SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 31, 2003

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	42-0802678
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P. O. Box 152, Forest City, Iowa	50436
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (641) 585-3535

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes _X_ No ___.

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 18,158,208 shares of $.50 par value common stock outstanding on July 11, 2003.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES

INDEX TO REPORT ON FORM 10-Q

Part I Financial Information
Item 1.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

Dollars in thousands

ASSETS	MAY 31, 2003	AUGUST 31, 2002
CURRENT ASSETS		
Cash and cash equivalents	$ 92,747	$ 42,225
Receivables, less allowance for doubtful accounts ($337 and $120, respectively)	24,898	28,375
Inventories	115,084	113,654
Prepaid expenses	3,698	4,314
Deferred income taxes	8,221	6,907
Assets of discontinued operations	624	38,121
Total current assets	245,272	233,596
PROPERTY AND EQUIPMENT, at cost		
Land	999	972
Buildings	54,863	47,953
Machinery and equipment	95,266	86,744
Transportation equipment	9,102	5,641
	160,230	141,310
Less accumulated depreciation	96,351	92,383
Total property and equipment, net	63,879	48,927
INVESTMENT IN LIFE INSURANCE	22,371	23,474
DEFERRED INCOME TAXES, NET	23,626	22,438
OTHER ASSETS	11,731	8,642
TOTAL ASSETS	$366,879	$337,077

See Unaudited Condensed Notes to Consolidated Financial Statements.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

Dollars in thousands

LIABILITIES AND STOCKHOLDERS' EQUITY	MAY 31, 2003	AUGUST 31, 2002
CURRENT LIABILITIES		
Accounts payable, trade	$ 48,132	$ 44,230
Income tax payable	827	2,610
Accrued expenses		
Accrued compensation	14,229	18,673
Promotional	11,291	4,499
Product warranties	9,723	8,151
Insurance	6,106	5,967
Other	4,775	4,471
Total current liabilities	95,083	88,601
POSTRETIREMENT HEALTH CARE AND DEFERRED COMPENSATION BENEFITS	72,835	68,661
STOCKHOLDERS' EQUITY		
Capital stock, common, par value $.50; authorized 60,000,000 shares: issued 25,888,000 shares	12,944	12,944
Additional paid-in capital	26,219	25,740
Reinvested earnings	320,885	284,856
	360,048	323,540
Less treasury stock, at cost	161,087	143,725
Total stockholders' equity	198,961	179,815
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$366,879	$337,077

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

IN THOUSANDS, EXCEPT PER SHARE DATA

	THIRTEEN WEEKS ENDED		THIRTY-NINE WEEKS ENDED	FORTY WEEKS ENDED
	MAY 31, 2003	JUNE 1, 2002	MAY 31, 2003	JUNE 1, 2002
Net revenues	$200,211	$245,912	$619,516	$605,121
Cost of manufactured products	177,065	209,381	534,930	523,068
Gross profit	23,146	36,531	84,586	82,053
Operating expenses				
Selling	4,652	4,257	13,407	13,567
General and administrative	4,251	5,689	12,287	14,796
Total operating expenses	8,903	9,946	25,694	28,363
Operating income	14,243	26,585	58,892	53,690
Financial income	306	623	1,001	2,641
Income before income taxes	14,549	27,208	59,893	56,331
Provision for taxes	5,554	9,523	23,129	19,402
Income from continuing operations	8,995	17,685	36,764	36,929
Income from discontinued operations (net of taxes)	334	409	1,152	1,323
Net income	$ 9,329	$ 18,094	$ 37,916	$ 38,252
Income per share - basic (Note 11)				
From continuing operations	$ .49	$ .91	$ 1.98	$ 1.82
From discontinued operations	.02	.02	.06	.06
Net income	$ .51	$ .93	$ 2.04	$ 1.88
Income per share - diluted (Note 11)				
From continuing operations	$ .48	$ .88	$ 1.94	$ 1.78
From discontinued operations	.02	.02	.06	.06
Net income	$ .50	$ .90	$ 2.00	$ 1.84
Weighted average shares of common stock outstanding				
Basic	18,257	19,552	18,586	20,337
Diluted	18,549	19,995	18,925	20,779

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

Dollars in thousands	THIRTY-NINE WEEKS ENDED MAY 31, 2003	FORTY WEEKS ENDED JUNE 1, 2002
Cash flows from operating activities		
Net income as shown on the statements of income	$ 37,916	$ 38,252
Income from discontinued operations	(1,152)	(1,323)
Income from continuing operations	36,764	36,929
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,395	5,906
Tax benefit of stock options	955	3,292
Other	205	165
Change in assets and liabilities		
Decrease (increase) in receivable and other assets	3,994	(1,911)
Increase in inventories	(1,430)	(16,561)
Increase in deferred income taxes	(2,502)	(1,537)
Increase in accounts payable and accrued expenses	8,265	17,355
(Increase) decrease in income taxes payable	(1,783)	6,431
Increase in postretirement benefits	3,680	4,075
Net cash provided by continuing activities	54,543	54,144
Net cash provided by discontinued operations	234	301
Net cash provided by operating activities	54,777	54,445
Cash flows provided by (used in) investing activities		
Purchases of property and equipment	(21,539)	(5,418)
Other	(1,414)	(2,099)
Net cash used in continuing operations	(22,953)	(7,517)
Net cash provided by discontinued operations	38,423	2,529
Net cash provided by (used in) investing activities	15,470	(4,988)
Cash flows used in financing activities and capital transactions		
Payments for purchase of common stock	(20,221)	(81,778)
Payment of cash dividends	(1,887)	(2,075)
Proceeds from issuance of common and treasury stock	2,383	4,317
Net cash used in financing activities and capital transactions	(19,725)	(79,536)
Net increase (decrease) in cash and cash equivalents	50,522	(30,079)
Cash and cash equivalents - beginning of period	42,225	102,280
Cash and cash equivalents - end of period	$ 92,747	$ 72,201

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

NOTE 1: BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the consolidated financial position as of May 31, 2003, the consolidated results of operations for the 13 and 39 weeks ended May 31, 2003 and the 13 and 40 weeks ended June 1, 2002, and the consolidated cash flows for the 39 weeks ended May 31, 2003 and the 40 weeks ended June 1, 2002. The statement of income for the 39 weeks ended May 31, 2003, is not necessarily indicative of the results to be expected for the full year. The balance sheet data as of August 31, 2002 was derived from audited financial statements, but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These interim consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto appearing in the Company's Annual Report to Shareholders for the year ended August 31, 2002.

Certain prior year balances have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net income or shareholders' equity.

NOTE 2: STOCK-BASED COMPENSATION

Pursuant to Statement of Financial Accounting Standards (SFAS) No. 123, ACCOUTING FOR STOCK-BASED COMPENSATION, the Company applies the recognition and measurement of Accounting Principles Board (APB) Opinion No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES, to its stock options and other stock-based compensation plans.

In accordance with APB Opinion No. 25, compensation costs for stock options is recognized in income based on the excess, if any, of the quoted market price of the stock at the grant date of the award or other measurement date over the amount an employee must pay to acquire the stock. The exercise price for stock options granted to employees equaled the fair market value of our common stock at the date of grant, thereby resulting in no recognition of compensation expense.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation.

In thousands, except per-share amounts	Thirty-Nine Weeks Ended May 31, 2003	Forty Weeks Ended June 1, 2002
Net income		
Net income - as reported	$ 37,916	$ 38,252
Less estimated stock-based employee compensation determined under fair value based method, net of tax	(2,240)	(1,790)
Net income - proforma	$ 35,676	$ 36,462
Earnings per common share		
Basic - as reported	$ 2.04	$ 1.88
Less estimated stock-based employee compensation determined under fair value based method, net of tax	(.12)	(.09)
Basic - proforma	$ 1.92	$ 1.79
Diluted - as reported	$ 2.00	$ 1.84
Less estimated stock-based employee compensation determined under fair value based method, net of tax	(.11)	(.09)
Diluted - proforma	$ 1.89	$ 1.75
Weighted average common shares outstanding		
Basic	18,586	20,337
Diluted	18,925	20,779

The Company estimated the fair values using the Black-Scholes option-pricing model, modified for dividends and using the following assumptions:

	2003	2002
Risk-free rate	2.30%	4.37%
Expected dividend yield	.83%	.87%
Expected stock price volatility	49.90%	55.82%
Expected option term	4 years	4 years
Fair value per option	$ 13.75	$ 10.08

The fair value of options is amortized to expense over a five-year option-vesting period in determining the proforma impact.

NOTE 3: DISCONTINUED OPERATIONS - SALE OF WINNEBAGO ACCEPTANCE CORPORATION'S DEALER FINANCING RECEIVABLES

On April 24, 2003 the Company sold the majority of its dealer financing receivables in Winnebago Acceptance Corporation (WAC) to GE Commerical Distribution Finance Corporation for approximately $34 million and recorded no gain or loss as the receivables were sold at book value. As WAC has no further involvement in these assets or operations, WAC's operations will be accounted for as a sale of receivables and as a discontinued operation in the accompanying consolidated financial statements. The only component of assets of discontinued operations in the accompanying consolidated balance sheets is dealer receivables.

Winnebago Acceptance Corporation	Thirteen Weeks Ended May 31, 2003	Thirteen Weeks Ended June 1, 2002	Thirty-Nine Weeks Ended May 31, 2003	Forty Weeks Ended June 1, 2002
Net revenues	$ 428,000	$ 724,000	$1,940,000	$2,372,000
Income before income taxes(1)	$ 512,000	$ 628,000	$1,771,000	$2,034,000
Net income	$ 334,000	$ 409,000	$1,152,000	$1,323,000
Income per share - basic	$ .02	$ .02	$ .06	$ .06
Income per share - diluted	$ .02	$ .02	$ .06	$ .06
Weighted average common shares outstanding				
Basic	18,257	19,552	18,586	20,337
Diluted	18,549	19,995	18,925	20,779

(1) When the receivables in WAC were sold, the need for a bad debt reserve of $106,000 was no longer required. Therefore, the reserve was reversed providing a reduction to WAC in general and administrative expenses causing income before taxes for the 13 weeks ended May 31, 2003 to be larger than WAC's net revenues for the same period.

NOTE 4: NEW ACCOUNTING PRONOUNCEMENTS

In June 2002, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This standard revises the accounting for certain exit costs and disposal activities currently set forth in EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). The principal change of the new statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred versus the date of commitment to an exit plan. This statement is effective for exit and disposal activities initiated after December 31, 2002. The Company does not believe adoption of this standard will significantly affect the Company's financial condition or operating results.

In November 2002, the FASB issued FASB Interpretation No. (FIN) 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. FIN 45 clarifies the requirements for a guarantor's accounting for and disclosure of certain guarantees issued and outstanding. The initial recognition and initial measurement provisions of FIN 45 are applicable to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of FIN 45 did not have an impact on the consolidated results of operations, financial position, or cash flows. See Note 6 of Unaudited Condensed Notes to Consolidated Financial Statements for expanded warranty disclosure requirements of this new standard.

In December 2002, the FASB issued SFAS No. 148, ACCOUNTING FOR STOCK-BASED COMPENSATION - TRANSITION AND DISCLOSURE - AN AMENDMENT OF FASB STATEMENT NO. 123. SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company will continue to account for stock-based compensation in accordance with APB Opinion No. 25. The Company adopted the disclosure-only provisions of SFAS No. 148 on May 31, 2003 (as disclosed in Note 2 of Unaudited Condensed Notes to Consolidated Financial Statements). The adoption of the standard did not have an effect on the Company's consolidated financial position, results of operations or cash flows.

NOTE 5: INVENTORIES

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):

	May 31, 2003	August 31, 2002
Finished goods...........	$ 51,172	$ 48,037
Work in process..........	35,041	26,995
Raw materials............	53,805	62,194
	140,018	137,226
LIFO reserve.............	(24,934)	(23,572)
	$ 115,084	$ 113,654

NOTE 6: WARRANTIES

Estimated warranty costs are provided at the time of sale of the warranted products. Estimates of future warranty costs are based on prior experience and known current events. The changes in the provision for warranty reserve for the 39 weeks ended May 31, 2003, are as follows (dollars in thousands):

Balance as of August 31, 2002	$ 8,151
Product warranty provision	10,208
Payments	(8,636)
Balance at May 31, 2003	$ 9,723

NOTE 7: CONTINGENT LIABILITIES AND COMMITMENTS

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 $280,020,000 and $206,155,000 under repurchase agreements with lending institutions as of May 31, 2003 and August 31, 2002, respectively. These repurchase obligations expire upon the earlier to occur of (i) the dealer's sale of the financed unit or (ii) one year from the date of the original invoice. The Company's losses under these repurchase agreements were approximately $66,000 during the 39 weeks ended May 31, 2003. Included in these contingent liabilities as of May 31, 2003 and August 31, 2002 are approximately $993,000 and $1,049,000, respectively, of certain dealer receivables subject to recourse agreements with Bank of America Specialty Group. The Company did not incur any actual losses under these recourse agreements during the 39 weeks ended May 31, 2003.

The Company has also entered into a repurchase agreement with a lending institution that covers approximately $2,734,000 and $1,698,000 of repurchase liability as of May 31, 2003 and August 31, 2002, respectively. This repurchase obligation has a term of two years from the date of the original invoice. The Company did not incur any actual losses under this repurchase agreement during the 39 weeks ended May 31, 2003.

The Company records repurchase and recourse reserves based on prior experience and known current events. The combined repurchase and recourse reserve balances are approximately $264,000 and $392,000 as of May 31, 2003 and August 31, 2002, respectively.

NOTE 8: SUPPLEMENTAL CASH FLOW DISCLOSURE

For the periods indicated, the Company paid cash for the following (dollars in thousands):

	Thirty-Nine Weeks Ended May 31, 2003	Forty Weeks Ended June 1, 2002
Interest	$ - - -	$ 246
Income taxes	26,907	11,717

NOTE 9: DIVIDEND DECLARED

On March 19, 2003 the Board of Directors declared a cash dividend of $.10 per common share payable July 7, 2003 to shareholders of record on June 6, 2003.

NOTE 10: REPURCHASE OF OUTSTANDING STOCK

On June 19, 2002, the Board of Directors authorized the repurchase of outstanding shares of the Company's common stock, depending on market conditions, for an aggregate purchase price of up to $15,000,000. As of May 31, 2003, 450,200 shares (330,300 shares during fiscal 2003) had been repurchased for an aggregate consideration of approximately $14,814,000 ($10,521,000 during fiscal 2003) under this authorization. At May 31, 2003, $186,000 remained under this authorization.

On March 19, 2003, the Board of Directors authorized the repurchase of outstanding shares of the Company's common stock, depending on market conditions, for an aggregate price of up to $20 million. As of May 31, 2003, 345,899 shares had been repurchased for an aggregate consideration of approximately $9,700,000 under this authorization.

NOTE 11: INCOME PER SHARE

The following table reflects the calculation of basic and diluted earnings per share for the 13 and 39 weeks ended May 31, 2003 and the 13 and 40 weeks ended June 1, 2002.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	Forty Weeks Ended
In thousands except per share data	May 31, 2003	June 1, 2002	May 31, 2003	June 1, 2002
Earnings per share - basic				
Income from continuing operations	$ 8,995	$17,685	$36,764	$36,929
Income from discontinued operations (net of taxes)	334	409	1,152	1,323
Net income	$ 9,329	$18,094	$37,916	$38,252
Weighted average shares outstanding	18,257	19,552	18,586	20,337
Earnings per share - basic	$ .51	$ .93	$ 2.04	$ 1.88
Earnings per share - assuming dilution				
Income from continuing operations	$ 8,995	$17,685	$36,764	$36,929
Income from discontinued operations (net of taxes)	334	409	1,152	1,323
Net income	$ 9,329	$18,094	$37,916	$38,252
Weighted average shares outstanding	18,257	19,552	18,586	20,337

Dilutive impact of options outstanding	292	443	339	442
Weighted average shares & potential dilutive shares outstanding	18,549	19,995	18,925	20,779
Earnings per share - assuming dilution	$ .50	$ .90	$ 2.00	$ 1.84

There were options outstanding to purchase 14,000 shares of common stock at a price of $39.475 per share, 184,800 shares of common stock at a price of $36.50 per share and 14,000 shares of common stock at a price of $37.685 per share during the 13 weeks ended May 31, 2003. These options were not included in the computation of diluted earnings per share during the 13 weeks ended May 31, 2003 because the options' exercise price was greater than the average market price of the common stock.

For the 13 weeks ended June 1, 2002, all options were included in the computation of diluted earnings per share because no options' exercise price was greater than the average market price of the common stock.

NOTE 12: BUSINESS SEGMENT INFORMATION

Due to the sale of WAC's dealer financing receivables on April 24, 2003 (see Note 3 of Unaudited Condensed Notes to Consolidated Financial Statements), the Company disposed of its Dealer Financing segment. As a result, Winnebago Industries now operates in one principal business segment - Recreation Vehicles and Other Manufactured Products. Recreation Vehicles and Other Manufactured Products include all data relative to the manufacturing and selling of the Company's Class A, B and C motor home products as well as sales of component products for other manufacturers and Recreation Vehicle related parts and service revenue. These product lines have similar economic characteristics and are similar in the nature of products, manufacturing processes, customer characteristics and distribution methods.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING INFORMATION

Certain of the matters discussed in this report may be "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties, including, but not limited to reactions to actual or threatened terrorist attacks, the availability and price of fuel, a significant increase in interest rates, a slowdown in the economy, availability of chassis, sales order cancellations, slower than anticipated sales of new or existing products, new products introduced by competitors and other factors which may be disclosed throughout this report. Any forecasts and projections in this report are "forward looking statements," and are based on management's current expectations of the Company's near-term results, based on current information available pertaining to the Company, including the aforementioned risk factors; actual results could differ materially. The Company undertakes no obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise, except as required by law or the rules of the New York Stock Exchange.

CRITICAL ACCOUNTING POLICIES

In preparing the consolidated financial statements, the Company follows accounting principles generally accepted in the United States of America, which in many cases require us to make assumptions, estimates and judgments that affect the amounts reported. There are some policies that are especially critical because they are important in determining the financial condition and results of operations. These policies are described below and involve additional management judgment due to the sensitivity of the methods, assumptions and estimates necessary in determining the related income statement, asset and/or liability amounts.

The Company offers to its customers a variety of warranties on its products ranging from 1 to 10 years in length. Estimated costs related to product warranty are accrued at the time of sale and included in cost of sales. Estimated costs are based upon past warranty claims and unit sales history and adjusted as required to reflect actual costs incurred, as information becomes available (see Note 6 of Unaudited Condensed Notes to Consolidated Financial Statements).

The Company has reserves for other loss exposures such as product liability, litigation and accounts receivable. The Company also has loss exposure on loan guarantees and repurchase agreements (see Note 7 of Unaudited Condensed Notes to Consolidated Financial Statements). Establishing loss reserves for these matters requires the use of estimates and judgments in regards to risk exposure and ultimate liability. The Company estimates losses using consistent and appropriate methods; however, changes in assumptions could materially affect the Company's recorded liabilities for loss. Reference is also made to the description of the Company's critical accounting policies included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2002.

RESULTS OF OPERATIONS

Thirteen Weeks Ended May 31, 2003 Compared to Thirteen Weeks Ended June 1, 2002
- --

Net revenues for the 13 weeks ended May 31, 2003 were $200,211,000, a decrease of $45,701,000, or 18.6 percent from the 13-week period ended June 1, 2002. Motor home unit sales (Class A and C) were 2,601 units, a decrease of 754 units, or 22.5 percent, during the third quarter of fiscal 2003 compared to the third quarter of fiscal 2002. When comparing the two quarters, the decrease in revenue percentage was less than the decrease in unit percentage as the Company's average unit selling price increased, due to product enhancements. The overall decrease was caused primarily by lower sales volume.

Gross profit, as a percent of net revenues, was 11.6 percent for the 13 weeks ended May 31, 2003 compared to 14.9 percent for the 13 weeks ended June 1, 2002. The Company's lower gross profits were due primarily to considerably lower volume, the Company's factories operating on four-day work weeks for the first six weeks of the 2003 third quarter, increases in sales discounts and allowances and start-up costs of the new production facility in Charles City, Iowa.

Selling expenses were $4,652,000 or 2.3 percent of net revenues during the third quarter of fiscal 2003 compared to $4,257,000 or 1.7 percent of net revenues during the third quarter of fiscal 2002. The increases in dollars and percentage were caused primarily by higher advertising costs.

General and administrative expenses were $4,251,000 or 2.1 percent of net revenues during the 13 weeks ended May 31, 2003 compared to $5,689,000 or 2.3 percent of net revenues during the 13 weeks ended June 1, 2002. The decreases in dollars and percentage were caused primarily by decreases in employee incentive programs.

The Company had net financial income of $306,000 for the third quarter of fiscal 2003 compared to net financial income of $623,000 for the comparable quarter of fiscal 2002. The decrease in financial income when comparing the two periods was due to lower cash balances available for investing and to lower interest rates during the period ended May 31, 2003.

The effective income tax rate increased to 38.2 percent during the third quarter of fiscal 2003 from 35.0 percent during the third quarter of fiscal 2002. The increase in the effective tax rate was caused primarily by losses in Winnebago Health Care Management Company which are likely not deductible for tax purposes due to a change in the Company's tax planning and increased state taxes during the third quarter of fiscal 2003.

During the third quarter of fiscal 2003, the Company sold a majority of the Company's dealer financing receivables in Winnebago Acceptance Corporation (WAC) to GE Commercial Distribution Finance Corporation. Due to this sale the Company is treating all current year and previous year activity of WAC as discontinued operations for comparative purposes. Income from discontinued operations (net of taxes) for the third quarter of fiscal 2003 was $334,000 or $.02 per diluted share, compared to income of $409,000 or $.02 per diluted share, for the third quarter of fiscal 2002.

For the third quarter of fiscal 2003, the Company had net income of $9,329,000, or $.50 per diluted share compared to the third quarter of fiscal 2002's net income of $18,094,000, or $.90 per diluted share. Net income and earnings per diluted share decreased by 48.4 percent and 44.4 percent, respectively, when comparing the third quarter of fiscal 2003 to the third quarter of fiscal 2002. The difference in percentages when comparing net income to net earnings per share was primarily due to a lower number of outstanding shares of the Company's common stock during the 13 weeks ended May 31, 2003 due to the Company's repurchase of shares during fiscal 2003 and 2002. (See Note 11 of the Unaudited Condensed Notes to Consolidated Financial Statements).

Thirty-Nine Weeks Ended May 31, 2003 Compared to Forty Weeks Ended June 1, 2002

Net revenues for the 39 weeks ended May 31, 2003 were $619,516,000, an increase of $14,395,000, or 2.4 percent from the 40-week period ended June 1, 2002. Motor home unit sales (Class A and C) were 7,785 units, a decrease of 335 units, or 4.1 percent, during fiscal year-to-date 2003 compared to fiscal year-to-date 2002. When comparing the two periods, revenues increased notwithstanding the decrease in unit sales because the Company's average unit selling price increased, due to product enhancements and the Company experienced a favorable mix of products during the 39 weeks ended May 31, 2003.

Gross profit, as a percent of net revenues, was 13.7 percent for the 39 weeks ended May 31, 2003 compared to 13.6 percent for the 40 weeks ended June 1, 2002.

Selling expenses were $13,407,000 or 2.2 percent of net revenues during the 39 weeks ended May 31, 2003 compared to $13,567,000 or 2.2 percent of net revenues during the 40 weeks ended June 1, 2002. The decrease in dollars was caused primarily by lower sales representative incentive payments offset partially by higher advertising costs.

General and administrative expenses were $12,287,000 or 2.0 percent of net revenues during the 39 weeks ended May 31, 2003 compared to $14,796,000 or 2.4 percent of net revenues during the 40 weeks ended June 1, 2002. The decreases in dollars and percentage were caused primarily by decreases in employee incentive programs and a reduction in the Company's product liability expense.

The Company had net financial income of $1,001,000 for the 39 weeks ended May 31, 2003 compared to net financial income of $2,641,000 for the 40 weeks ended June 1, 2002. The decrease in financial income when comparing the two periods was due to lower cash balances available for investing and to lower interest rates during the period ended May 31, 2003.

The effective income tax rate increased to 38.6 percent during the 39 weeks ended May 31, 2003 from 34.4 percent during the 40 weeks ended June 1, 2002. The increase in the effective tax rate was caused primarily by losses in the Winnebago Health Care Management Company which are likely not deductible for tax purposes due to a change in the Company's tax planning, increased state taxes and a reduction of tax-exempt financial income during the 39 weeks ended May 31, 2003.

On April 25, 2003, the Company sold a majority of the Company's dealer financing receivables in the Winnebago Acceptance Corporation (WAC) to GE Commercial Distribution Finance Corporation. Due to this sale the Company is treating all current year and previous year activity of WAC as discontinued operations for comparative purposes. Income from discontinued operations (net of taxes) for the 39 weeks ended May 31, 2003 was $1,152,000 or $.06 per diluted share, compared to an income of $1,323,000 or $.06 per diluted share, for the 40 weeks ended June 1, 2002.

For the 39 weeks ended May 31, 2003, the Company had net income of $37,916,000, or 2.00 per diluted share compared to the 40 weeks ended June 1, 2002's net income of $38,252,000, or $1.84 per diluted share. Net income decreased by .9 percent and earnings per diluted share increased by 8.7 percent when comparing the 39 weeks ended May 31, 2003 to the 40 weeks ended June 1, 2002. The difference in percentages when comparing net income to net earnings per share was primarily due to a lower number of outstanding shares of the Company's common stock during the 39-week period ended May 31, 2003 due to the Company's repurchase of shares during fiscal 2003 and 2002. (See Note 11 of the Unaudited Condensed Notes to Consolidated Financial Statements).

LIQUIDITY AND FINANCIAL CONDITION

The Company generally meets its working capital, capital equipment and other cash requirements with funds generated from operations.

At May 31, 2003, working capital was $150,189,000, an increase of $5,194,000 from the amount at August 31, 2002. The Company's principal uses of cash during the 39 weeks ended May 31, 2003 were $21,539,000 for the purchase of property and equipment, $20,221,000 for the purchase of shares of the Company's Common Stock and $1,887,000 for the payment of cash dividends. The Company's sources and uses of cash during the 39 weeks ended May 31, 2003 are set forth in the unaudited consolidated condensed statement of cash flows for that period.

Principal known demands at May 31, 2003 on the Company's liquid assets for the remainder of fiscal 2003 include capital expenditures of approximately $5,000,000 and approximately $1,815,000 for the payment of cash dividends. On March 19, 2003, the Board of Directors authorized the purchase of outstanding shares of the Company's common stock, depending on market conditions, for an aggregate purchase price of up to $20 million. As of May 31, 2003, 345,899 shares had been repurchased for an aggregate consideration of approximately $9,700,000 under this authorization.

Management currently expects its cash on hand and funds from operations to be sufficient to cover both short-term and long-term operating requirements.

COMPANY OUTLOOK

Long-term demographics are favorable to the Company, as the target market of U.S. consumers' age 50 and older is anticipated to nearly double within the next 30 years. A recent Consumer Demographic Profile Study completed by the University of Michigan also found that long-term prospects should be favorably impacted due to the increased popularity of RVs, the growth in our prime target audience of people over the age of 50 and broadening age range of people who are buying the Company's motor homes. Order backlog for the Company's Class A and Class C motor homes was 1,419 orders on May 31, 2003 compared to 2,689 orders on June 1, 2002. The Company includes in its backlog all accepted purchase orders from dealers shippable within the next six months. Orders in backlog can be canceled or postponed at the option of the purchaser at any time without penalty and, therefore, backlog may not necessarily be a measure of future sales.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of May 31, 2003, the Company has an investment portfolio of fixed income securities, which are classified as cash and cash equivalents of $92,747,000, of which $87,948,000 are fixed income investments that are subject to interest rate risk.

ITEM 4. CONTROLS AND PROCEDURES

Within the 90-day period prior to the filing of this report, an evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-14(c) and 15d-14 (c) under the Securities Exchange Act of 1934). Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are, to the best of their knowledge, effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. Subsequent to the date of their evaluation, there were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors of
Winnebago Industries, Inc.
Forest City, Iowa

We have reviewed the accompanying condensed consolidated balance sheet of Winnebago Industries, Inc. and subsidiaries (the Company) as of May 31, 2003, and the related condensed consolidated statements of income and cash flows for the 13-week and 39-week periods ended May 31, 2003 and the 13-week and 40-week periods ended June 1, 2002, respectively. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America (generally accepted auditing standards), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such condensed consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of the Company as of August 31, 2002, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated October 4, 2002, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of August 31, 2002 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP
Minneapolis, Minnesota
June 11, 2003

PART II Other Information

Item 1. Legal Proceedings

Reference is made to the comments in the Form 10-K for the fiscal year ended August 31, 2002 with respect to the purported class action captioned Sanft, et al vs. Winnebago Industries, Inc., et al which was filed in the United States District Court, Northern District of Iowa, Central Division, on August 30, 2001. The Plaintiffs filed a Motion for Class Certification on January 31, 2003 and the Company filed a Resistance thereto. Chief Judge Mark W. Bennett, U.S. District Court, Northern District of Iowa, entered a Memorandum Opinion and Order regarding Plaintiffs' Motion for Class Certification on May 7, 2003 in which he denied the Plaintiffs' Motion for Class Certification because the Plaintiff Sanft failed to demonstrate that the proposed class met the numerosity requirements of Federal Rule of Civil Procedure 23(a)(1). The Plaintiffs thereafter on May 12, 2003 filed a Motion for Amendment of Order Denying Class Certification in which they in effect request that Judge Bennett reconsider his decision to deny class certification. The Company filed a Resistance to Motion for Amendment of Order Denying Class Certification on May 29, 2003 and the parties are currently awaiting Judge Bennett's decision thereon.

The Company is also involved in various other legal proceedings which are ordinary routine litigation to its business, many of which are covered in whole or in part by insurance. While it is impossible to estimate with certainty the ultimate legal and financial liability with respect to this litigation, management is of the opinion that while the final resolution of any such litigation may have an impact on the Company's consolidated results for a particular reporting period, the ultimate disposition of such litigation will not have any material adverse effect on the Company's financial position, results of operations or liquidity.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits - See Exhibit Index on page 18.

(b) 8-K filings during quarter ended May 31, 2003.

On March 18, 2003 the Company filed a report on Form 8-K relating to a press release issued by the Company to announce its second quarter and 26 week earnings.

On April 28, 2003 the Company filed a report on Form 8-K relating to a press release issued by the Company to report the sale of the majority of the Company's dealer financing receivables in WAC to GE Commerical Distribution Finance Corporation.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce D. Hertzke, Chief Executive Officer of Winnebago Industries, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Winnebago Industries, Inc. (the "Registrant");

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

    b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Quarterly Report (the "Evaluation Date"); and

    c) presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officer and I have indicated in this Quarterly Report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 11, 2003

By:

Bruce D. Hertzke
Chief Executive Officer

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Edwin F. Barker, Chief Financial Officer of Winnebago Industries, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Winnebago Industries, Inc. (the "Registrant");

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

    b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Quarterly Report (the "Evaluation Date"); and

    c) presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officer and I have indicated in this Quarterly Report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 11, 2003

By:

Edwin F. Barker
Chief Financial Officer

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: July 11, 2003

Bruce D. Hertzke
Chairman of the Board, Chief Executive Officer, and President
(Principal Executive Officer)

Date: July 11, 2003

Edwin F. Barker
Senior Vice President - Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

10w. Two Subordination Agreements both dated April 24, 2003 between Winnebago Acceptance Corporation and GE Commercial Distribution Finance Corporation.

99. 906 certification.

EXHIBIT 99

WRITTEN STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER

1. BRUCE D. HERTZKE, CHIEF EXECUTIVE OFFICER AND PRESIDENT AND EDWIN F. BARKER, CHIEF FINANCIAL OFFICER, EACH CERTIFY THAT:

   (a) The Quarterly Report on Form 10-Q ("periodic report") of Winnebago Industries, Inc. (the "issuer"), for the quarter ended May 31, 2003, as filed with the Securities and Exchange Commission on the date of this certificate, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

   (b) the information contained in that periodic report fairly represents, in all material respects, the financial condition and results of operations of the issuer.

2. This statement is provided pursuant to the requirements of Section 906 of the Sarbanes - Oxley Act of 2002, codified as Section 1350 of Chapter 63 of Title 18 U.S.C.

Date: July 11, 2003

By:

Bruce D. Hertzke
Chief Executive Officer
and President

By:

Edwin F. Barker
Chief Financial Officer

EXHIBIT 10w.

SUBORDINATION AGREEMENT
(Specific Unit to CDF)

This Subordination Agreement ("Agreement") is hereby made this 24th day of April, 2003, by and between Winnebago Acceptance Corporation ("Lender") with a place of business located at Forest City, Iowa and GE Commercial Distribution Finance Corporation ("CDF") with a place of business located at 2625 S. Plaza Drive, Suite #201, Tempe, AZ 85282.

RECITAL

CDF and Lender have filed or intend to file a financing statement or statements under the Uniform Commercial Code giving notice of a security interest in all or some of the assets of La Mesa R.V. Center, Inc., La Mesa R.V. Center, Inc. (Yuma) and La Mesa R.V. Center, Inc. (Central) ("Dealer"). Dealer wishes to obtain financing from CDF for the inventory described in the attached 'Exhibit A' (referred to herein as the "CDF Collateral").

CDF has agreed to provide such financing to Dealer on the condition that Lender subordinates to CDF any and all interest which Lender may presently have or may hereafter acquire in and to the CDF Collateral. Lender is willing to subordinate its interest in accordance with the terms of this Agreement.

NOW, THEREFORE, in order to induce CDF to extend financing to Dealer, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lender hereby agrees as follows:

1. Lender hereby unconditionally subordinates to CDF any and all right, title and security interest which Lender may presently have or which it may hereafter acquire in and to the CDF Collateral specified above, whether now owned or hereafter acquired by Dealer and wherever located, and all discounts, rebates, credits, incentive payments, returns, repossessions, exchanges, substitutions, replacements, attachments, parts, accessories, and accessions thereto, and all proceeds thereof.

2. This Agreement constitutes a continuing agreement of subordination, and CDF may provide financing to Dealer on the basis of this Agreement. The priority granted to CDF hereunder is enforceable regardless of the time or order of attachment or perfection of security interests. The respective priorities of CDF and Lender in the assets of Dealer which are not covered by this Agreement shall be determined in accordance with the provisions of the Uniform Commercial Code as adopted in the applicable state.

3. Lender represents and warrants to CDF that Lender has not heretofore assigned, transferred, subordinated or terminated any of Lender's right, title or security interest in or to any of Dealer's assets subordinated to CDF pursuant to this Agreement. This Agreement shall be binding on, and shall inure to the benefit of, the successors and assigns of CDF and Lender. Except as set forth in the preceding sentence, this Agreement is not intended, nor shall it be deemed, to directly or indirectly benefit any person or entity, including the Dealer, who is not a party hereto.

4. If any action or suit is filed between the parties arising in relation to this Agreement, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and costs, in addition to all other sums to which it may be entitled from the other party. Lender and CDF irrevocably waive all rights to claim any punitive, exemplary or consequential damages against each other.

5. THE LAWS OF THE STATE OF ARIZONIA WILL GOVERN THIS AGREEMENT AND ALL TRANSACTIONS HEREUNDER AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION AND EFFECT. EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS LOCATED WITHIN SUCH STATE AND AGREES THAT ALL LEGAL PROCEEDINGS WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

IN WITNESS WHEREOF, the duly authorized representatives of Lender and CDF have executed this Subordination Agreement on the date set forth above.

THIS CONTRACT CONTAINS JURY WAIVER AND PUNITIVE DAMAGE WAIVER PROVISIONS.

WINNEBAGO ACCEPTANCE CORPORATION
(Lender)

By: /s/ Raymond M. Beebe

Title: V.P., General Counsel and Secretary

GE COMMERCIAL DISTRIBUTION FINANCE CORPORATION

By: /s/ Tim Wass

Title: Director of Underwriting

EXHIBIT 10w.

SUBORDINATION AGREEMENT
(Used - Lender Subordinates to CDF)

This Subordination Agreement ("Agreement") is hereby made this 24th day of April, 2003, by and between Winnebago Acceptance Corporation ("Lender") with a place of business located at Forest City, Iowa and GE Commercial Distribution Finance Corporation ("CDF") with a place of business located at 2625 S. Plaza Drive, Suite #201, Tempe, AZ 85282.

RECITAL

CDF and Lender have filed or intend to file a financing statement or statements under the Uniform Commercial Code giving notice of a security interest in all or some of the assets of La Mesa R.V. Center, Inc., La Mesa R.V. Center, Inc. (Yuma) and La Mesa R.V. Center, Inc. (Central) ("Dealer"). Dealer wishes to obtain financing from CDF for certain assets of Dealer. CDF has agreed to provide such financing to Dealer on the condition that Lender subordinates to CDF all interest which Lender may presently have or may hereafter acquire in and to such assets of Dealer. Lender is willing to subordinate its interest in accordance with the terms of this Agreement.

NOW, THEREFORE, in order to induce CDF to extend such financing to Dealer, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Lender and CDF agree as follows:

1. Lender unconditionally subordinates to CDF any and all right, title and security interest which Lender may presently have or which it may hereafter acquire in and to all of Dealer's Used Inventory (as defined below), whether now owned or hereafter acquired by Dealer and wherever located, and all discounts, rebates, credits, incentive payments, repossessions, exchanges, substitutions, replacements, attachments, parts, accessories and accessions thereto, and all accounts, chattel paper, instruments, reserves, documents and general intangibles arising from the sale, lease, rental or other disposition thereof, and all proceeds from all of the foregoing. The term "Used Inventory" is defined herein to mean any item of Inventory that has been: (i) previously sold at retail; and/or (ii) registered or titled in any state.

2. This Agreement shall constitute a continuing agreement of subordination, and CDF may provide financing to Dealer on the basis of this Agreement. The priority granted to CDF hereunder is enforceable regardless of the time or order of attachment or perfection of security interests or any previous agreement entered into between Lender and CDF. Lender represents and warrants to CDF that Lender has not heretofore assigned, transferred, subordinated, terminated or released any of Lender's right, title or security interest in or to any of Dealer's assets subordinated to CDF hereunder. The priority of the respective security interest of CDF and Lender in the assets of Dealer which are not covered by this Agreement shall be determined in accordance with the provisions of the Uniform Commercial Code as adopted by the applicable state.

3. This Agreement shall be binding on, and shall inure to the benefit of, the successors and assigns of CDF and Lender. Except as set forth in the first sentence of this Paragraph 3, this Agreement is not intended, nor shall it be deemed, to directly or indirectly benefit any person or entity, including the Dealer, who is not a party hereto.

4. If any action or suit is filed between the parties arising in relation to this Agreement, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and costs, in addition to all other sums to which it may be entitled from the other party. Lender and CDF irrevocably waive all rights to claim any punitive, exemplary or consequential damages against each other.

5. Lender may terminate this Agreement by notice to CDF in writing, the termination to be effective ninety (90) days after receipt and acknowledgement thereof by CDF, but the termination will not affect or impair any of the rights, interests or priorities of CDF created or acquired hereunder in or to any of Dealer's assets prior to the effective date of termination.

6. THE LAWS OF THE STATE OF ARIZONIA WILL GOVERN THIS AGREEMENT AND ALL TRANSACTIONS HEREUNDER AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION AND EFFECT. EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS LOCATED WITHIN SUCH STATE AND AGREES THAT ALL LEGAL PROCEEDINGS WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

IN WITNESS WHEREOF, the duly authorized representatives of Lender and CDF have executed this Subordination Agreement on the date set forth above.

THIS AGREEMENT CONTAINS JURY WAIVER AND PUNITIVE DAMAGE WAIVER PROVISIONS.

WINNEBAGO ACCEPTANCE CORPORATION
(Lender)

By: /s/ Raymond M. Beebe

Title: V.P., General Counsel and Secretary

GE COMMERCIAL DISTRIBUTION FINANCE CORPORATION

By: /s/ Tim Wass

Title: Director of Underwriting