

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 2, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-6403

WINNEBAGO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

IOWA
(State or other jurisdiction of
incorporation or organization)

42-0803978
(I.R.S. Employer
Identification No.)

P. O. Box 152, Forest City, Iowa
(Address of principal executive offices)

50436
(Zip Code)

Registrant's telephone number, including area code: (515) 582-3535

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____.

There were 25,352,222 shares of \$.50 par value common stock outstanding on April 11, 1996.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES

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Part I Financial Information

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

DOLLARS IN THOUSANDS	MARCH 2,	AUGUST 26,
ASSETS	1996	1995
-----	-----	-----

(Unaudited)

CURRENT ASSETS		
Cash and cash equivalents	\$ 14,541	\$ 8,881
Marketable securities	3,713	2,144
Receivables, less allowance for doubtful accounts (\$856 and \$1,184, respectively)	36,452	37,807
Dealer financing receivables less allowance for doubtful accounts (\$250 and \$255, respectively)	9,760	9,345
Inventories	57,968	53,161
Prepaid expenses	4,184	3,342
Deferred income taxes	6,224	6,224
	-----	-----
Total current assets	132,842	120,904
	-----	-----
PROPERTY AND EQUIPMENT, at cost		
Land	1,500	1,512
Buildings	43,339	43,014
Machinery and equipment	79,266	77,998
Transportation equipment	7,922	7,965
	-----	-----
	132,027	130,489
Less accumulated depreciation	88,372	87,511
	-----	-----
Total property and equipment, net	43,655	42,978
	-----	-----
LONG-TERM NOTES RECEIVABLE, less allowances (\$1,406 and \$950, respectively)		
	2,354	2,465
	-----	-----
INVESTMENT IN LIFE INSURANCE		
	16,736	15,942
	-----	-----
DEFERRED INCOME TAXES, NET		
	14,107	14,107
	-----	-----
INTANGIBLE AND OTHER ASSETS		
	14,970	15,234
	-----	-----
TOTAL ASSETS		
	\$224,664	\$211,630
	=====	=====

See Unaudited Condensed Notes to Consolidated Financial Statements

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

DOLLARS IN THOUSANDS	MARCH 2,	AUGUST 26,
LIABILITIES AND STOCKHOLDERS' EQUITY	1996	1995
-----	-----	-----
(Unaudited)		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 2,962	\$ 3,564
Notes payable	4,500	4,000
Accounts payable, trade	25,983	22,581
Income tax payable	2,834	---
Accrued expenses:		
Insurance	5,704	4,620
Product warranties	3,179	3,184
Vacation liability	3,318	3,287
Promotional	3,835	1,916
Other	7,874	8,058
	-----	-----
Total current liabilities	60,189	51,210
	-----	-----
LONG-TERM DEBT AND OBLIGATIONS		
UNDER CAPITAL LEASES	12,281	12,678
	-----	-----
POSTRETIREMENT BENEFITS OTHER THAN PENSIONS		
	46,792	45,223
	-----	-----

MINORITY INTEREST IN CONSOLIDATED SUBSIDIARY	2,184	2,071
	-----	-----
STOCKHOLDERS' EQUITY		
Capital stock, common, par value \$.50; authorized 60,000,000 shares	12,920	12,915
Additional paid-in capital	23,729	23,658
Reinvested earnings	72,134	69,440
	-----	-----
Less treasury stock, at cost	108,783	106,013
	5,565	5,565
	-----	-----
Total stockholders' equity	103,218	100,448
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$224,664	\$211,630
	=====	=====

See Unaudited Condensed Notes to Consolidated Financial Statements

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

IN THOUSANDS EXCEPT PER SHARE DATA

	THIRTEEN WEEKS ENDED		TWENTY-SEVEN/TWENTY-SIX WEEKS ENDED	
	MARCH 2, 1996	FEBRUARY 25, 1995	MARCH 2, 1996	FEBRUARY 25, 1995
	-----	-----	-----	-----
Revenues:				
Manufactured products	\$ 105,780	\$ 111,270	\$ 219,166	\$ 235,728
Services	7,822	4,178	16,414	10,479
	-----	-----	-----	-----
Total net revenues	113,602	115,448	235,580	246,207
	-----	-----	-----	-----
Costs and Expenses:				
Cost of manufactured product	92,639	95,314	190,405	202,315
Cost of services	4,616	2,723	9,613	6,196
Selling and delivery	5,495	6,594	12,304	12,672
General and administrative	7,605	5,750	15,277	12,154
	-----	-----	-----	-----
Total costs and expenses	110,355	110,381	227,599	233,337
	-----	-----	-----	-----
Operating income	3,247	5,067	7,981	12,870
Financial income	67	1,018	81	824
	-----	-----	-----	-----
Income before taxes	3,314	6,085	8,062	13,694
Provision (credit) for taxes	1,076	(6,000)	2,834	(6,000)
	-----	-----	-----	-----
Net income	\$ 2,238	\$ 12,085	\$ 5,228	\$ 19,694
	=====	=====	=====	=====
Income per common share:				
Net income	\$.09	\$.48	\$.21	\$.78
	=====	=====	=====	=====
Weighted average number of shares of common stock outstanding	25,346	25,244	25,346	25,243
	=====	=====	=====	=====

See Unaudited Condensed Notes to Consolidated Financial Statements.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

DOLLARS IN THOUSANDS	TWENTY-SEVEN WEEKS	TWENTY-SIX ENDED
	March 2, 1996	February 25, 1995
	-----	-----
Cash flows from operating activities:		
Net income	\$ 5,228	\$ 19,694
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	4,806	4,084
Deferred income taxes	--	(6,000)
Realized and unrealized gains on investments, net	(149)	(282)
Investments in trading securities	(3,157)	(1,937)
Proceeds from the sale of trading securities	1,737	2,440
Minority shareholders' portion of consolidated subsidiary's net income	113	23
Other	85	783
Change in assets and liabilities:		
Decrease in accounts receivable	1,203	4,008
Increase in inventories	(4,844)	(11,254)
Increase in accounts payable and accrued expenses	9,581	303
Increase in postretirement benefits	1,569	925
Other	(842)	(2,943)
	-----	-----
Net cash provided by operating activities	15,330	9,844
	-----	-----
Cash flows used by investing activities:		
Purchases of property and equipment	(4,936)	(5,283)
Investments in dealer receivables	(20,022)	(18,717)
Collections of dealer receivables	19,601	16,218
Other	(856)	(268)
	-----	-----
Net cash used by investing activities	(6,213)	(8,050)
	-----	-----
Cash flows used by financing activities and capital transactions:		
Payments of long-term debt and capital leases	(2,177)	(880)
Payments of cash dividends	(2,534)	(2,524)
Proceeds from issuance of long-term debt	1,000	700
Other	254	63
	-----	-----
Net cash used by financing activities and capital transactions	(3,457)	(2,641)
	-----	-----
Net increase (decrease) in cash and cash equivalents	5,660	(847)
Cash and cash equivalents - beginning of period	8,881	847
	-----	-----
Cash and cash equivalents - end of period	\$ 14,541	\$ --
	=====	=====

See Unaudited Condensed Notes to Consolidated Financial Statements.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- In the opinion of management, the accompanying unaudited consolidated condensed financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the consolidated financial position as of March 2, 1996, the consolidated results of

operations for the 27 and 13 weeks ended March 2, 1996 and the 26 and 13 weeks ended February 25, 1995, and the consolidated cash flows for the 27 weeks ended March 2, 1996 and the 26 weeks ended February 25, 1995.

2. The results of operations for the 27 weeks ended March 2, 1996, are not necessarily indicative of the results to be expected for the full year. Service revenues, in the Consolidated Statements of Operations, consist of revenues generated by Cycle-Sat, Inc. (Cycle-Sat) and Winnebago Acceptance Corporation (WAC), subsidiaries of the Company.
3. Inventories are valued at the lower of cost or market, with cost being determined under the last-in, first-out (LIFO) method and market defined as net realizable value.

Inventories are composed of the following (dollars in thousands):

	MARCH 2, 1996	AUGUST 26, 1995
	-----	-----
Finished Goods	\$22,494	\$19,855
Work In Process	16,202	14,223
Raw Materials	35,356	34,704
	-----	-----
	74,052	68,782
LIFO Reserve	16,084	15,621
	-----	-----
	\$57,968	\$53,161
	=====	=====

4. Since March 1992, the Company has had a financing and security agreement with NationsCredit Corporation (NationsCredit) a Nations Bank Company.

Terms of the agreement limit borrowings to the lesser of \$30,000,000 or 75 percent of eligible inventory (fully manufactured recreation vehicles and motor home chassis and related components). Borrowings are secured by the Company's receivables and inventory. Borrowings pursuant to the agreement bear interest at the prime rate, as defined in the agreement, plus 50 basis points. The line of credit is available through March 31, 1997, and continues during successive one-year periods unless either party provides at least 90-days notice prior to the end of the one-year period to the other party that they wish to terminate the line of credit. The agreement also contains certain covenants including maintenance of minimum net worth, working capital and current ratio. As of March 2, 1996, the Company was in compliance with these covenants. There were no outstanding borrowings under the line of credit at March 2, 1996 or August 26, 1995.

The Company and Cycle-Sat maintain a line of credit with Firststar Bank Cedar Rapids (Firststar). Terms of the agreement limit the amount advanced to the lesser of \$4,500,000 or the sum of 80 percent of Cycle-Sat's eligible accounts receivable and 50 percent of its inventory. Borrowings pursuant to the agreement bear interest at the 90-day LIBOR rate, plus 150 basis points (7.4 percent per annum at March 2, 1996 and August 26, 1995). The agreement contains certain restrictive covenants. As of March 2, 1996, Cycle-Sat was in compliance with these covenants. Borrowings under the line of credit are secured by Cycle-Sat's accounts receivable and inventories and have been guaranteed by the Company. The line of credit expires January 31, 1997. The outstanding balance under the line of credit was \$4,500,000 at March 2, 1996 and \$4,000,000 at August 26, 1995. As of March 2, 1996, Cycle-Sat had exceeded the available borrowing limit by \$285,000. Subsequent to the end of the quarter, Cycle-Sat repaid the excess borrowings.

5. It is customary practice for companies in the recreation vehicle industry to enter into repurchase agreements with lending institutions which have provided wholesale floor plan financing to dealers. The Company's agreements provide for the repurchase of its products from the financing institution in the event of repossession upon a dealer's default. The Company was contingently liable for approximately \$137,647,000 and \$120,487,000 under repurchase agreements with lending institutions as of March 2, 1996, and August 26, 1995, respectively. Included in these contingent liabilities are approximately \$35,737,000 and \$37,616,000, respectively, of certain dealer receivables subject to recourse agreements with NationsCredit and John Deere Credit, Inc.
6. For the 27 weeks ended March 2, 1996 and the 26 weeks ended February 25, 1995 the Company paid cash for the following (dollars in thousands):

TWENTY-SEVEN WEEKS ENDED	TWENTY-SIX WEEKS ENDED
-----	-----
MARCH 2,	FEBRUARY 25,

	1996	1995
	-----	-----
Interest	\$ 978	\$ 605
Income Taxes	520	3,914

7. At March 2, 1996, Postretirement Health Care and Deferred Compensation Benefits included postretirement benefits related to health care and other benefits of \$25,838,000 and deferred compensation of \$20,954,000.

Net postretirement benefit cost for the 13 and 27 weeks ended March 2, 1996 consisted of the following components:

(DOLLARS IN THOUSANDS)	THIRTEEN WEEKS	TWENTY-SEVEN WEEKS
	-----	-----
Service cost - benefits earned during the period	\$366	\$ 759
Interest cost on accumulated postretirement benefit obligation	379	786
Amortization of (gain)/loss	(31)	(63)
	----	-----
	\$714	\$ 1,482
	====	=====

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Thirteen Weeks Ended March 2, 1996 Compared to Thirteen Weeks Ended February 25, 1995

Net revenues of manufactured products for the 13 weeks ended March 2, 1996 decreased \$5,490,000 or 4.9 percent from the 13 week period ended February 25, 1995. Motor home shipments decreased by 262 units or 12.3 percent during the 13 weeks ended March 2, 1996 when compared to the second quarter of fiscal 1995. The second quarter of 1996 continued to reflect the weakness within which the RV industry has operated since last summer. The Company has seen an improvement in the RV industry recently, therefore, the Company is optimistic about the outlook for the remainder of the 1996 fiscal year.

Service revenues for the 13 weeks ended March 2, 1996 increased \$3,644,000 or 87.2 percent from the comparable period of fiscal 1995. Cycle-Sat recorded revenues of \$7,441,000, an increase of \$3,606,000 or 94.0 percent, primarily due to increased revenues generated through the acquisition by Cycle-Sat of the TFI division of MPO Videotronics (TFI) during the third quarter of fiscal 1995.

Cost of manufactured products, as a percent of manufactured product revenues, was 87.6 percent for the 13 weeks ended March 2, 1996 compared to 85.7 percent for the 13 weeks ended February 25, 1995. This percentage increase was primarily caused by lower motor home production volume.

Cost of services, as a percent of service revenues, decreased during the second quarter of fiscal 1996 to 59.0 percent from 65.2 percent during the second quarter of fiscal 1995. This percentage decrease is attributed to the increase in Cycle-Sat's sales and the fixed costs of its operations remaining relatively constant.

Selling and delivery expenses decreased by \$1,099,000 to \$5,495,000 comparing the 13 weeks ended March 2, 1996 to the 13 weeks ended February 25, 1995 and decreased as a percentage of net revenues to 4.8 percent from 5.7 percent. The decreases in dollars and percentage primarily reflects decreases in the Company's promotional and advertising costs and net delivery expenses.

General and administrative expenses increased by \$1,855,000 to \$7,605,000 comparing the 13 weeks ended March 2, 1996 to the 13 weeks ended February 25, 1995 and increased as a percentage of net revenues to 6.7 percent from 5.0 percent. The increases in dollars and percentage were caused primarily by increased spending by Cycle-Sat, increases in the Company's reserves for retirement programs and legal reserves.

The Company had net financial income of \$67,000 for the second quarter of fiscal 1996 compared to net financial income of \$1,018,000 for the comparable quarter of fiscal 1995. During the 13 weeks ended March 2, 1996, the Company recorded realized and unrealized gains in its marketable securities portfolio of \$189,000, interest expense of \$90,000 and foreign currency transaction losses of \$32,000. During the 13 weeks ended February 25, 1995, the Company recorded \$705,000 of realized and unrealized gains in its marketable securities portfolio, \$207,000 of foreign currency transaction gains and \$106,000 of interest income.

For the 13 weeks ended March 2, 1996, the Company reported net income of \$2,238,000 or \$.09 per share which consisted primarily of income from manufactured products operations of \$1,987,000 (\$.08 per share) and income from Cycle-Sat operations of \$26,000. This quarter's results reflect the impact of income tax expense of \$1,076,000. For the 13 weeks ended February 25, 1995, the Company reported net income of \$12,085,000 or \$.48 per share which consisted primarily of income from manufactured products operations of \$6,197,000 (\$.25 per share) and a net loss from Cycle-Sat operations of \$487,000 (\$.02 per share). Also during the quarter ended February 25, 1995, the Company reported a \$6,000,000 (\$.24 per share) credit for income taxes.

Twenty-Seven Weeks Ended March 2, 1996 Compared to Twenty-Six Weeks Ended February 25, 1995

Net revenues of manufactured products for the 27 weeks ended March 2, 1996 decreased \$16,562,000 or 7.0 percent from the 26 weeks ended February 25, 1995. Motor home shipments decreased by 609 units or 13.4 percent during the 27 weeks ended March 2, 1996 when compared to the first half of fiscal 1995. This decrease in the Company's revenues is attributed to the weakness the RV industry has experienced since last summer.

Service revenues for the 27 weeks ended March 2, 1996 increased \$5,935,000 or 56.6 percent from the 26 weeks ended February 25, 1995. Cycle-Sat recorded revenues of \$15,684,000, an increase of \$5,811,000, or 58.9 percent, primarily due to increased revenues generated through the acquisition by Cycle-Sat of TFI.

Cost of manufactured products, as a percent of manufactured product revenues, was 86.9 percent for the 27 weeks ended March 2, 1996 compared to 85.8 percent for the 26 weeks ended February 25, 1995. This percentage increase was primarily caused by lower motor home production volume.

Cost of services, as a percent of service revenue, decreased to 58.6 percent from 59.1 percent when comparing the 27 weeks ended March 2, 1996 to the 26 weeks ended February 25, 1995. This percentage decrease is attributed to the increase in Cycle-Sat's sales while its fixed costs remained constant

Selling and delivery expenses decreased by \$368,000 but increased to 5.2 percent from 5.1 percent of net revenues when comparing the 27 weeks ended March 2, 1996 to the comparable period of fiscal 1995. The decrease in dollars can be attributed primarily to a reduction in the Company's promotional and advertising costs.

General and administrative expenses increased by \$3,123,000 to \$15,277,000 comparing the 27 weeks ended March 2, 1996 to the 26 weeks ended February 25, 1995 and increased as a percentage of net revenues to 6.5 percent from 4.9 percent. The increase in dollars and percentage were caused primarily by increases of Cycle-Sat's spending, increases in the Company's reserves for retirement programs and provisions for product liability expenses.

The Company had net financial income of \$81,000 for the first half of fiscal 1996 compared to net financial income of \$824,000 for the first half of fiscal of 1995. During the 27 weeks ended March 2, 1996, the Company recorded realized and unrealized gains in its marketable securities portfolio of \$149,000, interest expense of \$145,000, and foreign currency transaction gains of \$77,000. During the 26 weeks ended February 25, 1995, the Company recorded foreign currency transaction gains of \$313,000, realized and unrealized gains in its marketable securities portfolio of \$281,000, and interest income of \$230,000.

For the 27 weeks ended March 2, 1996, the Company reported net income of \$5,228,000 or \$.21 per share which consisted primarily of income from manufactured products operations of \$4,399,000 (\$.17 per share) and income from Cycle-Sat operations of \$222,000 (\$.01 per share). The results of the 27 weeks ended March 2, 1996 reflect the impact of income tax expense of \$2,834,000. For the 26 weeks ended February 25, 1995, the Company reported net income of \$19,694,000 or \$.78 per share which consisted primarily of income from manufactured products operations of \$12,599,000 (\$.50 per share), the aforementioned \$6,000,000 (\$.24 per share) tax credit, and income of \$137,000 (\$.01 per share) from Cycle-Sat operations.

LIQUIDITY AND FINANCIAL CONDITION

The Company meets its working capital and capital equipment requirements and cash requirements of subsidiaries with funds generated internally and funds borrowed under agreements with financial institutions.

At March 2, 1996, working capital was \$72,653,000, an increase of \$2,959,000 from the amount at August 26, 1995. The Company's principal sources and uses of cash during the 27 weeks ended March 2, 1996 are set forth in the unaudited consolidated condensed statement of cash flows for that period.

Principal known demands at March 2, 1996 on the Company's liquid assets for the

remainder of fiscal 1996 include approximately \$3,209,000 of capital expenditures (primarily equipment replacements) and \$2,535,000 of cash dividends declared by the Board of Directors on February 1, 1996 (payable April 8, 1996).

Management currently expects its cash on hand, funds from operations and borrowings available under existing credit facilities to be sufficient to cover both short-term and long-term operating requirements.

Part II Other Information

Item 4 Submission of Matters to a Vote of Security Holders

- (a) The annual meeting was held December 13, 1995.
- (b) The election of nine directors was the only shareholder business transacted at the annual meeting. The breakdown of the votes was as follows*:

	VOTES CAST FOR	VOTES CAST AGAINST	VOTES ABSTAINED
	-----	-----	-----
John K. Hanson	20,027,780	244,223	98,876
Gerald E. Boman	20,035,327	236,676	98,876
David G. Croonquist	20,253,432	18,571	98,876
Fred G. Dohrmann	20,038,036	233,967	98,876
Keith D. Elwick	20,253,052	18,951	98,876
Donald W. Olson	20,240,812	31,191	98,876
Joseph M. Shuster	20,269,203	2,800	98,876
Frederick M. Zimmerman	20,265,469	6,534	98,876
Francis L. Zrostlik	20,262,987	9,016	98,876

* There were no broker non-votes.

Item 6 Exhibits and Reports on Form 8-K

- (a) Exhibit - See Exhibit Index on page 12.
- (b) The Company did not file any reports on Form 8-K during the period covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WINNEBAGO INDUSTRIES, INC.

(Registrant)

Date April 10, 1996 /s/Fred G. Dohrmann
Fred G. Dohrmann
President and Chief Executive Officer

Date April 10, 1996 /s/Ed F. Barker
Ed F. Barker
Vice President, Controller and Chief
Financial Officer

EXHIBIT INDEX

- 4c. Amendment dated February 1, 1996 to Line of Credit Agreement and Term Loan Agreement among Winnebago Industries, Inc., Cycle-Sat, and Firststar Bank Cedar Rapids.

FOURTH AMENDMENT
TO
CREDIT AGREEMENT
(REVOLVING LINE OF CREDIT FACILITY)

This Fourth Amendment to Credit Agreement ("Fourth Amendment") is dated as of February 1, 1996 and is by and between Cycle-Sat, Inc., a corporation duly organized and validly existing under the laws of the State of Iowa, (the "Borrower"), Winnebago Industries, Inc., (the "Guarantor") and Firststar Bank Iowa, N.A. f/k/a Firststar Bank Cedar Rapids, N.A (the "Bank");

WHEREAS, the Borrower and the Bank have previously entered into a Credit Agreement (the "Agreement") dated as of February 24, 1994;

WHEREAS, the Agreement has been previously amended by First Amendment to Credit Agreement dated as of January 31, 1995 (the "First Amendment") and by Second Amendment to Credit Agreement dated as of November 2, 1995 (the "Second Amendment") and by Third Amendment to Credit Agreement dated as of January 2, 1996 (the "Third Amendment", and together with the First Amendment, the Second Amendment and the Credit Agreement, the "Agreement").

WHEREAS, the Borrower and Bank have agreed to certain further changes to the Agreement;

NOW, THEREFORE, do the parties agree to amend the Agreement as follows:

1. NEGATIVE COVENANTS. The following shall be added as Section 8 and all subsequent sections shall be relettered accordingly:

"8. NEGATIVE COVENANTS. The Borrower agrees that during the term of this Agreement and so long thereafter as any obligations remain outstanding, it will not, without the prior written consent of the Bank, make any change, for any reason whatsoever, in the majority ownership or control of the Borrower. Such change will constitute a default under the terms of this Agreement."

2. GENERAL PROVISIONS. The following shall be added as Section 10.a. and all subsequent sections shall be relettered accordingly:

"a. CROSS COLLATERALIZATION AND CROSS DEFAULT. The Borrower agrees that all of the Bank's security shall serve as security for all of the Borrower's obligations, that the Bank may make recourse to such security in any order or grouping it desires, and that all of the Bank's security shall remain in full force and effect, unless specifically released in writing by the Bank, so long as any of the Borrower's obligations remain unsatisfied or outstanding. Nothing in the Agreement or this Fourth Amendment shall operate in any way to reduce, abridge or limit the Bank's rights under the various security instruments, including the right to proceed directly against the Borrower without recourse to any of the Bank's security.

The Borrower agrees that in the event of a default under the terms of any of the Borrower's obligations, that such a default shall be deemed a default under all of the Borrower's obligations, at the option of the Bank."

3. GUARANTY AFFIRMATION. Winnebago Industries, Inc. acknowledges that the agreement represented by this Fourth Amendment does not discharge, affect, or impair liability under the guaranty dated January 31, 1995.
4. ACKNOWLEDGMENT OF RECEIPT. By their execution of the Fourth Amendment, the parties acknowledge receipt of a copy of this document.
5. SAVINGS. All other terms and conditions of the Credit Agreement, not specifically modified by this Fourth Amendment, shall remain in full force and effect.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AMENDMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN DOCUMENT (EXCEPT THE AGREEMENT AS PREVIOUSLY AMENDED) MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

Cycle-Sat, Inc.
By: /s/ Loren A. Swenson
Loren A. Swenson, President

Firststar Bank Iowa, N.A.
By: /s/ Dirk A. Thierer
Dirk A. Thierer, Vice President

Winnebago Industries, Inc., guarantor

By: /s/ Fred G. Dohrmann
Fred G. Dohrmann, President & CEO

FIRSTAR BANK IOWA, N.A.

FEBRUARY 1, 1996

Firststar Bank Iowa, N.A.

222 Second Avenue, S.E.
Cedar Rapids, IA 52401

RE: Account Name: Cycle-Sat, Inc.
Loan Dated: FEBRUARY 1, 1996
Loan Number: 1247441--9001
Principal Amount: \$4,500,000.00

To Whom It May Concern:

The following named individuals are authorized to make oral or written requests for advances under the above-referenced note, and all future renewals:

Name ----	Title -----
Loren A. Swenson	President
Maryln Shores	Mgr. Accounting and Control

Firststar Bank Iowa, N.A. is entitled to rely upon the oral or written requests for advances of any one of the named individuals until the authority granted herein is revoked in writing.

Each of the undersigned acknowledges that a request made by any one of the above-named individuals shall be binding upon and consented to by remaining signators.

Each of the undersigned acknowledge receipt of a copy of this document.

FEBRUARY 1, 1996
Date

Cycle-Sat, Inc.

By /s/ Loren A. Swenson
Loren A. Swenson, President

LATE PAYMENT ADDENDUM

This Addendum is made part of the promissory note (the "Note") by the undersigned borrower (the "Borrower") in favor of Firststar Bank Iowa, N.A. (the "Bank") as of the date identified below.

"If any payment is not made on or before 15 days after its due date, the Bank may collect a delinquency charge of 5% of the amount of the late payment."

Dated as of: February 1, 1996

(Individual Borrower)

Cycle-Sat, Inc.
Borrower Name (Organization)

_____ (SEAL)

a Iowa Corporation
By: /s/ Loren A. Swenson
Name and Title Loren A. Swenson, President

Borrower Name_____

_____ (SEAL)

By_____

Borrower Name_____

Name and Title _____

6-MOS
AUG-31-1996
MAR-02-1996
14,541
3,713
47,318
1,106
57,968
132,842
132,027
88,372
224,664
60,189
0
0
12,920
90,298
224,664
113,602
113,602
97,255
97,255
13,100
0
(67)
3,314
1,076
2,238
0
0
0
2,238
.09
0