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 November 28, 1998

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	42-0803978
(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: (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 22,148,798 shares of $.50 par value common stock outstanding on January 7, 1999.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES

INDEX TO REPORT ON FORM 10-Q

Part I Financial Information
Item 1.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Dollars in thousands

ASSETS	NOVEMBER 28, 1998 (Unaudited)	AUGUST 29, 1998
CURRENT ASSETS		
Cash and cash equivalents	$ 33,940	$ 53,859
Receivables, less allowance for doubtful accounts ($1,263 and $1,582, respectively)	26,491	22,025
Dealer financing receivables less allowance for doubtful accounts ($159 and $78, respectively)	25,680	12,782
Inventories	56,920	55,433
Prepaid expenses	3,981	3,516
Deferred income taxes	6,906	6,906
Total current assets	153,918	154,521
PROPERTY AND EQUIPMENT, at cost		
Land	1,158	1,158
Buildings	39,187	38,779
Machinery and equipment	70,205	69,095
Transportation equipment	5,096	5,047
	115,646	114,079
Less accumulated depreciation	82,295	81,167
Total property and equipment, net	33,351	32,912
LONG-TERM NOTES RECEIVABLE, less allowances ($1,344 and $973, respectively)	4,958	5,396
INVESTMENT IN LIFE INSURANCE	22,160	21,226
DEFERRED INCOME TAXES, NET	16,309	16,071
OTHER ASSETS	471	486
TOTAL ASSETS	$ 231,167	$ 230,612

See Unaudited Condensed Notes to Consolidated Financial Statements

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Dollars in thousands

LIABILITIES AND STOCKHOLDERS' EQUITY	NOVEMBER 28, 1998	AUGUST 29, 1998
	(Unaudited)	
CURRENT LIABILITIES		
Accounts payable, trade	$ 17,058	$ 24,461
Income tax payable	16,497	12,623
Accrued expenses:		
Insurance	3,872	3,566
Product warranties	5,487	5,260
Vacation liability	3,675	3,343
Promotional	3,133	2,236
Other	9,949	11,113
Total current liabilities	59,671	62,602
POSTRETIREMENT HEALTH CARE AND DEFERRED COMPENSATION BENEFITS	53,194	51,487
STOCKHOLDERS' EQUITY		
Capital stock, common, par value $.50; authorized 60,000,000 shares: issued 25,871,000 and 25,865,000 shares, respectively	12,935	12,932
Additional paid-in capital	22,563	22,507
Reinvested earnings	121,307	111,665
	156,805	147,104
Less treasury stock, at cost	38,503	30,581
Total stockholders' equity	118,302	116,523
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 231,167	$ 230,612

See Unaudited Condensed Notes to Consolidated Financial Statements

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

In thousands, except per share data

	THIRTEEN WEEKS ENDED NOVEMBER 28, 1998	THIRTEEN WEEKS ENDED NOVEMBER 29, 1997
Net revenues	$ 157,664	$ 125,896
Cost of goods sold	132,788	107,473
Gross profit	24,876	18,423
Operating expenses:		
Selling and delivery	5,102	5,729
General and administrative	5,694	5,266
Total operating expenses	10,796	10,995
Operating income	14,080	7,428
Financial income	581	613
Pre-tax income	14,661	8,041
Provision for taxes	5,012	2,703
Net income	$ 9,649	$ 5,338
Earnings per common share (Note 7):		
Basic	$ .43	$ .21
Diluted	.43	.21
Weighted average common shares outstanding (Note 7):		
Basic	22,224	25,481
Diluted	22,458	25,612

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

Dollars in thousands

	THIRTEEN WEEKS ENDED	
	NOVEMBER 28, 1998	NOVEMBER 29, 1997
Cash flows from operating activities:		
Net income	$ 9,649	$ 5,338
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,353	1,369
Other	274	60
Change in assets and liabilities:		
(Increase) decrease in receivable and other assets	(5,192)	7,987
(Increase) decrease in inventories	(1,487)	255
(Decease) increase in accounts payable and accrued expenses	(6,805)	1,925
Increase in income taxes payable	3,874	14,203
Increase in postretirement benefits	1,257	915
Other	(238)	--
Net cash provided by operating activities	2,685	32,052
Cash flows provided (used) by investing activities:		
Investments in marketable securities	--	(813)
Purchases of property and equipment	(1,969)	(687)
Investments in dealer receivables	(25,432)	(13,899)
Collections of dealer receivables	12,453	9,096
Other	214	(258)
Net cash used by investing activities	(14,734)	(6,561)
Cash flows used by financing activities and capital transactions:		
Payments for purchase of common stock	(8,141)	--
Payments of long-term debt	--	(695)
Payment of cash dividends	(7)	--
Other	278	46
Net cash used by financing activities and capital transactions	(7,870)	(649)
Net (decrease) increase in cash and cash equivalents	(19,919)	24,842
Cash and cash equivalents - beginning of period	53,859	32,130
Cash and cash equivalents - end of period	$ 33,940	$ 56,972

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

1. 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 November 28, 1998, the consolidated results of operations for the 13 weeks ended November 28, 1998 and November 29, 1997, and the consolidated cash flows for the 13 weeks ended November 28, 1998 and November 29, 1997. The results of operations for the 13 weeks ended November 28, 1998, are not necessarily indicative of the results to be expected for the full year.

2. 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):

	November 28, 1998	August 29, 1998
Finished goods	$ 22,325	$ 24,147
Work in process	16,746	15,328
Raw materials	35,588	33,384
	74,659	72,859
LIFO reserve	17,739	17,426
	$ 56,920	$ 55,433

3. Since March, 1992, the Company has had a financing and security agreement with NationsBank Specialty Lending Unit. 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 under the agreement bear interest at the prime rate, as defined in the agreement, plus 50 basis points. The line of credit is available and continues for 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 restrictive covenants, including maintenance of minimum net worth, working capital and current ratio. As of November 28, 1998, the Company was in compliance with these covenants. There were no outstanding borrowings under the line of credit at November 28, 1998 or August 29, 1998.

4. 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 $159,772,000 and $132,540,000 under repurchase agreements with lending institutions as of November 28, 1998 and August 29, 1998, respectively. Included in these contingent liabilities as of November 28, 1998 and August 29, 1998 are approximately $10,841,000 and $18,623,000, respectively, of certain dealer receivables subject to recourse agreements with NationsBank and Green Tree Financial Corporation.

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

	Thirteen Weeks Ended	
	November 28, 1998	November 29, 1997
Income taxes	$ 1,375	$ 20
Interest	61	118

6. On September 28, 1998, the Company completed the $36,500,000 repurchase of outstanding shares of its common stock authorized by the Board of Directors on December 29, 1997. Under this repurchase program, 3,612,660 shares were repurchased for an aggregate consideration of $36,499,018.

7. The following table reflects the calculation of basic and diluted earnings per share for the 13 weeks ended November 28, 1998 and November 29, 1997.

	Thirteen Weeks Ended	
In thousands, except per share data	November 28, 1998	November 29, 1997
Net income per share - basic:		
Net income	$ 9,649	$ 5,338
Weighted average shares outstanding	22,224	25,481
Net income per share - basic	$ .43	$ .21
Net income per share - assuming dilution:		
Net income	$ 9,649	$ 5,338
Weighted average shares outstanding	22,224	25,481
Dilutive impact of options outstanding	234	131
Weighted average shares & potential dilutive shares outstanding	22,458	25,612
Net income per share - assuming dilution	$ .43	$ .21

Item 2.

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

RESULTS OF OPERATIONS

Thirteen Weeks Ended November 28, 1998 Compared to Thirteen Weeks Ended November 29, 1997

Net revenues for the 13 weeks ended November 28, 1998 were $157,664,000 an increase of $31,768,000, or 25.2 percent from the 13 week period ended November 29, 1997. Motor home shipments (Class A and C) were 2,466 units, an increase of 404 units, or 19.6 percent, during the first quarter of fiscal 1999 compared to the first quarter of fiscal 1998. Favorable interest rates, low fuel prices, high consumer confidence levels and an aging baby boom population have stimulated upward momentum for the Company as well as the recreation vehicle market in general. Management believes that the Company's long-term prospects remain bright. As of December 18, 1998, the Company's order backlog of Class A and Class C motor homes was approximately 3,100 orders compared to approximately 1,500 orders at the same time last year. The Company includes in its backlog all accepted purchase orders from dealers shippable within the next six months. Orders in backlog can be canceled at the option of the purchaser at any time without penalty and, therefore, backlog may not necessarily be a measure of future sales.

Gross profit, as a percent of net revenues, was 15.8 percent for the 13 weeks ended November 28, 1998 compared to 14.6 percent for the 13 weeks ended November 29, 1997. The Company's increased volume of production and sales of motor homes resulted in the improved margins.

Selling and delivery expenses were $5,102,000 or 3.2 percent of net revenues during the first quarter of fiscal 1999 compared to $5,729,000 or 4.6 percent of net revenues during the first quarter of fiscal 1998. The decreases in dollars and percentage can be attributed primarily to decreases, during the 13 weeks ended November 28, 1998, in promotional programs and a decrease in the reserve for losses on certain dealer receivables subject to full recourse to the Company. Increased sales volume, during the first quarter of fiscal 1999, also contributed to the decrease in percentage.

General and administrative expenses increased by $428,000 to $5,694,000 comparing the 13 weeks ended November 28, 1998 to the 13 weeks ended November 29, 1997 but decreased as a percentage of net revenues to 3.6 percent from 4.2 percent. Increases in the Company's employee incentive programs and in legal reserves during the first quarter of fiscal 1999 primarily contributed to the dollar increase in general and administrative expenses when comparing the two fiscal quarters. Partially offsetting these increases was a decrease in reserves for product liability costs during the first quarter of fiscal 1999. Increased sales volume, during the first quarter of fiscal 1999, contributed to the decrease in percentage.

The Company had net financial income of $581,000 for the first quarter of fiscal 1999 compared to net financial income of $613,000 for the comparable quarter of fiscal 1998. During the 13 weeks ended November 28, 1998, the Company recorded $651,000 of net interest income and losses of $70,000 in foreign currency transactions. During the 13 weeks ended November 29, 1997, the Company recorded $660,000 of net interest income and losses of $47,000 in foreign currency transactions.

For the first quarter of fiscal 1999 ended November 28, 1998, the Company had net income of $9,649,000, or $.43 per diluted share, compared to the first quarter of fiscal 1998 ended November 29, 1997's net income of $5,338,000, or $.21 per diluted share. Net income increased by 80.8 percent when comparing the first quarter of fiscal 1999 to fiscal 1998 but increased by 104.8 percent on a per diluted share basis when comparing the two quarters due to fewer shares of the Company's common stock being outstanding at November 28, 1998. See Note 6.

LIQUIDITY AND FINANCIAL CONDITION

The Company meets its working capital requirements, capital equipment requirements and cash requirements of subsidiaries with funds generated internally.

At November 28, 1998, working capital was $94,247,000, an increase of $2,328,000 from the amount at August 29, 1998. The Company's principal uses of cash during the 13 weeks ended November 28, 1998 were $25,432,000 of dealer receivable investments and $8,141,000 for the purchase of shares of the Company's Common Stock. The Company's principal source of cash during the 13 weeks ended November 28, 1998 was the collection of $12,453,000 in dealer receivables. The Company's sources and uses of cash during the 13 weeks ended November 28, 1998 are set forth in the unaudited consolidated statement of cash flows for that period.

Principal known demands at November 28, 1998 on the Company's liquid assets for the remainder of fiscal 1999 include approximately $7,625,000 of capital expenditures (primarily equipment replacement) and payments of cash dividends.

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

ACCOUNTING CHANGES

Comprehensive Income

Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income" was issued in June 1997 and has been adopted by the Company at the beginning of fiscal 1999. The statement requires companies to disclose comprehensive income and its components in their financial statements. This statement has no material impact on the Company's financials.

Segment Disclosures

SFAS No. 131, "Disclosures about Segments of and Enterprise and Related Information" was issued in June 1997 and must be adopted by the Company in the fourth quarter of fiscal 1999. The statement establishes standards which redefine how operating segments are determined and requires public companies to report financial and descriptive information about reportable operating segments.

Pension and Other Postretirement Benefits Disclosure

SFAS No. 132, "Employer's Disclosure About Pensions and Other Postretirement Benefits" was issued in February 1998 and must be adopted by the Company in the fourth quarter of fiscal 1999. The statement revises employer's disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of those plans.

Accounting for Derivative Instruments and Hedging Activities

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued in June 1998 and must be adopted by the Company no later than fiscal 2000. This statement requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure these instruments at fair value.

The Company has not completed the process of evaluating the effects of SFAS No. 131, SFAS No. 132 or SFAS No. 133. Since all these pronouncements, except for SFAS No. 133, relate primarily to changes in disclosure requirements, the Company does not believe the new requirements will significantly affect its financial condition or operating results.

FORWARD LOOKING INFORMATION

Except for the historical information contained herein, certain of the matters discussed in this report are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties, including, but not limited to demand from customers, effects of competition, the general state of the economy, interest rates, consumer confidence, changes in the product or customer mix or revenues and in the level of operating expenses and other factors which may be disclosed throughout this Form 10-Q. 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.

YEAR 2000 (Y2K) COMPLIANCE

The Company has conducted a comprehensive review of its computer systems that could be affected by the "Year 2000" issue and began an implementation plan in 1996 to resolve this issue. The Company decided to make corrections for compliance by programming rather than through file conversion. The program corrections were completed in May 1998. All programs are being tested individually and in the systems test mode. The testing is scheduled for completion in early calendar 1999 and is on schedule.

The Company's Plant Engineering and Maintenance Department was charged with the assessment and remediation of any Y2K problems in plant production equipment and in any building infrastructure equipment. Each machine will be checked individually and steps taken at that time to update for Y2K compliance. The completion of this project is scheduled for July 1999 and is on schedule.

The Company's Purchasing and Information Systems Departments have contacted all of the Company's major suppliers to determine their readiness for their compliance with the Y2K issue. The responses have been recorded and the Purchasing Department will personally contact any major supplier that has reported they may have a problem with being Y2K compliant by the start of the calendar year 2000.

The total cost associated with the modifications required to be Y2K compliant are not expected to exceed $300,000 of which approximately $260,000 has been expensed ($10,000 in fiscal 1999). Any remaining costs incurred by the Company for the Y2K project will be absorbed in existing budgets.

The failure to correct a material Y2K problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's operations. The Company's Y2K project is expected to significantly reduce its level of uncertainty about the Y2K problem and in particular, about the Y2K compliance and readiness of its material external agents.

At this time, the Company believes it has addressed all Y2K issues that may arise, therefore, no contingency plan has been developed. If during the Company's in-house testing or if information is received from an outside source that they would be unable to be Y2K compliant, the Company will then develop an appropriate contingency plan to address Y2K problems that may arise.

Readers are cautioned that forward-looking statements contained in the Y2K update should be read in conjunction with the Company's disclosures under the heading: "FORWARD LOOKING INFORMATION."

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not Applicable.

Part II

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	January 7, 1999	/s/ Bruce D. Hertzke
		Bruce D. Hertzke Chairman of the Board, Chief Executive Officer, and President (Principal Executive Officer)
Date	January 7, 1999	/s/ Edwin F. Barker
		Edwin F. Barker Vice President - Chief Financial Officer (Principal Financial Officer)

EXHIBIT INDEX

10f. Winnebago Industries, Inc. Officers Incentive Compensation Plan.

EXHIBIT 10f.

WINNEBAGO INDUSTRIES, INC.
OFFICERS INCENTIVE COMPENSATION PLAN
FISCAL PERIOD 1998 - 1999

1. PURPOSE. The purpose of the Winnebago Industries, Inc. Officers Incentive Compensation Plan (the "Plan") is to promote the growth and profitability of Winnebago Industries, Inc. (the "Company") by providing its officers with an incentive to achieve corporate profit objectives and to attract and retain officers who will contribute to the achievement of long-term growth and profitability of the company.

2. ADMINISTRATION.

   a. HUMAN RESOURCES COMMITTEE. The Plan shall be administered by a Committee (the "Committee") appointed by the Board of Directors.

   b. POWERS AND DUTIES. The Committee shall have sole discretion and authority to make any and all determinations necessary or advisable for administration of the Plan and may amend or revoke any rule or regulation so established for the proper administration of the Plan. All interpretations, decisions, or determinations made by the Committee pursuant to the Plan shall be final and conclusive.

   c. ANNUAL APPROVAL. The Committee must approve the Plan prior to the beginning of each new fiscal year.

3. PARTICIPATION ELIGIBILITY.

   1. Participants must be an officer of the Company with responsibilities that can impact the Corporation's results.

   2. The President of Winnebago Industries, Inc. will make recommendations to the Committee on partial year participation due to retirement, disability, new participants and other related participation issues.

   3. The Committee will approve all participation.

4. NATURE OF THE PLAN. The incentive award is based upon financial performance of the Corporation as established by the Management Plan. The Plan is an annual program that provides for quarterly cumulative measurements of financial performance and an opportunity for quarterly incentive payment based on performance results.

   The financial performance measurements for this Plan will be earnings per share and return on equity of the Company. These financial performance measurements will provide an appropriate balance between quality and quantity of earnings. The Company's beginning of the fiscal year stockholders' equity will be used as the base figure for the calculation of return on equity. Any stock repurchase program, adopted or completed outside of the Management Plan will not be considered in the earnings per share and the return on equity calculations.

5. METHOD OF PAYMENT. The amount of the participants' incentive compensation for the quarter shall be in direct proportion to the financial performance expressed as a percentage (Financial Factor) against predetermined compensation targets for each participant. Upon completion of the first quarter of the fiscal year, quarterly results thereafter shall be combined to form cumulative fiscal year-to-date results. The results for the respective period will be used in identifying the Financial Factor to be used for that period when calculating the participants incentive compensation.

   50% of the quarterly calculated incentive will be paid within 45 days after the close of the fiscal quarter. The remaining 50% of the quarterly calculated incentive will be held back and carried forward into the next cumulative quarter. At the end of the fourth fiscal quarter (fiscal year end), a final year-end accounting will be made prior to the payment of any remaining incentive holdback for the year.

   The minimum for earnings per share and return on equity will be 75% of the

Management Plan. The maximum for earnings per share and return on equity will be 125% of the Management Plan. No bonus incentive will be paid at less than 75% attainment of the Management Plan.

The incentive for the officers except for the Chief Executive Officer, provides for a 60% bonus (Target) comprised of (2/3) cash and (1/3) stock at 100% achievement of the financial objectives of earnings per share and return on equity. The incentive for the Chief Executive Officer provides for a 87.5% bonus (Target) comprised of (2/3) cash and (1/3) stock at 100% achievement of the financial objectives of earnings per share and return on equity.

A participant must be employed by Winnebago Industries, Inc. at the end of the fiscal year to be eligible for any previous quarterly holdback allocations except as waived by the Human Resource Committee for normal retirement and disability.

6. STRATEGIC PERFORMANCE. The Human Resources Committee reserves the right to modify the core incentive eligibility by plus/minus 20% (of the calculated Financial Factor) based upon strategic organizational priorities. Strategic performance will be measured at the end of the fiscal year only. Strategic measurements may focus on one or more of the following strategic factors but are not limited to those stated.

Revenue Growth	Customer Satisfaction
Market Share	Inventory Management
Product Quality	Technical Innovation
Product Introductions	Ethical Business Practices

7. ANNUAL STOCK MATCH. 50% of the total cash incentives earned for the year will be matched annually and paid in restricted stock to encourage stock ownership and promote the long-term growth and profitability of Winnebago Industries, Inc.

8. CHANGE IN CONTROL. In the event the Company undergoes a change in control during the Plan year including, without limitation, an acquisition or merger involving the Corporation ("Change in Control"), the Committee shall, prior to the effective date of the Change in Control (the "Effective Date"), make a good faith estimate with respect to the achievement of the financial performance through the end of the fiscal monthly period immediately preceding the Effective Date. Based on such estimate, the Committee shall award a prorated portion of the incentive determined by such estimate. Any holdback for previous period(s) will be released and paid to the participant together with the annual stock match payment earned.

9. GOVERNING LAW. Except to the extent preempted by federal law, the consideration and operation of the Plan shall be governed by the laws of the State of Iowa.

10. EMPLOYMENT RIGHTS. Nothing in this Plan shall confer upon any employee the right to continue in the employ of the Company, or affect the right of the Company to terminate an employee's employment at any time, with or without cause.

Approved by:

- -- --------------------------
Bruce D. Hertzke Dated
Chairman of the Board, CEO and President

- -- --------------------------
Gerald C. Kitch Dated
Human Resources Committee Chairman

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3-MOS
AUG-28-1999
NOV-28-1998
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