
2013	**6,526,220**	**41,667**	**1,540**	**6,569,427**
2012	6,798,512	128,334	(400,626) (1)	6,526,220
Executives				
Bradley Denison				
2013	**116,464**	**-**	**(91,000)**	**25,464**
2012	76,130	50,334	(10,000)	116,464
Bradley Van Hemert				
2013	**247,794**	**51,997**	**(124,457)**	**175,334**
2012	224,848	40,881	(17,935)	247,794
Stephen Price				
2013	**16,666**	**-**	**-**	**16,666**
2012	-	16,666	-	16,666
Ben Rosser				
2013	**-**	**10,000**	**-**	**10,000**
2013	**6,907,144**	**103,664**	**(211,942)**	**6,798,866**
2012	10,128,313	236,215	(428,561)	9,935,967

(1) includes 400,000 shares beneficially owned by Stephen Gill which were transferred during the year to a superannuation fund associated with Stephen Gill. The number of shares beneficially held by Greg Tate did not change as a result of this transfer.

Peter Gunzburg, John Bond, Steve Carroll and David Martin did not hold any shares during FY2012 or FY2013.

Remuneration Report (continued)

Options **Directors**	**Options at beginning of year** **No.**	**Granted (forfeited)** **No.**	**Exercised** **No.**	**Options at end of year** **No.**	**Vested during the year** **No.**	**Vested at end of year** **No.**	**Proceeds received on exercise** **$**
Greg Tate							
2013	**41,667**	**-**	**(41,667)**	**-**	**41,667**	**-**	**250,002**
2012	170,001	-	(128,334)	41,667	83,333	-	878,338
Executives							
Steve Carroll							
2013	**33,433**	**25,000**	**-**	**58,433**	**11,144**	**16,144**	**-**
2012	15,000	18,433	-	33,433	5,000	5,000	-
Bradley Denison							
2013	**81,837**	**50,000**	**-**	**131,837**	**42,389**	**42,389**	**-**
2012	93,000	39,171	(50,334)	81,837	40,333	-	365,689
Bradley Van Hemert							
2013	**162,290**	**40,000**	**(51,997)**	**150,293**	**43,057**	**70,845**	**381,343**
2012	164,000	39,171	(40,881)	162,290	46,666	79,784	254,722
Stephen Price							
2013	**108,334**	**110,000**	**-**	**218,334**	**41,667**	**41,667**	**-**
2012	50,000	75,000	(16,666)	108,334	16,666	-	133,661
Ben Rosser							
2013	**64,562**	**60,000**	**(10,000)**	**114,562**	**21,520**	**21,520**	**80,200**
2012	30,000	34,562	-	64,562	-	-	-
David Martin							
2013	**-**	**25,000**	**-**	**25,000**	**-**	**-**	**-**
2013	**492,123**	**310,000**	**(103,664)**	**698,459**	**201,444**	**192,565**	**711,545**
2012	522,001	206,337	(236,215)	492,123	191,998	84,784	1,632,410

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

	Year Options Granted				
	2010 **$**	**2011** **$**	**2012** **$**	**2013** **$**	**Total** **$**
Greg Tate					
2012	33,150	-	-	-	33,150
Stephen Price					
2013	**-**	**15,780**	**46,712**	**12,489**	**74,981**
2012	-	40,084	92,808	-	132,892
Bradley Denison					
2013	**-**	**12,624**	**24,397**	**5,677**	**42,698**
2012	12,730	32,067	48,472	-	93,269
Bradley Van Hemert					
2013	**-**	**12,624**	**24,397**	**4,541**	**41,562**
2012	13,260	32,067	48,472	-	93,799
Ben Rosser					
2013	**-**	**9,468**	**21,526**	**6,812**	**37,806**
2012	-	24,050	42,768	-	66,818
Steve Carroll					
2013	**-**	**4,734**	**11,481**	**2,838**	**19,053**
2012	-	12,025	22,810	-	34,835
David Martin					
2013	-	-	-	**2,838**	**2,838**
Total 2013	**-**	**55,230**	**128,512**	**35,197**	**218,939**
Total 2012	59,140	140,293	232,520	-	454,763

Remuneration Report (continued)

Movements in option entitlements during the year were as follows:

	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 %**
Greg Tate	-	-	41,667	397,920	250,002	-	-	-
Stephen Price	110,000	105,197	-	-	-	41,667	74,981	9.8
Bradley Denison	50,000	47,817	-	-	-	42,389	42,698	10.7
Bradley Van Hemert	40,000	38,253	51,997	565,499	381,343	43,057	41,562	8.5
Ben Rosser	60,000	57,380	10,000	94,700	80,200	21,520	37,806	10.3
Steve Carroll	25,000	23,908	-	-	-	11,144	19,053	6.8
David Martin	25,000	23,908	-	-	-	-	2,838	0.9

The issue date of the options granted to the executives was 20 February 2013. Each option entitles the holder to subscribe for one share upon exercise at an exercise price of $10.57 per share. There have been no alterations to the terms and conditions of this grant since the grant date.

Due to the limited financial products available to facilitate hedging of unvested or vested options 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. No Director is a party to a contract whereby such person would have a right to call for or deliver shares in, or debentures of or interests in a registered scheme made available by the Group.

No options issued during the year vested during the year, no options lapsed during the year and no bonuses or options were forfeited during the year because the person did not meet service or performance criteria.

The terms and conditions of employment of senior executives and key management personnel are governed by individual employment contracts. Employment contracts are not limited in duration and do not contain termination payments. Each employment contract may be terminated by either party upon the giving of 4 weeks' notice. However, the Company may terminate an employment contract at any time and without notice if serious misconduct has occurred.

Non-audit Services

The Directors are satisfied that the provision of non-audit services during the year by the auditor is 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 that they do not impact impartiality and objectivity of the auditor; and
- none of the services undermine the general principle relating to auditor independence as set out in the Corporations Act 2001 or the Code of Conduct APES 110 Code of Ethics for Professional Accountants, as amended, 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.

Company Secretary

Bradley Denison, a Certified Practicing Accountant with 20 years' experience in senior financial roles.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/0100 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.

M Hardy
Chairman

26 September 2013

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

26 September 2013

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Fleetwood Corporation Limited
21 Regal Place
East Perth WA 6004

26 September 2013

Dear Board Members

Fleetwood Corporation Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Fleetwood Corporation Limited.

As lead audit partner for the audit of the financial statements of Fleetwood Corporation Limited for the financial year ended 30 June 2013, 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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Rupp
Partner
Chartered Accountant

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

Report on the Financial Report

We have audited the accompanying financial report of Fleetwood Corporation Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other 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 34 and 47.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply 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. Those 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 company's preparation of the financial report that gives a true and fair view, 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 company'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.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Fleetwood Corporation Limited would be in the same terms if given to the directors as at the time of this auditor's report.

Deloitte.

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 2013 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 40 to 46 of the directors' report for the year ended 30 June 2013. 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.

Opinion

In our opinion the Remuneration Report of Fleetwood Corporation Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Rupp
Partner
Chartered Accountants
Perth, 26 September 2013

ASX Additional Information
as at 25 September 2013

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	5,211,823	8.61%
J P Morgan Nominees Australia Limited	2,711,947	4.48%
HSBC Custody Nominees (Australia) Limited	2,431,478	4.02%
Adventure Holdings Pty Ltd	1,700,388	2.81%
Argo Investments Limited	1,492,485	2.47%
Citicorp Nominees Pty Limited	1,312,621	2.17%
National Nominees Limited	1,289,018	2.13%
JP Morgan Nominees Australia Limited <Cash Income A/C>	795,380	1.31%
Fleetwood Retirement Fund Pty Ltd	754,158	1.25%
Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	357,726	0.59%
Navigator Australia Ltd <MLC Investment Sett A/C>	325,280	0.54%
Mr John Ian Amos + Mrs Cintra Gail Amos <Ningana Super Fund A/C>	309,143	0.51%
Mr Greg Tate	300,000	0.50%
BNP Paribas Noms Pty Ltd <DRP>	279,519	0.46%
BKI Investment Company Limited	240,500	0.40%
Milton Corporation Limited	228,000	0.38%
Karrad Pty Ltd	208,033	0.34%
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	200,837	0.33%
Warbont Nominees Pty Ltd <Accumulation Entrepot A/C>	197,134	0.33%
Mr Stephen Gill + Mrs Suzanne Gill <The Gills Super Fund A/C>	168,220	0.28%
	20,513,690	**33.89%**

Substantial shareholders

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

Name		
Greg Tate	6,569,427	10.85%
J P Morgan Nominees Australia Limited	3,507,429	5.80%
HSBC Custody Nominees (Australia) Limited	2,580,005	4.26%
Stephen Gill	1,868,608	3.09%
Citicorp Nominees Pty Limited	1,520,773	2.51%

Distribution of equity security holders

Category	Number of shareholders
1 -1,000	5,429
1,001 - 5,000	6,464
5,001 - 10,000	1,096
10,001 - 100,000	537
100,001 and over	27
	13,553
Shareholders holding less than a marketable parcel	641

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

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

Fleetwood
CORPORATION

Delivering the Promise

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