



**Fleetwood Corporation Limited**  
 ABN 69 009 205 261

**Preliminary Final Report**  
 Year ended 30 June 2017

**Results for Announcement to the Market**

|   | <b>Change</b> |       | <b>Amount</b> |         |
|---|---------------|-------|---------------|---------|
|   |               |       | <b>\$'000</b> |         |
| Revenue from ordinary activities                                    | Up            | 16%   | to            | 330,145 |
| Profit from continuing operations after tax attributable to members | Up            | >100% | to            | 9,432   |
| Net profit attributable to members of Fleetwood Corporation Limited | Up            | >100% | to            | 8,995   |

| <b>Dividends</b>          | <b>Amount per security</b> | <b>Franked %</b> |
|---------------------------|----------------------------|------------------|
| Final dividend            | 5 ¢                        | 100%             |
| Interim dividend          | Nil ¢                      | N/A              |
| Total dividend for period | 5 ¢                        |                  |

**Dividend Reinvestment Plan**

The company's dividend reinvestment plan will be available for the final dividend. The plan offers a 2.5% reinvestment discount. The last date for receipt of an election notice for participation in the plan is 6 September 2017.

|  |                 |
|--|-----------------|
| Ex-dividend date   | 4 September 17  |
| Record date for determining entitlements to the final dividend | 5 September 17  |
| Date the final dividend is payable                             | 29 September 17 |

For further information contact:  
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 Chief Financial Officer              Company Secretary  
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## Turnaround Progressing

Fleetwood's turnaround plan, initiated three years ago delivered early results in FY2017 with earnings before interest and tax increasing from a loss of \$2.1m to a profit of \$14.6m.

There were no impairment charges impacting underlying earnings in FY2017.

### Result summary

| \$ million                    | 2017         | 2016          | Change      |
|-------------------------------|--------------|---------------|-------------|
| <b>Revenue</b>                | <b>330.1</b> | <b>284.5</b>  | <b>16%</b>  |
| <b>Underlying EBITDA</b>      | <b>21.9</b>  | <b>7.2</b>    | <b>204%</b> |
| Depreciation and Amortisation | 7.3          | 9.3           | (22)%       |
| <b>Underlying EBIT</b>        | <b>14.6</b>  | <b>(2.1)</b>  | <b>n/a</b>  |
| Finance costs                 | 0.9          | 1.0           | (5)%        |
| Pre-tax profit                | 13.7         | (3.0)         | n/a         |
| Tax expense (benefit)         | 4.3          | (0.4)         | n/a         |
| <b>Underlying NPAT</b>        | <b>9.4</b>   | <b>(2.6)</b>  | <b>n/a</b>  |
|                               |              |               |             |
| Adjusting Items pre-tax       | 0.0          | (10.3)        | n/a         |
| Tax on adjusting items        | 0.0          | 1.9           | n/a         |
| <b>Net adjusting Items</b>    | <b>0.0</b>   | <b>(8.4)</b>  | <b>n/a</b>  |
|                               |              |               |             |
| <b>Statutory NPAT</b>         | <b>9.4</b>   | <b>(11.0)</b> | <b>n/a</b>  |

Notes: 1. Excludes the discontinued resource sector rental business. 2. 2016 revenue, EBITDA, EBIT and finance costs have been adjusted by \$2.8m reflecting a change in accounting treatment relating to village operations.

The divisional breakdown shown below demonstrates that strong earnings in Modular Accommodation and Village Operations were offset to a degree by continued underperformance in Recreational Vehicle Manufacturing.

All divisions saw an improved EBIT contribution during the year.

| <b>\$ million</b>            | <b>2017</b>  | <b>2016</b>  | <b>Change</b> |
|------------------------------|--------------|--------------|---------------|
| <b>Revenue</b>               |              |              |               |
| Recreational Vehicles        | 47.4         | 29.8         | 59%           |
| Parts and Accessories        | 87.6         | 86.6         | 1%            |
| Modular Accommodation        | 175.8        | 142.5        | 23%           |
| Village Operations           | 26.3         | 30.2         | -13%          |
| Unallocated                  | 0.3          | 0.1          | n/a           |
| Intersegment eliminations    | (7.3)        | (4.7)        | 56%           |
| <b>Total revenue</b>         | <b>330.1</b> | <b>284.5</b> | <b>16%</b>    |
|                              |              |              |               |
| <b>Underlying EBIT</b>       |              |              |               |
| Recreational Vehicles        | (6.7)        | (8.1)        | 17%           |
| Parts and Accessories        | 1.3          | 0.9          | 46%           |
| Modular Accommodation        | 15.2         | 3.6          | 325%          |
| Village Operations           | 6.9          | 5.2          | 34%           |
| Unallocated                  | (2.1)        | (3.6)        | 43%           |
| <b>Total underlying EBIT</b> | <b>14.6</b>  | <b>(2.1)</b> | <b>n/a</b>    |

Notes: 1. Excludes the discontinued resource sector rental business. 2. 2016 revenue and EBIT have been adjusted by \$2.8m reflecting a change in accounting treatment relating to village operations.

Strong operating cash flows during the period were the result of strengthening demand for FIFO accommodation in Karratha, strong volume from affordable housing, continued growth in education markets and sound working capital management.

Despite a large volume of work remaining in progress at 30 June, the company has moved from net debt of \$9.6m at 31 December 2016 to a net cash position at 30 June.

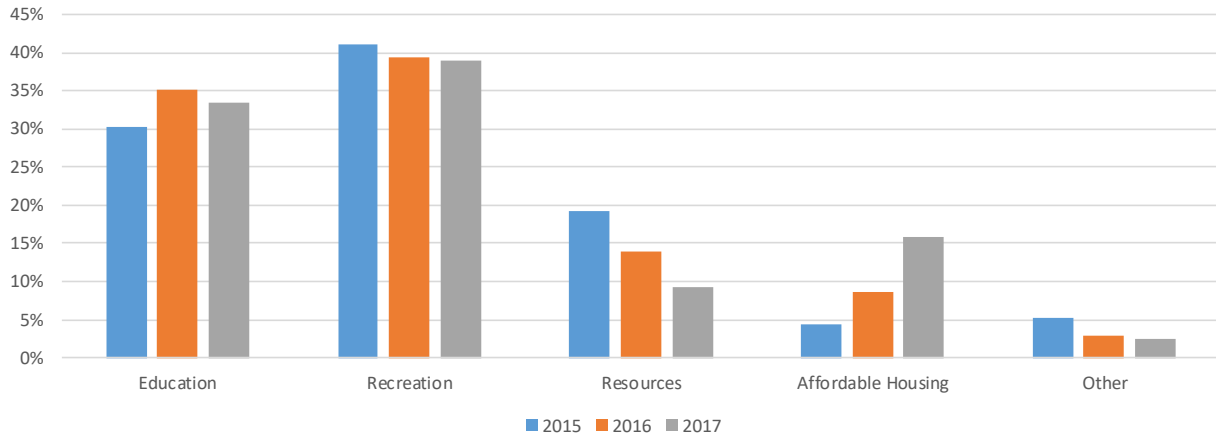
While the turnaround remains in progress the directors have resolved to pay a fully franked final dividend of 5 cents per share.

Significant changes have been made to Fleetwood’s board, senior management team and business operations in the last two years. The operational changes have seen the company become net debt free, re-focus on growth markets and significantly reduce operating costs.

Both the board and management team remain focussed on continuing to deliver the turnaround plan in FY2018.

### Growth Markets

As can be seen in the charts below revenue has moved away from resources and has been replaced by affordable housing, an important growth sector.



### Modular Accommodation

Revenue improved by 23% in the Modular Accommodation segment compared to the previous corresponding period. While education has been a strong contributor to this, supply agreements with key customers have been an important part of the company’s refocus towards affordable housing, which is a market with a solid forward outlook.

The outlook for education spending in core east coast education markets remains strong as evidenced by recent state government budget spending plans.

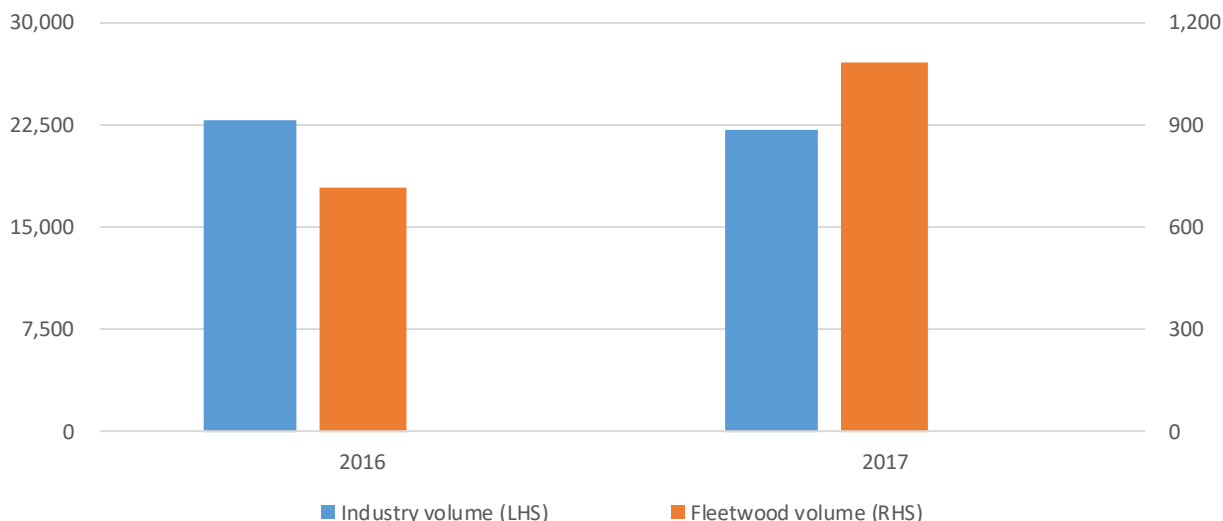
While education and affordable housing are the backbone of the Modular Accommodation segment, a watching brief is also being kept on other markets.

A major restructure of the Western Australian accommodation business was undertaken in the 2016 financial year. The restructure has substantially reduced overheads in WA which has been a major contributor to the increase in earnings.

Encouragingly, the company experienced an improvement in enquiries from the resource sector towards the end of the financial year.

### Recreational Vehicles

The chart below highlights that the Recreational Vehicle business has been able to grow its volume by over 50% into a soft market environment in 2017.



Improvements to the company’s product range and dealer network in the last eighteen months have resulted in a marked increase in order intake and factory output. This is evident in the revenue increase of 59% over the previous corresponding period.

However, to facilitate such a rapid increase in output, the number of factory employees has more than doubled in the last two years and time required to train new employees has resulted in lower than ideal labour efficiency.

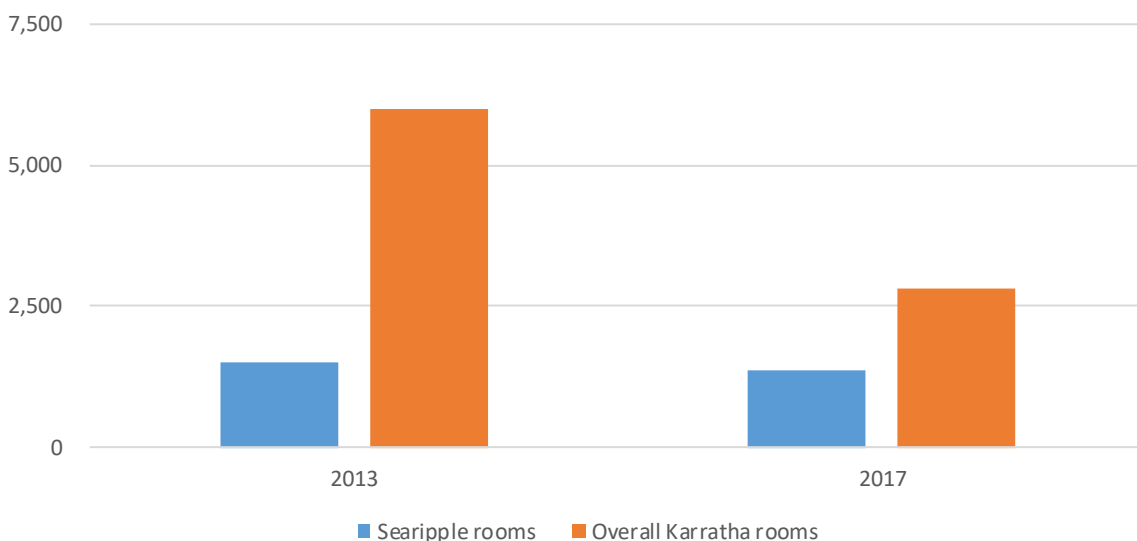
Despite improvements in the business and strong results at the Perth and Sydney caravan shows, results from other capital city shows have been weaker than previous years. This is in line with a generally weakening trend seen in the Australian caravan manufacturing sector towards the end of the financial year.

Given this and notwithstanding that the company is targeting market share growth in the coming year, it is not expected that the business will return to profitability in FY2018.

The board has confidence in the direction the business is taking given the number of improvement initiatives currently underway, and Recreational Vehicle manufacturing is considered a key component of Fleetwood's long term future.

### Village Operations

The chart below demonstrates the estimated change in supply of accommodation rooms in the Karratha market since 2013.



Revenue continued to moderate in the Village Operations segment in 2017 despite some improvement in both occupancy and revenue at the Searipple Village in the second half of the year. This was the result of fluctuating demand from customers.

EBIT improved due to a combination of lower costs negotiated with suppliers and lower depreciation and amortisation charges.

While the downturn in the mining sector has generally seen demand for worker accommodation reduce, the income streams from Searipple and Osprey are underpinned by blue chip customers and provide strong cash flows for the company.

### **Parts and Accessories**

Fleetwood's parts and accessories segment is comprised of Camec which is a major supplier of components to the RV manufacturing industry and Flexiglass which supplies fibreglass canopies and aluminium trays for utility vehicles.

Despite significant pressure from overseas competitors and the caravan market weakness towards year end noted above, a modest revenue improvement of 1% was generated in 2017. Both businesses remain leaders in their respective markets.

While operating costs and capital employed in this segment remain the subject of close management, there is an opportunity to improve market share through the development of innovative products and strong customer relationships. A number of new products are planned for release during the 2018 financial year.

### **Discontinued Operation**

The company's discontinued mining rental business generated \$6.5m in revenue from residual contracts during the period and delivered a result marginally below break-even.

The remaining stock has been reclassified as a current asset held for sale.

### **Dividends**

Given the improved results and outlook, the directors have declared a fully franked 5 cent per share final dividend. This represents 53% of second half 2017 earnings. The dividend reinvestment plan will apply to this dividend. The plan offers a 2.5% reinvestment discount.

**Fleetwood Corporation Limited**  
**Consolidated Statement of Profit or Loss**  
**and Other Comprehensive Income**  
**Year ended 30 June 2017**



|  | Note | 2017<br>\$ '000 | 2016<br>\$ '000 |
|--|------|-----------------|-----------------|
| Revenue  | 2    | 330,145         | 284,492         |
| Materials used   |      | (138,384)       | (110,382)       |
| Sub-contract costs   |      | (78,262)        | (75,311)        |
| Employee benefits expense  |      | (58,067)        | (56,092)        |
| Operating leases   |      | (8,709)         | (10,059)        |
| Other expenses   |      | (24,856)        | (25,444)        |
| <b>Profit before interest, tax, depreciation, amortisation and impairment (EBITDA before impairment)</b> |      | <b>21,867</b>   | <b>7,204</b>    |
| Depreciation and amortisation expense  | 3    | (7,256)         | (9,305)         |
| <b>Profit (loss) before interest, tax and Impairment (EBIT before impairment)</b>                        |      | <b>14,611</b>   | <b>(2,101)</b>  |
| Impairment of non-current assets   | 13   | -               | (10,312)        |
| <b>Profit (loss) before interest and tax (EBIT)</b>  |      | <b>14,611</b>   | <b>(12,413)</b> |
| Finance costs  | 3    | (921)           | (968)           |
| <b>Profit (Loss) before income tax expense</b>   |      | <b>13,690</b>   | <b>(13,381)</b> |
| Income tax (expense) benefit   |      | (4,258)         | 2,362           |
| <b>Profit (Loss) from continuing operations</b>  |      | <b>9,432</b>    | <b>(11,019)</b> |
| (Loss) from discontinued operation   | 16   | (437)           | (16,985)        |
| <b>Profit (Loss) attributable to members of the parent entity</b>  |      | <b>8,995</b>    | <b>(28,004)</b> |
| <b>Other comprehensive income</b>  |      |                 |                 |
| Items that may subsequently be reclassified to profit or loss  |      |                 |                 |
| Net exchange difference relating to foreign controlled entities  |      | 301             | 13              |
| <b>Total comprehensive income (loss) attributable to members of the parent entity (net of tax)</b>       |      | <b>9,296</b>    | <b>(27,991)</b> |
| <b>Earnings (loss) per share</b>   |      |                 |                 |
|  | 11   |                 |                 |
| From continuing and discontinued operations  |      |                 |                 |
| Basic (cents per share)  |      | 14.7            | (45.9)          |
| Diluted (cents per share)  |      | 14.7            | (45.8)          |
| From continuing operations   |      |                 |                 |
| Basic (cents per share)  |      | 15.5            | (18.1)          |
| Diluted (cents per share)  |      | 15.4            | (18.0)          |
| From continuing operations before impairment   |      |                 |                 |
| Basic (cents per share)  |      | 15.5            | (3.0)           |
| Diluted (cents per share)  |      | 15.4            | (3.0)           |



**Fleetwood Corporation Limited**  
**Consolidated Statement of Financial Position**  
**Year ended 30 June 2017**



|                                      | Note | 2017<br>\$ '000 | 2016<br>\$ '000 |
|--------------------------------------|------|-----------------|-----------------|
| <b>Current assets</b>                |      |                 |                 |
| Cash and cash equivalents            |      | 5,383           | 6,116           |
| Trade and other receivables          | 7    | 64,953          | 40,628          |
| Inventories                          |      | 63,211          | 49,291          |
| Assets held for sale                 |      | 20,220          | 25,839          |
| <b>Total current assets</b>          |      | <b>153,767</b>  | <b>121,874</b>  |
| <b>Non-current assets</b>            |      |                 |                 |
| Trade and other receivables          | 7    | 1,369           | 427             |
| Property, plant and equipment        |      | 46,848          | 45,836          |
| Intangible assets                    |      | 91              | 1,120           |
| Goodwill                             | 8    | 55,230          | 55,230          |
| Deferred tax assets                  |      | 10,167          | 14,121          |
| <b>Total non-current assets</b>      |      | <b>113,705</b>  | <b>116,734</b>  |
| <b>Total assets</b>                  |      | <b>267,472</b>  | <b>238,608</b>  |
| <b>Current liabilities</b>           |      |                 |                 |
| Trade and other payables             |      | 58,831          | 42,247          |
| Interest bearing liabilities         | 9    | 5,000           | 3,000           |
| Provisions                           |      | 5,812           | 5,556           |
| Other financial liabilities          |      | 363             | 301             |
| <b>Total current liabilities</b>     |      | <b>70,006</b>   | <b>51,104</b>   |
| <b>Non-current liabilities</b>       |      |                 |                 |
| Provisions                           |      | 1,551           | 1,177           |
| <b>Total non-current liabilities</b> |      | <b>1,551</b>    | <b>1,177</b>    |
| <b>Total liabilities</b>             |      | <b>71,557</b>   | <b>52,281</b>   |
| <b>Net assets</b>                    |      | <b>195,915</b>  | <b>186,327</b>  |
| <b>Equity</b>                        |      |                 |                 |
| Issued capital                       |      | 195,371         | 195,079         |
| Reserves                             |      | 57              | (244)           |
| Retained earnings (losses)           | 5    | 487             | (8,508)         |
| <b>Total equity</b>                  |      | <b>195,915</b>  | <b>186,327</b>  |

**Fleetwood Corporation Limited**  
**Consolidated Statement of Changes in Equity**  
**Year ended 30 June 2017**



|   | Issued capital<br>\$ '000 | Foreign<br>currency<br>translation<br>reserve<br>\$ '000 | Retained<br>earnings<br>\$ '000 | Total<br>\$ '000 |
|---|---------------------------|--|---------------------------------|------------------|
| <b>2016 Financial Year</b>  |                           |  |                                 |                  |
| Balance at 1 July 2015  | 194,762                   | (257)  | 19,496                          | 214,001          |
| Loss for the year   | -                         | -  | (28,004)                        | (28,004)         |
| Exchange differences arising on translation of foreign operations | -                         | 13   | -                               | 13               |
| Total comprehensive income (loss) for the year                    | -                         | 13   | (28,004)                        | (27,991)         |
| Share-based payments  | 317                       | -  | -                               | 317              |
| Balance at 30 June 2016   | 195,079                   | (244)  | (8,508)                         | 186,327          |
| <b>2017 Financial Year</b>  |                           |  |                                 |                  |
| Profit for the year   | -                         | -  | 8,995                           | 8,995            |
| Exchange differences arising on translation of foreign operations | -                         | 301  | -                               | 301              |
| Total comprehensive income for the year                           | -                         | 301  | 8,995                           | 9,296            |
| Share-based payments  | 292                       | -  | -                               | 292              |
| <b>Balance at 30 June 2017</b>                                    | <b>195,371</b>            | <b>57</b>  | <b>487</b>                      | <b>195,915</b>   |

**Fleetwood Corporation Limited**  
**Consolidated Statement of Cash Flows**  
**Year ended 30 June 2017**



|  | Note | 2017<br>\$ '000 | 2016<br>\$ '000 |
|--|------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>  |      |                 |                 |
| Receipts in the course of operations   |      | 345,102         | 381,985         |
| Payments in the course of operations   |      | (338,240)       | (313,528)       |
| Interest received  |      | 54              | 290             |
| Income taxes paid  |      | (116)           | (617)           |
| Finance costs paid   |      | (921)           | (1,153)         |
| <b>Net cash provided by operating activities</b>                                   | 6    | <b>5,879</b>    | <b>66,977</b>   |
| <b>Cash flows from investing activities</b>  |      |                 |                 |
| Acquisition of property, plant and equipment                                       |      | (8,719)         | (7,972)         |
| Proceeds from sale of non-current assets   |      | 117             | 436             |
| Payment for acquisition of business  |      | -               | -               |
| Payment for intangible assets  |      | (10)            | (484)           |
| <b>Net cash used in investing activities</b>                                       |      | <b>(8,612)</b>  | <b>(8,020)</b>  |
| <b>Cash flows from financing activities</b>  |      |                 |                 |
| Proceeds from borrowings   |      | 70,300          | 85,000          |
| Repayment of borrowings  |      | (68,300)        | (144,500)       |
| <b>Net cash used in financing activities</b>                                       |      | <b>2,000</b>    | <b>(59,500)</b> |
| <b>Net (decrease) increase in cash and cash equivalents held</b>                   |      | <b>(733)</b>    | <b>(543)</b>    |
| <b>Cash and cash equivalents at the beginning of the financial year</b>            |      | <b>6,116</b>    | <b>6,634</b>    |
| Effects of exchange rate changes on the balance of cash held in foreign currencies |      | -               | 25              |
| <b>Cash and cash equivalents at the end of the financial year</b>                  |      | <b>5,383</b>    | <b>6,116</b>    |

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year ended 30 June 2017**



**1. Significant accounting policies**

**Basis of preparation**

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

|                                    | <b>2017</b>    | 2016    |
|------------------------------------|----------------|---------|
|                                    | <b>\$ '000</b> | \$ '000 |
| <b>2. Revenue</b>                  |                |         |
| <b>Sales revenue</b>               |                |         |
| Goods                              | 159,428        | 141,493 |
| Construction                       | 138,073        | 109,300 |
| Rental                             | 32,643         | 33,504  |
|                                    | <b>330,144</b> | 284,297 |
| <b>Other income</b>                |                |         |
| Interest                           | 53             | 290     |
| Loss on sale of non-current assets | (52)           | (95)    |
|                                    | <b>1</b>       | 195     |
|                                    | <b>330,145</b> | 284,492 |

**3. Profit from ordinary activities before income tax expense**

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

|                                     |              |         |
|-------------------------------------|--------------|---------|
| Cost of sales                       | 260,666      | 226,240 |
| Depreciation and amortisation of:   |              |         |
| buildings                           | 34           | 34      |
| leasehold improvements              | 748          | 1,921   |
| plant and equipment                 | 5,761        | 6,602   |
| product development                 | 713          | 748     |
|                                     | <b>7,256</b> | 9,305   |
| Finance costs:                      |              |         |
| Bank loans and overdraft            | 921          | 968     |
| Net bad and doubtful debts          | 869          | 1,192   |
| Research and development costs      | 255          | 310     |
| Equity settled share-based payments | 292          | 317     |

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year ended 30 June 2017**



|  | 2017    | 2016    |
|--|---------|---------|
|  | \$ '000 | \$ '000 |

**4. Commentary on the results**

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

**5. Retained earnings**

|  |            |                |
|--|------------|----------------|
| Retained (losses) earnings at the beginning of the year    | (8,508)    | 19,496         |
| Profit (Loss) attributable to members of the parent entity | 8,995      | (28,004)       |
| Retained earnings (losses) at the end of the year          | <b>487</b> | <b>(8,508)</b> |

**6. Notes to the cash flow statement**

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

|   |              |               |
|---|--------------|---------------|
| Operating profit (loss) after income tax                | 8,995        | (28,004)      |
| Less items classified as investing activities:          |              |               |
| Loss on sale of non-current assets                      | 52           | 95            |
| Add non-cash items:                                     |              |               |
| Equity settled share-based payments                     | 292          | 317           |
| Depreciation and amortisation - continuing operations   | 7,256        | 9,305         |
| Depreciation and amortisation - discontinued operations | 442          | 9,795         |
| Written down value of rental fleet sold                 | 6,799        | 5,813         |
| Impairment of non-current assets                        | -            | 29,991        |
| Changes in assets and liabilities during the year:      |              |               |
| (Increase) in inventories                               | (13,920)     | (4,046)       |
| (Increase) Decrease in trade and other receivables      | (25,267)     | 55,142        |
| (Increase) in other financial assets                    | -            | (206)         |
| Increase (Decrease) in trade and other payables         | 16,584       | (1,425)       |
| Increase in provisions                                  | 630          | 157           |
| Decrease (increase) in deferred taxes receivable        | 3,954        | (10,258)      |
| Increase in other financial liabilities                 | 62           | 301           |
| Net cash provided by operating activities               | <b>5,879</b> | <b>66,977</b> |

**Non-cash financing and investing activities**

There were no dividends paid during the year.

**7. Trade and other receivables**

**Current**

|                   |               |               |
|-------------------|---------------|---------------|
| Trade receivables | 53,536        | 29,205        |
| Other             | 11,417        | 11,423        |
|                   | <b>64,953</b> | <b>40,628</b> |

**Non-current**

|       |              |            |
|-------|--------------|------------|
| Other | 1,369        | 427        |
|       | <b>1,369</b> | <b>427</b> |

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year ended 30 June 2017**



|  | 2017<br>\$ '000 | 2016<br>\$ '000 |
|--|-----------------|-----------------|
| <b>8. Goodwill</b>                                 |                 |                 |
| Goodwill   | 55,230          | 55,230          |
| Reconciliation of the carrying amount of Goodwill: |                 |                 |
| Carrying amount at beginning of year               | 55,230          | 61,761          |
| Impairment loss on goodwill                        | -               | (6,529)         |
| Effect of foreign exchange differences             | -               | (2)             |
|  | <b>55,230</b>   | <b>55,230</b>   |

**9. Financing arrangements**

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

Total facilities available:

|                       |               |        |
|-----------------------|---------------|--------|
| Multi Option Facility | <b>20,000</b> | 25,000 |
|-----------------------|---------------|--------|

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

Facilities utilised:

|                 |              |       |
|-----------------|--------------|-------|
| Bank loans      | 5,000        | 3,000 |
| Bank guarantees | 1,842        | 1,438 |
|                 | <b>6,842</b> | 4,438 |

Facilities not utilised

|                         |               |        |
|-------------------------|---------------|--------|
| Bank loans              | 13,000        | 17,000 |
| Bank overdraft          | -             | 1,500  |
| Bank guarantees         | 158           | 2,062  |
| Facilities not utilised | <b>13,158</b> | 20,562 |

**10. Dividends**

**Unrecognised**

|  |              |   |
|--|--------------|---|
| Final 2017 - 5 cents per share fully franked | 3,052        | - |
|  | <b>3,052</b> | - |

A fully franked dividend of 5c per share has been declared, the ex-dividend date for the final dividend is 4 September 2017, the record date for determining entitlements to the final dividend is 5 September 2017 and payment for the final dividend is 29 September 2017.

The company's dividend reinvestment plan will be available for the final dividend. The plan offers a 2.5% reinvestment discount. The last date for receipt of an election notice for participation in the plan is 6 September 2017.

The final dividend in respect of ordinary shares for the year ended 30 June 2017 has not been recognised in the financial statements because the dividend was not declared, determined or publicly recommended at 30 June 2017.

**11. Earnings per share**

|   |              |          |
|---|--------------|----------|
| Profit (loss) from continuing and discontinued operations | 8,995        | (28,004) |
| Adjustment to exclude loss from discontinued operations   | 437          | 16,985   |
| Profit (loss) from continuing operations                  | <b>9,432</b> | (11,019) |

**Weighted average  
number of shares used**

|   |                   |            |
|---|-------------------|------------|
| Basic   | 61,039,412        | 61,039,412 |
| Number of shares deemed to be issued for no consideration in respect of employee options and rights | 104,810           | 131,220    |
| Diluted   | <b>61,144,222</b> | 61,170,632 |

**Fleetwood Corporation Limited**  
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**12. Net tangible assets per security**

|                                  | 2017          | 2016          |
|----------------------------------|---------------|---------------|
| Net tangible assets per security | <b>\$2.30</b> | <b>\$2.13</b> |

**13. Segment information**

Group operating segments are 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**

|                       |   |
|-----------------------|---|
| RV                    | Manufacture of caravans   |
| Parts and Accessories | Manufacture and distribution of RV and commercial vehicle parts and accessories |
| Modular Accommodation | Design, manufacture and sale of accommodation                                   |
| Village Operations    | Operation of accommodation villages   |
| Unallocated           | Group corporate function  |

Group revenue and results by reportable operating segment:

|   | Revenue         |                 | Depreciation and Amortisation |                 | Result (EBIT)   |                 |
|---|-----------------|-----------------|-------------------------------|-----------------|-----------------|-----------------|
|   | 2017<br>\$ '000 | 2016<br>\$ '000 | 2017<br>\$ '000               | 2016<br>\$ '000 | 2017<br>\$ '000 | 2016<br>\$ '000 |
| RV  | 47,353          | 29,752          | 632                           | 627             | (6,721)         | (8,096)         |
| Parts and Accessories   | 87,616          | 86,570          | 1,857                         | 1,876           | 1,255           | 858             |
| Modular Accommodation   | 175,827         | 142,533         | 2,323                         | 2,298           | 15,211          | 3,583           |
| Village Operations  | 26,303          | 30,246          | 2,232                         | 4,282           | 6,944           | 5,183           |
| Unallocated   | 349             | 80              | 212                           | 222             | (2,078)         | (3,629)         |
| Intersegment eliminations   | (7,303)         | (4,689)         | -                             | -               | -               | -               |
|   | <b>330,145</b>  | <b>284,492</b>  | <b>7,256</b>                  | <b>9,305</b>    | <b>14,611</b>   | <b>(2,101)</b>  |
| Finance costs   |                 |                 |                               |                 | (921)           | (968)           |
| Asset Impairment  |                 |                 |                               |                 | -               | (10,312)        |
| <b>Profit (loss) before income tax expense</b>                    |                 |                 |                               |                 | <b>13,690</b>   | <b>(13,381)</b> |
| Income tax (expense) benefit                                      |                 |                 |                               |                 | (4,258)         | 2,362           |
| <b>Profit (loss) from continuing operations</b>                   |                 |                 |                               |                 | <b>9,432</b>    | <b>(11,019)</b> |
| Loss from discontinued operations                                 |                 |                 |                               |                 | (437)           | (16,985)        |
| <b>Profit (loss) attributable to members of the parent entity</b> |                 |                 |                               |                 | <b>8,995</b>    | <b>(28,004)</b> |

Segment result represents the earnings before interest and tax of each segment without the allocation of corporate and other overheads. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

2016 included asset impairment for the Parts and Accessories operating segment of \$6.5m of goodwill as disclosed at note 8, and \$3.8m of other intangible assets. There were no asset impairments recorded in 2017.

Group assets and liabilities by reportable operating segment:

|                       | Assets          |                 | Acquisitions of Non-Current Assets |                 | Liabilities     |                 |
|-----------------------|-----------------|-----------------|------------------------------------|-----------------|-----------------|-----------------|
|                       | 2017<br>\$ '000 | 2016<br>\$ '000 | 2017<br>\$ '000                    | 2016<br>\$ '000 | 2017<br>\$ '000 | 2016<br>\$ '000 |
| RV                    | 23,603          | 15,959          | 1,155                              | 847             | 6,840           | 6,280           |
| Parts and Accessories | 56,367          | 54,838          | 1,510                              | 1,114           | 13,413          | 13,343          |
| Modular Accommodation | 126,930         | 97,148          | 5,537                              | 3,789           | 41,921          | 25,428          |
| Village Operations    | 24,474          | 27,786          | 326                                | 172             | 2,782           | 2,442           |
| Unallocated           | 36,098          | 42,877          | 191                                | 2,659           | 6,601           | 4,788           |
|                       | <b>267,472</b>  | <b>238,608</b>  | <b>8,719</b>                       | <b>8,581</b>    | <b>71,557</b>   | <b>52,281</b>   |

**14. Information on audit**

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

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Year ended 30 June 2017**



**15. Comparatives**

Comparative information shown is for the year ended 30 June 2016. Comparative figures, where required, have been adjusted to conform to changes in presentation for the current year.

**16. Discontinued Operation**

On 1 March 2016 the company ceased resource sector rental operations due to the downturn in the mining industry and the resulting reduction in demand for construction workforce accommodation.

|  | <b>2017</b>    | 2016     |
|--|----------------|----------|
|  | <b>\$ '000</b> | \$ '000  |
| Revenue  | <b>6,479</b>   | 12,524   |
| Impairment   | -              | (19,680) |
| Expenses   | <b>(7,103)</b> | (17,108) |
| <b>Loss from discontinued operation before tax</b>             | <b>(624)</b>   | (24,264) |
| Attributable income tax benefit                                | <b>187</b>     | 7,279    |
| <b>Loss from discontinued operation after tax</b>              | <b>(437)</b>   | (16,985) |
| <b>Loss attributable to members of the consolidated entity</b> |                |          |
| Profit (loss) from continuing operations                       | <b>9,432</b>   | (11,019) |
| Loss from discontinued operations                              | <b>(437)</b>   | (16,985) |
|  | <b>8,995</b>   | (28,004) |
| Cash flows from discontinued operation                         |                |          |
| Net cash inflows from operating activities                     | <b>5,384</b>   | 9,729    |
| Net cash outflows from investing activities                    | -              | (2,596)  |
| Net cash provided by discontinued operation                    | <b>5,384</b>   | 7,133    |

**17. Events after the reporting date**

There were no material events subsequent to the reporting period.