



*Delivering the Promise*

# **Interim Financial Report**

## **Half Year Ended 31 December 2013**





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**Fleetwood Corporation Limited**

ABN 69 009 205 261

**Appendix 4D  
Half Year Ended 31 December 2013**

**Results for Announcement to the Market**

	Change %		Amount \$'000
Revenue from ordinary activities	up 28%	to	190,331
Profit from continuing operations after tax attributable to members	down 53%	to	4,196
Net Profit attributable to members (including loss from discontinued operation)	down 18%	to	4,196

<b>Dividends</b>	Amount per security	Franked % per security
Interim dividend	2 ¢	100%
Previous corresponding period	30 ¢	100%
Record date for determining entitlements to the interim dividend	3 March 2014	
Date the interim dividend is payable	31 March 2014	

The interim report that accompanies this Appendix 4D has been reviewed by the Company's auditors.

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**For enquiries please contact:**

Brad Denison  
Chief Financial Officer  
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## Directors' Report

The Directors present their report together with consolidated financial statements for the half year ended 31 December 2013.

### Directors and Executive Officers

The Directors of the company during and since the half year are:

Michael Hardy	Chairman, Non-executive
Greg Tate	Non-executive
John Bond	Non-executive
Peter Gunzburg	Non-executive

The Executive Officers of the company are:

Stephen Price	Chief Executive Officer
Brad Denison	Chief Financial Officer

## Review of Trading Results

### Financial Overview

Overall conditions in the group's key markets continued to be weak for most of the first half. However, revenue for the group was significantly higher than the previous corresponding period driven in part by the introduction of new products and new services for the recreational vehicles and education sectors, but overall margins for the group were lower reflecting the tough trading conditions.

- Revenue up 28% to \$190.3m
- EBIT down 47% to \$7.0m

### Accommodation

\$ million	Dec 2013	Dec 2012
Revenue	121.2	94.4
EBIT	9.7	14.9

Revenue from the education sector increased markedly during the first half. In Queensland, additional revenue was derived from the program to transition year seven students to high schools, and also from the expansion of the scope of works for new classrooms to include more installation activity. In Victoria, additional revenue was derived from new projects secured with private schools, and also from the Transfer Program, which has been larger this year than in previous years. The Transfer Program involves the transfer, storage, refurbishment and commissioning by Fleetwood of the Victorian Department of Education's relocatable classrooms. In WA, Fleetwood won two sizeable classroom build contracts with the Department of Education, and a contract to supply and install the 200 person Abydos village for Atlas Iron.

Following a significant softening of demand expectations, Fleetwood decided not to build a transient workers accommodation village at Gladstone in Queensland. As a result, the company expensed \$1.5 million of pre-commitment and development costs in the first half. However, in August Fleetwood established Dingo Village at a location approximately 250kms inland of Gladstone. Dingo Village can accommodate 150 workers and is underpinned by a two year build, own, operate agreement with Aurizon.

Occupancy at Searipple Village in Karratha averaged around 50% in the first half. In September Fleetwood won the contract to supply accommodation services at Searipple for the main mechanical and electrical works on the TAN Burrup Project.

Osprey Village in South Hedland has been completed on budget and on schedule, with some minor works required as a result of Cyclone Christine early in the new year. The village comprises of 293 transportable homes made available to accommodate key workers in the region. Subject to finalisation of commercial terms, Fleetwood will operate the village for 15 years under an agreement with the WA Department of Housing.

### Recreational Vehicles

\$ million	Dec 2013	Dec 2012
Revenue	69.0	53.8
EBIT	(1.0)	0.1*

\* Excludes \$5.4m loss from discontinued operation.

The recreational and commercial vehicles markets continued to be weak for most of the first half. However, the division is benefitting from the restructuring actions that were undertaken in the 2013 financial year. Revenue was significantly higher than the previous corresponding period, with additional capacity and flexibility provided by sourcing more products from Asia.

The results for the first half were negatively affected by some one-off restructuring costs for Camec's NSW operation, by labour inefficiencies at Fleetwood RV (which operates the Coromal and Windsor caravan brands) associated with ramping up production, and also by the weaker Australian dollar.

The revenue increase at Fleetwood RV was driven by a 56% increase in the number of caravans and campers produced compared to the previous six month period, whereas the revenue increases at Camec and Flexiglass were driven by new products sourced mainly from Asia.

## **Outlook**

Overall trading conditions in key markets continue to be relatively weak. However, conditions in the recreational vehicles and education sectors are showing signs of improvement.

Improved consumer sentiment has increased demand for recreational vehicles resulting in a positive trend in new builds since September 2013. Fleetwood expects its caravan production to continue to improve, and include a shift in the production mix to higher specification caravans.

Tendering activity for new classrooms indicates the education sector is returning to normal levels following the lull that occurred after the Government's Building the Education Revolution program.

Tendering activity in the resources sector is solid. However, contract awards can be patchy caused by project cancellations and delays, and by clients redefining their requirements.

Fleetwood is targeting affordable housing opportunities, which is a large and diverse sector that continues to grow as a result of demographic changes.

Demand for workforce accommodation in the Karratha region remains subdued, and therefore average occupancy at Searipple Village may be lower in the second half of the year.

As planned, Osprey Village will be fully operational from the start of March.

The Accommodation division provides accommodation solutions for the resources, education and affordable housing sectors. To reinforce and promote its national presence, from March the division will operate nationally using the Fleetwood brand.

## **Dividends**

A fully franked interim dividend of 2 cents per share will be paid 31 March 2014.

The company's dividend re-investment plan will be available for the interim dividend at a re-investment discount of 2.5%.

**Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditor, Deloitte Touche Tohmatsu to provide the Directors of Fleetwood Corporation Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration forms part of this Directors' Report, and is included on page 16.

**Rounding**

The company is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



**Michael Hardy**  
**Chairman**

Perth, 19 February 2014

**Fleetwood Corporation Limited**  
**Condensed Consolidated Statement of Profit or Loss and Other**  
**Comprehensive Income**  
**Half Year Ended 31 December 2013**



	Note	Consolidated Half Year Ended	
		31 Dec 2013 \$ '000	31 Dec 2012 \$ '000
Revenue		190,331	148,604
Materials used		(66,387)	(45,974)
Sub-contract costs		(53,217)	(33,512)
Employee costs		(34,888)	(32,922)
Rent expense		(5,540)	(5,257)
Other expenses		(14,495)	(9,744)
<b>Profit before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>15,804</b>	<b>21,195</b>
Depreciation and amortisation		(8,825)	(7,999)
<b>Profit before interest and tax (EBIT)</b>		<b>6,979</b>	<b>13,196</b>
Finance costs		(825)	(434)
<b>Profit before income tax expense</b>		<b>6,154</b>	<b>12,762</b>
Income tax expense		(1,958)	(3,872)
<b>Profit from continuing operations</b>		<b>4,196</b>	<b>8,890</b>
Loss from discontinued operation	9	-	(3,768)
<b>Profit attributable to members of the parent entity</b>		<b>4,196</b>	<b>5,122</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Net exchange difference relating to foreign controlled entities		312	123
<b>Total comprehensive income attributable to members of the parent entity (net of tax)</b>		<b>4,508</b>	<b>5,245</b>
<b>Earnings per share</b>			
From continuing and discontinued operations			
Basic earnings per share (cents)		6.9	8.6
Diluted earnings per share (cents)		6.9	8.5
From continuing operations			
Basic earnings per share (cents)		6.9	14.9
Diluted earnings per share (cents)		6.9	14.8

To be read in conjunction with the accompanying notes.

**Fleetwood Corporation Limited**  
**Condensed Consolidated Statement of Financial Position**  
**As at 31 December 2013**



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	Note	Consolidated	
		31 Dec 2013 \$ '000	30 Jun 2013 \$ '000
<b>Current assets</b>			
Cash and cash equivalents		9,848	12,665
Trade and other receivables		38,853	54,054
Inventories	7	47,097	41,707
Assets held for sale		4,165	4,168
<b>Total current assets</b>		<b>99,963</b>	<b>112,594</b>
<b>Non-current assets</b>			
Trade and other receivables		-	11
Property, plant and equipment		111,563	114,471
Inventories	7	40,893	14,088
Intangible assets		3,826	3,028
Goodwill		64,435	64,435
Deferred tax assets		3,938	3,973
<b>Total non-current assets</b>		<b>224,655</b>	<b>200,006</b>
<b>Total assets</b>		<b>324,618</b>	<b>312,600</b>
<b>Current liabilities</b>			
Trade and other payables		41,521	45,167
Interest bearing liabilities	8	55,481	44,610
Tax liabilities		1,824	1,147
Provisions		3,636	4,416
<b>Total current liabilities</b>		<b>102,462</b>	<b>95,340</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	8	-	11
Provisions		3,059	3,158
<b>Total non-current liabilities</b>		<b>3,059</b>	<b>3,169</b>
<b>Total liabilities</b>		<b>105,521</b>	<b>98,509</b>
<b>Net assets</b>		<b>219,097</b>	<b>214,091</b>
<b>Equity</b>			
Issued capital		193,499	193,001
Reserves		(266)	(578)
Retained earnings		25,864	21,668
<b>Total equity</b>		<b>219,097</b>	<b>214,091</b>

To be read in conjunction with the accompanying notes.



**Fleetwood Corporation Limited**  
**Condensed Consolidated Statement of Changes in Equity**  
**Half Year Ended 31 December 2013**



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	Issued capital \$ '000	Foreign currency translation reserve \$ '000	Retained earnings \$ '000	Total \$ '000
Balance at 1 July 2012	179,425	(897)	52,717	231,245
Profit for the period	-	-	5,122	5,122
Exchange differences arising on translation of foreign operations	-	123	-	123
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>123</b>	<b>5,122</b>	<b>5,245</b>
Shares issued as part of dividend reinvestment plan	5,454	-	-	5,454
Dividends paid to equity holders	-	-	(25,472)	(25,472)
Share-based payments	867	-	-	867
Shares issued pursuant to employee and executive option plans	2,436	-	-	2,436
<b>Balance at 31 December 2012</b>	<b>188,182</b>	<b>(774)</b>	<b>32,367</b>	<b>219,775</b>
Balance at 1 July 2013	193,001	(578)	21,668	214,091
Profit for the period	-	-	4,196	4,196
Exchange differences arising on translation of foreign operations	-	312	-	312
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>312</b>	<b>4,196</b>	<b>4,508</b>
Share-based payments	498	-	-	498
<b>Balance at 31 December 2013</b>	<b>193,499</b>	<b>(266)</b>	<b>25,864</b>	<b>219,097</b>

To be read in conjunction with the accompanying notes.

**Fleetwood Corporation Limited**  
**Condensed Consolidated Statement of Cash Flows**  
**Half Year Ended 31 December 2013**



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	<b>Consolidated</b>	
	<b>Half Year Ended</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Cash flows from operating activities</b>		
Receipts in the course of operations	224,180	169,612
Payments in the course of operations	(203,650)	(153,916)
Interest received	52	134
Income taxes paid	(1,247)	(9,120)
Finance costs	(825)	(477)
<b>Net cash provided by operating activities</b>	<b>18,510</b>	<b>6,233</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	592	323
Acquisition of property, plant and equipment	(9,097)	(14,917)
Payment for capital work in progress	(23,703)	(2,350)
<b>Net cash used in investing activities</b>	<b>(32,208)</b>	<b>(16,944)</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of share options	-	2,436
Proceeds from borrowings	24,500	22,000
Repayment of borrowings	(13,641)	(2,135)
Dividends paid	-	(20,019)
<b>Net cash provided by financing activities</b>	<b>10,859</b>	<b>2,282</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,839)</b>	<b>(8,429)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>12,665</b>	<b>17,380</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	22	66
<b>Cash and cash equivalents at the end of the period</b>	<b>9,848</b>	<b>9,017</b>

To be read in conjunction with the accompanying notes.

## **1. Significant accounting policies**

### **Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report as at and for the year ended 30 June 2013.

### **Basis of preparation**

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 directors' report and the half-year financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

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 their operations and effective for the current reporting period.

New and revised standards and amendments thereof and interpretations effective for the current half-year that are relevant to the Company include AASB 10, 11, 12, 13, 119, 127, 128, 2012-5 and 2012-10.

The adoption of new and revised standards and interpretations has not materially affected the amounts reported for the current or prior corresponding period. Further information relating to the new and revised standards and interpretations is included below.

### **Impact of the application of AASB 10**

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns.

All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. Some guidance included in AASB 10 that deals with whether or not an investor that owns less than 50 per cent of the voting rights in an investee has control over the investee is relevant to the Group.

The adoption of AASB 10 did not have any impact on the group's current or prior period financial information.

### **Impact of the application of AASB 12**

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements. However this did not result in any changes to the half year financial report.

### **Impact of the application of AASB 13**

The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2012 comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

**1. Significant accounting policies (cont'd)**

**Impact of the application of AASB 119**

In the current year, the Group has applied AASB 119 (as revised in 2011) 'Employee Benefits' and the related consequential amendments for the first time. Specific transitional provisions are applicable to first-time application of AASB 119 (as revised in 2011). AASB 119 (as revised in 2011) changes the definition of short-term employee benefits. Short-term employee benefits under the superseded AASB 119 were benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service. In contrast, under the revised AASB 119, only benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service are classified as short-term employee benefits. The inclusion of 'expected' and 'wholly' in the definition of short-term employee benefits might lead to a change of classification. For the company, this is demonstrated in the accrued annual leave in Australia that is generally not required (or 'expected') to be wholly used (settled) before the end of the next annual reporting period. Due to the adjusted definition, similar benefits classified as short-term employee benefits under the superseded standard would be classified as long-term employee benefits under the revised AASB 119. The impact of this would be that annual leave classified as long term would need to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

The adoption of AASB 119 did not result in any changes to the half year financial report.

**Reporting period**

The reporting period is the six months to 31 December 2013 and the previous corresponding period is the six months to 31 December 2012 except for the Consolidated Statement of Financial Position and its related notes which have a previous corresponding period of 30 June 2013.

**2. Issues, repurchases and repayments of equity securities**

Issued and paid-up capital

60,522,619 (30 June 2013: 60,522,619) ordinary shares, fully paid.

During the period 584,850 (2012: 573,250) share options were issued to employees and 580,000 (2012: nil) share options were issued to executives.

**3. Dividends**

No dividends were paid during the current reporting period. For the previous corresponding period 41 cents per share was paid on 28 September 2012 relating to the year ended 30 June 2012. The total of this dividend payment was \$25,472,452.

Subsequent to 31 December 2013 the directors declared a fully franked interim dividend of 2 cents per share to the holders of fully paid ordinary shares. The dividend will be paid on 31 March 2014. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$1,210,452.

The last date for receipt of an election notice for participation in the Dividend Reinvestment Plan is 3 March 2014.

**4. Net tangible assets per security**

Net tangible assets per security

31 Dec 2013	30 Jun 2013
\$2.49	\$2.42

**5. Financial Instruments**

The fair value of the Group's financial assets and liabilities are determined on the following basis.

**Financial assets and financial liabilities that are measured at fair value on a recurring basis**

Subsequent to initial recognition, at fair value financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Levels are defined as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets of liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2013 the Group has no material financial assets and liabilities that are measured on a recurring basis.

**Financial assets and financial liabilities that are not measured at fair value on a recurring basis (but where fair value disclosures are required)**

At 31 December 2013 and 31 December 2012, the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Half Year Ended 31 December 2013**



**6. Segment information**

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

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

	Segment Revenue		Segment Depreciation and Amortisation		Segment Result (EBIT)	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Recreational Vehicles	68,954	53,846	1,449	1,207	(964)	58
Accommodation	121,248	94,391	7,272	6,675	9,693	14,945
Unallocated	129	367	104	117	(1,750)	(1,807)
	<b>190,331</b>	<b>148,604</b>	<b>8,825</b>	<b>7,999</b>	<b>6,979</b>	<b>13,196</b>
Finance costs					(825)	(434)
<b>Profit before income tax expense</b>					<b>6,154</b>	<b>12,762</b>
Income tax expense					(1,958)	(3,872)
<b>Profit from continuing operations</b>					<b>4,196</b>	<b>8,890</b>
Loss from discontinued operations					-	(3,768)
<b>Net profit attributable to members of the parent entity</b>					<b>4,196</b>	<b>5,122</b>

The following is an analysis of the Group's assets by reportable operating segment:

	31 Dec 2013	30 Jun 2013
	\$ '000	\$ '000
Recreational Vehicles	82,523	88,198
Accommodation	213,713	195,489
<b>Total segment assets</b>	<b>296,236</b>	<b>283,687</b>
Unallocated assets	28,382	28,913
<b>Total assets</b>	<b>324,618</b>	<b>312,600</b>

**7. Inventories**

**Current**

Raw materials & stores	9,539	8,844
Work in progress	17,868	10,811
Finished goods	19,690	22,052
	<b>47,097</b>	<b>41,707</b>

**Non-current**

Work in progress	40,893	14,088
	<b>40,893</b>	<b>14,088</b>

In respect of the movement in current work in progress inventories, \$5 million relates to the Victorian Education Department transfer program.

Non-current inventories relate to the Osprey project.

**Fleetwood Corporation Limited**  
**Notes to the Financial Statements**  
**Half Year Ended 31 December 2013**



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	31 Dec 2013 \$ '000	30 Jun 2013 \$ '000
<b>8. Interest bearing liabilities</b>		
<b>Current</b>		
Bank Loans - secured	55,000	44,000
Hire purchase creditors - secured	481	610
	55,481	44,610
<b>Non-Current</b>		
Hire purchase creditors - secured	-	11
	-	11

During the period the Company executed new borrowing facilities with Westpac Banking Corporation, including a 1 year cash advance facility with a limit of \$32 million and a 1 year revolving multi-option facility with a limit of \$43 million, providing total borrowing limits of \$73 million. Both facilities mature on 20 December 2014 and are secured.

**9. Loss from Discontinued Operation**

On 6 September 2012 the Company announced the closure of its Victorian caravan manufacturing operations.

The loss from the discontinued operation for the period is comprised of:

	31 Dec 2013 \$ '000	31 Dec 2012 \$ '000
Restructuring costs	-	(3,323)
Operating loss for the period	-	(2,166)
<b>Loss from discontinued operation before tax</b>	<b>-</b>	<b>(5,489)</b>
Attributable income tax benefit	-	1,721
<b>Loss from discontinued operation after tax</b>	<b>-</b>	<b>(3,768)</b>
<b>Loss per share</b>		
From discontinued operations		
Basic loss per share (cents)	-	(6.3)
Diluted loss per share (cents)	-	(6.3)

**10. Events after the reporting period**

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

**Directors' Declaration**

The directors declare that:

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

Signed in accordance with a resolution of the directors made pursuant to s. 303(5) of the Corporations Act 2001.

On behalf of the Directors



**Michael Hardy**  
**Chairman**

Perth, 19 February 2014

The Board of Directors  
Fleetwood Corporation Limited  
21 Regal Place  
EAST PERTH WA 6004

19 February 2014

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 review of the financial statements of Fleetwood Corporation Limited for the half-year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



**DELOITTE TOUCHE TOHMATSU**



**Peter Rupp**  
Partner  
Chartered Accountants



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

We have reviewed the accompanying half-year financial report of Fleetwood Corporation Limited, which comprises the condensed statement of financial position as at 31 December 2013, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 15.

## *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fleetwood Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## *Auditor's Independence Declaration*

In conducting our review, 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 review report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fleetwood Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

**DELOITTE TOUCHE TOHMATSU**



**Peter Rupp**

Partner

Chartered Accountants

Perth, 19 February 2014