

28 November 2014

Company Announcements Office
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth, WA 6000

Dear Sir,

Annual General Meeting - Chairman's Address

In accordance with Listing Rule 3.13.3, please find attached a copy of the Chairman's Address, which is to be presented at the Company's Annual General Meeting commencing at 9:30am, 28 November 2014.

Yours faithfully,



Yanya O'Hara
Company Secretary
Fleetwood Corporation Limited



Delivering the Promise

2014 ANNUAL GENERAL MEETING

WELCOME

Good morning ladies and gentlemen. Welcome to the 28th Annual General Meeting of Fleetwood Corporation Limited. My name is Peter Gunzburg, and I am a Non-Executive Director of Fleetwood.

Unfortunately our Chairman, Michael Hardy cannot be with us due to personal circumstances. However let me introduce the other members of the board present today:

Greg Tate, Non-Executive Director

John Bond, Non-Executive Director

Brad Denison, Managing Director

Also present today is Yanya O'Hara, Company Secretary.

Before we attend to the formal business of the meeting the Chairman usually addresses Shareholders, however in Michael's absence, I would like to invite our Managing Director, Brad Denison to present the address.

LAST YEAR

Thanks Peter. I'd like to begin with an overview of the company's performance last year.

Revenue was up 10% to \$367 million in 2014, however underlying EBIT was down 57% to \$10.6 million. Within these results, a significant increase in demand in the education sector was insufficient to offset poor performance in the resources and recreational vehicles sectors.

Subdued conditions in the recreational vehicles market have resulted in a \$5m impairment charge in respect of the company's caravan manufacturing business. I will return to this later in the presentation and discuss actions being taken to address this.

The group is comprised of five operating companies organised into two divisions, Manufactured Accommodation and Recreational Vehicles.

Manufactured Accommodation

The Manufactured Accommodation division provides accommodation solutions for the resources, education and affordable housing sectors, and has manufacturing operations in Western Australia, Queensland, Victoria and the Northern Territory.

Education sector demand increased markedly in 2014. This was driven in part by government initiatives to move year seven students into high school in Western Australia and Queensland.

Volume from the Victorian transfer program increased during the year. This program involves the relocation, storage and refurbishment of classrooms for the Victorian Department of Education.

Demand for accommodation in Karratha remained moderate resulting in occupancy at Searipple averaging approximately 40% throughout the year.

In April 2014 construction of the Osprey village in Port Hedland was completed. The village has now been commissioned and tenants are gradually moving in.

Although we don't make too much of it publicly, the group is putting significant efforts into sustainability and recently we were awarded the Urban Development Institute award for sustainable waterwise development in conjunction with the Department of Housing for Housing for Osprey village.

Further to this, during the year a water efficiency initiative for Searipple village in Karratha was also realised. With the support of the Water Corporation Fleetwood constructed and commissioned a waste water treatment plant that substantially reduces water usage at the village. The recycled treated water is used to green the village environment.

In June 2014 the company announced the award of a contract to build and rent to Laing O'Rourke a 200 person fly camp and a 350 person construction camp at Combabula in Queensland. The project utilised \$5m of existing company owned buildings and required further capital expenditure of approximately \$12m, which is being funded from existing facilities. The project is presently in the process of being handed over.

Recreational Vehicles

The Recreational Vehicles division is made up of Fleetwood RV, which produces the Coromal and Windsor caravan brands; Camec, which supplies caravan parts and accessories to the recreational vehicles industries of Australia and NZ; and Flexiglass, which supplies fibreglass canopies and aluminum trays for light commercial vehicles.

The recreational vehicles division continued to experience soft trading conditions during the year, reflecting weak consumer sentiment. There has also been a shift towards lower specification budget vehicles which has affected industry revenue and margins.

Despite sales of new light commercial vehicles declining during the year, revenue from canopies and trays increased slightly. Additionally margin was improved as a result of restructuring which has taken place over the last 18 months.

Camec continued to experience competitive pressure during the year and a fall in volumes as a result of weaker production in the recreational vehicles industry.

DIVIDENDS

A fully franked final dividend of 2 cents per share was paid on 30 September 2014, resulting in a total dividend payment of 4 cents per share for the 2014 financial year.

In considering the dividend payment, the directors considered the strong cash generation achieved by the company, with operating cash flows of \$30.9m during the year.

DEBT

Net debt is presently \$70m of which a significant part relates to the Osprey project, which is supported by an earnings agreement with the WA state government.

The company presently has a credit approved proposal from Westpac sufficient to meet its immediate funding needs.

STRATEGIES AND OUTLOOK

I'd now like to turn to the outlook.

Trading conditions have remained difficult in the resources market in the first part of 2015. Additionally, demand for our caravans has continued at a moderate level. As a result, even though demand in the education market, particularly in Victoria is currently very strong, we're expecting overall first half results to be subdued.

Having said that, I think we've got reason to be optimistic about opportunities that lay ahead of us.

As you may know Fleetwood's previous growth phase was the result of a focus on strategic acquisitions, most of which had reached their potential as family businesses, and had opportunities that could only be realised in a corporate structure.

Fleetwood acquired Bocar in August this year for \$4.7m. Bocar imports and distributes aluminium trays for commercial vehicles, predominantly in New South Wales. Since its acquisition Bocar has traded in accordance with the Board's expectations.

The strategic advantage this acquisition provides is the opportunity to bring Bocar's products through Flexiglass' existing network. We can't discuss too much of the detail at this stage, but I can tell you that the Bocar trays are some of the best quality products available and Flexiglass' national distribution network is unique in the tray market.

Aside from the future potential though, as a result of this acquisition and significant business restructuring over the last 18 months, Flexiglass is now once again contributing positively to the group's earnings.

While we believe there is sufficient scale in the caravan manufacturing market for Fleetwood to regain a profitable share, and our brands are well known and respected, a key issue is the reach of our dealer network. In that regard we're actively pursuing opportunities to expand the network, particularly in the Eastern States.

We are also now sourcing the Coromal Navigator campers in China and selling them through our Australian dealer network. The Navigator is an impressive product that comes to market at a very competitive price.

We are also expecting to broaden Asian supply in the Camec business in the next 18 months or so. This will reduce product costs and increase Camec's competitiveness. The recently announced free trade agreement with China will be a further advantage there.

I'd like to discuss the Manufactured Accommodation Division now, and firstly, I'll touch on Searipple Village.

Searipple was a caravan park in a previous life and the land was retained when the Parks division was sold to the Aspen group back in 2004. It is very well located with a residential area to the east and the golf course and town centre to the west.

The village was upgraded two years ago to introduce a significant number of larger, more modern rooms and to improve dining and recreation facilities. It now comprises 1,200 rooms and is still the largest independently owned village in Karratha.

We're currently pursuing opportunities to increase occupancy at Searipple, and while the market is soft in Karratha, we believe the superior location, economies of scale and quality of the offering place us very well competitively.

Education demand continues to be very strong. In particular, the transfer program with the Victorian Education Department is expected to deliver volumes well in excess of that experienced in previous years. We are also pursuing opportunities to broaden our geographic reach in the education market.

Another market that attracts us structurally is affordable housing. We recently opened Osprey Village in Port Hedland. As I mentioned that project is a partnership with the WA state government.

It's early days for Osprey and while we only opened the doors in May this year, of 293 homes there are already 144 tenancies in place.

While we will stay on the lookout for other opportunities like Osprey, there has been significant consolidation of caravan park ownership in the Eastern States in the last two years and we believe a credible opportunity now exists for us to apply our

knowledge and expertise in that market as operators transition parks to affordable housing villages.

Given that the resources sector in Western Australia is still very tough, I think sensibly diversifying the business into emerging markets such as affordable housing will be the key to returning Fleetwood to positive growth.

OUR PEOPLE

Finally, I would like to take this opportunity to thank our Fleetwood people for making the most of what was a challenging year for the group, as well as for initiating and implementing major improvements to Fleetwood's businesses to position them better for the future.