

UNITED STATES  
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 November 25, 2006

or

Transition Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Winnebago Industries, Inc.**

(Exact Name of Registrant as Specified in its Charter)

Iowa  
(State or Other Jurisdiction  
of Incorporation or Organization)

001-06403  
(Commission File Number)

42-0802678  
(IRS 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: (641) 585-3535

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  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.  
Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

The number of shares of common stock, par value \$0.50 per share, outstanding on January 2, 2007 was 31,395,995.

WINNEBAGO INDUSTRIES, INC.

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**Winnebago Industries, Inc.**  
**Unaudited Consolidated Statements of Income**

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

(In thousands, except per share data)	Thirteen Weeks Ended	
	November 25, 2006	November 26, 2005
Net revenues	\$ 201,765	\$ 232,255
Cost of goods sold	180,381	201,091
Gross profit	21,384	31,164
Operating expenses:		
Selling	4,727	4,673
General and administrative	6,517	5,049
Total operating expenses	11,244	9,722
Operating income	10,140	21,442
Financial income	1,563	922
Income before income taxes	11,703	22,364
Provision for taxes	3,767	7,794
Net income	\$ 7,936	\$ 14,570
Income per common share:		
Basic	\$ 0.25	\$ 0.44
Diluted	\$ 0.25	\$ 0.44
Weighted average common shares outstanding:		
Basic	31,249	32,934
Diluted	31,587	33,221
Dividends paid per common share	\$ 0.10	\$ 0.09

See unaudited notes to condensed consolidated financial statements.

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**Winnebago Industries, Inc.**  
**Unaudited Consolidated Balance Sheets**

(In thousands)	November 25, 2006	August 26, 2006
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**Assets**

## Current assets:

Cash and cash equivalents	\$	12,954	\$	24,934
Short-term investments		129,950		129,950
Receivables, less allowance for doubtful accounts (\$223 and \$164, respectively)		23,517		20,859
Inventories		97,168		77,081
Prepaid expenses and other assets		5,547		5,269
Deferred income taxes		10,129		9,067
<b>Total current assets</b>		<b>279,265</b>		<b>267,160</b>
Property and equipment, at cost:				
Land		946		946
Buildings		59,578		59,378
Machinery and equipment		99,756		99,839
Transportation equipment		9,617		9,561
<b>Total property and equipment, at cost</b>		<b>169,897</b>		<b>169,724</b>
Accumulated depreciation		(114,303)		(112,817)
<b>Total property and equipment, net</b>		<b>55,594</b>		<b>56,907</b>
Investment in life insurance		19,669		20,814
Deferred income taxes		24,678		25,002
Other assets		16,362		14,832
<b>Total assets</b>	<b>\$</b>	<b>395,568</b>	<b>\$</b>	<b>384,715</b>

**Liabilities and Stockholders' Equity**

## Current liabilities:

Accounts payable	\$	26,675	\$	27,923
Income taxes payable		9,799		7,876
Accrued expenses:				
Accrued compensation		11,385		12,498
Product warranties		9,649		9,523
Self-insurance		8,347		7,842
Promotional		5,007		5,253
Accrued dividends		3,126		3,109
Other		5,193		6,098
<b>Total current liabilities</b>		<b>79,181</b>		<b>80,122</b>
Postretirement health care and deferred compensation benefits, net of current portion		87,128		86,271
Contingent liabilities and commitments				
Stockholders' equity:				
Capital stock common, par value \$0.50; authorized 60,000 shares, issued 51,776 shares		25,888		25,888
Additional paid-in capital		24,696		22,268
Retained earnings		485,251		480,446
Treasury stock, at cost (20,387 and 20,633 shares, respectively)		(306,576)		(310,280)
<b>Total stockholders' equity</b>		<b>229,259</b>		<b>218,322</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$</b>	<b>395,568</b>	<b>\$</b>	<b>384,715</b>

See unaudited notes to condensed consolidated financial statements.

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**Winnebago Industries, Inc.**  
**Unaudited Consolidated Statements of Cash Flows**

(In thousands)	Thirteen Weeks Ended			
	November 25, 2006	November 26, 2005		
Operating activities:				
Net income	\$	7,936	\$	14,570
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock-based compensation		2,817		1,851
Depreciation		2,654		2,662
Deferred compensation expense		541		410
Provision for doubtful accounts		98		42

Loss on disposal of property	1	31
Deferred income taxes	(738)	276
Excess tax benefit of stock options	(525)	(7)
Increase in cash surrender value of life insurance policies	(195)	(260)
Postretirement benefit income	(122)	(48)
Other	3	12
Change in assets and liabilities:		
Inventories	(20,087)	6,629
Receivables and prepaid assets	(3,034)	15,284
Income taxes payable	2,440	7,432
Accounts payable and accrued expenses	(3,112)	(16,162)
Postretirement and deferred compensation benefits	(254)	(333)
Net cash (used in) provided by operating activities	(11,577)	32,389
Investing activities:		
Purchases of short-term investments	(80,449)	(49,500)
Proceeds from the sale or maturity of short-term investments	80,449	32,600
Purchases of property and equipment	(1,176)	(1,398)
Proceeds from the sale of property	18	37
Other	546	125
Net cash used in investing activities	(612)	(18,136)
Financing activities:		
Payments for purchase of common stock	—	(5,184)
Payments of cash dividends	(3,114)	(2,969)
Proceeds from exercise of stock options	2,798	175
Excess tax benefit of stock options	525	7
Net cash provided by (used in) financing activities	209	(7,971)
Net (decrease) increase in cash and cash equivalents	(11,980)	6,282
Cash and cash equivalents at beginning of period	24,934	19,484
Cash and cash equivalents at end of period	\$ 12,954	\$ 25,766
Supplemental cash flow disclosure:		
Income taxes paid	\$ 2,065	\$ 85

See unaudited notes to condensed consolidated financial statements.

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**Winnebago Industries, Inc.**  
**Unaudited Notes to Condensed Consolidated**  
**Financial Statements**

**Forward-Looking Information**

This Quarterly Report on Form 10-Q, contains statements which may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve risks and uncertainties, including, but not limited to, the effect of global tensions, availability and price of fuel, a significant increase in interest rates, a decline in consumer confidence, a slowdown in the economy, availability of chassis and other key component parts, sales order cancellations, slower than anticipated sales of new or existing products, new product introductions by competitors and other factors which may be disclosed throughout this report. Although we believe that the expectations reflected in the “forward-looking statements” are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Undue reliance should not be placed on these “forward-looking statements,” which speak only as of the date of this report. We undertake 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.

**NOTE 1: Basis of Presentation**

The “Company,” “we,” “our,” and “us” are used interchangeably to refer to Winnebago Industries, Inc. or Winnebago Industries, Inc. and its subsidiaries, as appropriate to the context.

In our opinion, 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 November 25, 2006 and the consolidated results of operations and consolidated cash flows for the thirteen weeks ended November 25, 2006 and November 26, 2005. The consolidated statements of income for the thirteen weeks ended November 25, 2006 are not necessarily indicative of the results to be expected for the full year. The balance sheet data as of August 26, 2006 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 our Annual Report to Shareholders for the year ended August 26, 2006. Certain prior period information in the unaudited consolidated statements of cash flows has been reclassified to conform to the current year presentation.

**NOTE 2: Stock-Based Compensation Plans**

We have a 2004 Incentive Compensation Plan, as amended (the "Plan"), in place which allows us to grant stock options and other equity compensation to key employees and to nonemployee directors. In prior years, stock-based compensation consisted only of stock options. In the first quarter of 2007, we granted restricted stock awards to key employees instead of stock options. The value of the restricted stock awards is determined using the intrinsic value method which, in this case, is based on the number of shares granted and the closing price of our common stock on the date of grant.

Total stock-based compensation expense included in our statements of income for the thirteen weeks ended November 25, 2006 and November 26, 2005 was \$2.8 million and \$1.9 million, respectively. Of the \$2.8 million, \$2.1 million is related to the October 11, 2006 grant of 99,450 shares of restricted stock and the remainder is related to the amortization of previously granted stock options and stock units issued to nonemployee directors, in lieu of their director fees. We will continue to recognize compensation expense over the three-year vesting periods for awards granted prior to adoption of SFAS No. 123R, but for all awards granted after August 27, 2005, compensation expense will be recognized over the requisite service period of the award or over a period ending with an employee's eligible retirement date, if earlier.

**NOTE 3: New Accounting Pronouncements**

SFAS 109 has been amended by FIN 48, *Accounting for Uncertainty in Income Taxes*. The amendment establishes a consistent threshold for recognizing current and deferred income taxes and results in increased comparability in how companies report income tax assets and liabilities. The effective date of FIN 48 is for fiscal years beginning after December 15, 2006. We are currently evaluating the impact of this pronouncement on our future consolidated financial statements.

In September 2006, the FASB issued FAS No. 157, *Fair Value Measurements*. This statement provides a definition of fair value and a consistent basis by which to measure fair value. The statement is effective for fiscal years beginning after November 15, 2007 and for interim periods within those fiscal years. We are currently evaluating the impact of this pronouncement on our future consolidated financial statements.

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**NOTE 4: 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 consist of the following (in thousands):

	November 25, 2006	August 26, 2006
Finished goods	\$ 31,532	\$ 33,420
Work-in-process	40,109	35,166
Raw materials	57,722	40,080
	129,363	108,666
LIFO reserve	(32,195)	(31,585)
	<u>\$ 97,168</u>	<u>\$ 77,081</u>

**NOTE 5: Warranty**

We provide our motor home customers a comprehensive 12-month/15,000-mile warranty on the coach, and a 3-year/36,000-mile warranty on sidewalls and floors. We record a liability based on our estimate of the amounts necessary to settle future and existing claims on products sold as of the balance sheet date. Changes in our product warranty liability are as follows:

(In thousands)	Thirteen Weeks Ended	
	November 25, 2006	November 26, 2005
Balance at beginning of period	\$ 9,523	\$ 12,183
Provision	2,942	2,797
Claims paid	(2,816)	(3,529)
Balance at end of period	<u>\$ 9,649</u>	<u>\$ 11,451</u>

In addition to the costs associated with the contractual warranty coverage provided on our motor homes, we also occasionally incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. We estimate the cost of these service actions using past claim rate experiences and the estimated cost of repairs. Estimated costs are accrued at the time the service action is implemented and included in cost of sales in our consolidated statements of income and as other accrued expenses in our consolidated balance sheets.

Changes in our reserve for customer service actions are as follows:

(In thousands)	Thirteen Weeks Ended	
	November 25, 2006	November 26, 2005
Balance at beginning of period	\$ 505	\$ 624
(Credit) provision	(108)	121
Claims paid	(73)	(120)
Balance at end of period	<u>\$ 324</u>	<u>\$ 625</u>

## NOTE 6: Employee and Retiree Benefits

Long-term postretirement health care and deferred compensation benefits are as follows:

(In thousands)	November 25, 2006	August 26, 2006
Postretirement health care benefit cost (1)	\$ 50,261	\$ 50,583
Deferred compensation liability (2)	25,076	25,015
Executive share option plan liability	11,791	10,673
Total postretirement health care and deferred compensation benefits	<u>\$ 87,128</u>	<u>\$ 86,271</u>

- (1) The current portion of accrued postretirement benefit cost of \$933,000 and \$903,000 as of November 25, 2006 and August 26, 2006, respectively, is included within other accrued expenses.
- (2) The current portion of deferred compensation liability of \$1.5 million and \$1.6 million as of November 25, 2006 and August 26, 2006, respectively, is included within accrued compensation.

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### **Postretirement Health Care Benefits**

We provide certain health care and other benefits for retired employees, hired before April 1, 2001, who have fulfilled eligibility requirements of age 55 with 15 years of continuous service. Retirees are required to pay a monthly premium for medical coverage based on years of service at retirement and then current age. Effective September 2004, we amended our postretirement health care benefit by establishing a maximum employer contribution amount which resulted in a \$40.4 million reduction of the accumulated postretirement benefit obligation. This reduction was deferred and is being amortized over the approximate remaining service period of active participants. Net postretirement benefit income consisted of the following components (in thousands):

	Thirteen Weeks Ended	
	November 25, 2006	November 26, 2005
Interest cost	\$ 472	\$ 457
Service cost	202	233
Net amortization and deferral	(797)	(737)
Net periodic postretirement benefit (income)	<u>\$ (123)</u>	<u>\$ (47)</u>

For accounting purposes, we recognized income from the plan during the first quarter of both Fiscal 2007 and Fiscal 2006 due to the amortization of the cost savings from the September 2004 amendment. However, we are still obligated to pay the cost of previously accrued and earned retiree benefits and paid approximately \$169,000 and \$218,000 of such benefits for the thirteen weeks ended November 25, 2006 and November 26, 2005, respectively.

## NOTE 7: Contingent Liabilities and Commitments

### **Repurchase Commitments**

Our repurchase agreements provide that, in the event of default by the dealer on the agreement to pay the lending institution, we will repurchase the financed merchandise. The agreements provide that our liability will not exceed 100 percent of the dealer invoice and provide for periodic liability reductions based on the time since the date of the original invoice. Our contingent liability on these repurchase agreements was approximately \$276.6 million and \$278.6 million at November 25, 2006 and August 26, 2006, respectively. We have incurred no losses under these repurchase agreements during the past three fiscal years and, as a result, repurchase reserves under our repurchase agreements at November 25, 2006 and August 26, 2006 were not significant. Upon resale of the repurchased units, we do not record the transaction as revenue. The difference between the repurchase price and the net proceeds received from reselling the units is charged against our reserve for losses on repurchases.

### **Guarantees For Suppliers**

During the second quarter of Fiscal 2002, we entered into a five-year services agreement (the "Agreement") with an unaffiliated third-party paint Supplier (the "Supplier") and the Forest City Economic Development, Inc., (FCED) an Iowa nonprofit corporation, requiring the Supplier to provide paint services on our recreation vehicles. As of November 25, 2006, the Supplier is current with its lease payment obligations to the FCED with approximately \$2.9 million (principal and interest) remaining to be paid through August 2012. Under the terms of the Agreement in the event of a default by the Supplier, we would be obligated to purchase from the Supplier equipment installed in the paint facility at net book value of \$406,000 as of November 25, 2006, and we would be obligated to assume payment obligations for approximately \$8,600 in capital equipment leases remaining to be paid at November 25, 2006.

During the second quarter of Fiscal 2004, we entered into a five-year limited guaranty agreement ("Guaranty Agreement") with a leasing corporation ("Landlord") and the previously discussed Supplier. The Landlord constructed a paint facility through debt financing on land adjoining our Charles City manufacturing plant for the Supplier. The Landlord and the Supplier have signed a ten-year lease agreement which commenced on August 1, 2004. The Guaranty Agreement states that we will guarantee the first 60 monthly lease payments (totaling approximately \$1.6 million of which \$753,000 was remaining as of November 25, 2006). In the event of rental default before August 2009 and the Supplier's failure to correct the default, the Landlord shall give us (Guarantor) written notice of its intent to terminate said lease. At the time of this notification, we will have various options that we must exercise in a timely manner. One is to exercise an option to purchase the real estate with improvements from the Landlord. The price we would pay would be the outstanding loan owed by the Landlord to construct the paint facility, which was approximately \$1.7 million as of November 25, 2006. As of November 25, 2006, the Supplier is current with its lease payment obligations to the Landlord. As of November 25, 2006, the balance of the guaranty was approximately \$166,000 and presented as other accrued liabilities in the accompanying consolidated balance sheets.

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### **Litigation**

We are regularly involved in legal proceedings in the ordinary course of business, some of which are covered in part by insurance. Because of the uncertainties related to the outcome of the litigation and range of loss on certain cases, we are generally unable to make a reasonable estimate of the liability that could result from an unfavorable outcome. In other cases, we prepare estimates based on historical experience, the professional judgment of our legal counsel, and other assumptions that we believe to be reasonable. As additional information becomes available, we reassess the potential liability related to pending litigation and revise the related estimates. Such revisions and any actual liability that greatly exceed our estimates could materially adversely impact our results of operations and financial condition.

### **NOTE 8: Dividend Declared**

On October 11, 2006, the Board of Directors declared a quarterly cash dividend of \$0.10 per common share, payable January 8, 2007 to shareholders of record on December 8, 2006, which has been recorded as an accrued liability in the accompanying November 25, 2006 balance sheet.

### **NOTE 9: Repurchase of Outstanding Stock**

On April 12, 2006, the Board of Directors authorized the repurchase of outstanding shares of our common stock, depending on market conditions, for an aggregate consideration of up to \$50 million. There is no time restriction on this authorization. There were no repurchases during the first quarter of Fiscal 2007. Repurchases of up to \$22.2 million of our common stock remain available under this authorization.

### **NOTE 10: Income Per Share**

The following table reflects the calculation of basic and diluted income per share for the thirteen weeks ended November 25, 2006 and November 26, 2005.

<u>(In thousands, except per share data)</u>	<u>Thirteen Weeks Ended</u>	
	<u>November 25,</u> <u>2006</u>	<u>November 26,</u> <u>2005</u>
<u>Income per share – basic</u>		
Net income	\$ 7,936	\$ 14,570
Weighted average shares outstanding	31,249	32,934
Net income per share – basic	\$ 0.25	\$ 0.44
<u>Income per share – assuming dilution</u>		
Net income	\$ 7,936	\$ 14,570
Weighted average shares outstanding	31,249	32,934
Dilutive impact of options and awards outstanding	338	287
Weighted average shares and potential dilutive shares outstanding	31,587	33,221
Net income per share - assuming dilution	\$ 0.25	\$ 0.44

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## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

It is suggested that this management's discussion be read in conjunction with the Management's Discussion and Analysis included in our Annual Report to Shareholders for the year ended August 26, 2006.

### **Executive Overview**

Winnebago Industries, Inc. is a leading motor home manufacturer with a proud history of manufacturing recreation vehicles for the last 48 years. Our retail market share per Statistical Surveys, Inc. of Class A and Class C motor homes calendar year-to-date through October 31, 2006 compared to the same period ending October 31, 2005 was 19.2 percent compared to 17.8 percent, respectively, or an 8.2 percent increase. Our strategy is to manufacture quality motor homes in a profitable manner. We measure profitability by using five guidelines: return on assets (ROA), return on equity (ROE), return on invested capital (ROIC), operating income as a percent of net revenues and net income as a percent of net revenues. Our primary goal is to be a leader in profitability in the recreation vehicle industry. As a result of our performance, we have returned significant profits back to our shareholders through stock repurchases and dividends.

In the first quarter of Fiscal 2007, we saw the same trends continue in the motor home market that we saw throughout Fiscal 2006: further volume decline and shift in mix to lower-priced products in all product classes. This trend is occurring industry-wide. Industry retail sales per Statistical Surveys, Inc. of Class A and Class C motor homes calendar year-to-date through October 31, 2006 were down 11.5 percent. Although our volume decline was not as extreme as the industry retail decline, due to the popularity of our new Class C product offerings, our volume did decrease 4.3 percent calendar year-to-date through October. Other factors negatively impacting the quarter were increases in retail promotional programs, raw material commodities and health care costs, which reduced our gross profit margins. However, we remained solidly profitable in the first quarter of Fiscal 2007 with earnings of \$7.9 million, or \$0.25 per diluted share, and paid out dividends of \$3.1 million to our shareholders.

### **Company Outlook**

The RV industry is cyclical and susceptible to slowdowns in the general economy. RV industry sales have been characterized by cycles of growth and contraction in consumer demand, reflecting prevailing economic, demographic and political conditions that affect disposable income for leisure-time activities. Some of the factors that contribute to this cyclicity include fuel availability and costs, interest rate levels, the level of discretionary spending, availability of credit and consumer confidence. The motorized portion of the recreation vehicle industry has experienced a volume decline for nearly two years. An extended continuation of higher fuel costs, higher interest rates, smaller discretionary spending and lower consumer confidence would adversely affect our business, results of operations and financial condition. We will continue to adjust our factory schedule as necessary to reflect the demand for our products. Should fuel prices remain



lower than the record levels seen in the summer of 2006, interest rates continue to remain stable or decline and RV consumer sentiment begin to rise, the motor home market may improve next spring.

Order backlog for our motor homes was as follows:

	As Of		As Of		Increase (Decrease)	% Change
	Nov. 25, 2006	Product Mix %	Nov. 26, 2005	Product Mix %		
Class A gas	552	31.6	494	24.5	58	11.7
Class A diesel	466	26.7	495	24.6	(29)	(5.9)
Total Class A	1,018	58.3	989	49.1	29	2.9
Class C	727	41.7	1,024	50.9	(297)	(29.0)
Total backlog	1,745	100.0	2,013	100.0	(268)	(13.3)
Total approximate revenue dollars (in millions)	\$ 166.9		\$ 184.5		\$ (17.6)	(9.5)
Dealer inventory (units)	4,551		5,036		(485)	(9.6)

We include in our backlog all accepted purchase orders from dealers to be shipped 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 an accurate measure of future sales.

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Long-term demographics are favorable for us as our target market of consumers age 50 and older is expected to substantially increase over the next 30 years due to the aging of the baby boom market. Also, according to a 2005 study conducted by the University of Michigan, the age at which the motor home consumer is purchasing motor homes has broadened. Motor home buyers are entering the market earlier than in the past, as young as 35, and living active and healthier lives with more buyers remaining in the RV lifestyle over the age of 75. The study also indicates that owners are now using their motor homes for more than just traditional camping, having a positive impact on long-term motor home market growth. The study shows that motor homes are used to pursue consumers' many lifestyle passions which may include going to motor sports events or tailgating at sporting events.

## Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that we believe to be relevant at the time our consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates and such differences could be material.

We believe that the following accounting estimates and policies are the most critical to aid in fully understanding and evaluating our reported financial results and they require our most difficult, subjective or complex judgments resulting from the need to make estimates about the effect of matters that are inherently uncertain. We have reviewed these critical accounting estimates and related disclosures with the Audit Committee of our Board of Directors.

**Revenue Recognition.** Generally, revenues for motor homes are recorded when all of the following conditions are met: an order for a product has been received from a dealer; written or verbal approval for payment has been received from the dealer's floorplan financing institution; and the product is delivered to the dealer who placed the order. Most sales are financed under floorplan financing arrangements with banks or finance companies.

Revenues from the sales of our original equipment manufacturing (OEM) components and motor home-related parts are recorded as the products are shipped from our location. The title of ownership transfers on these products as they leave our location due to the freight terms of F.O.B. - Forest City, Iowa.

**Postretirement Benefits Obligations and Costs.** We provide certain health care and other benefits for retired employees, hired before April 1, 2001, who have fulfilled eligibility requirements at age 55 with 15 years of continuous service. Postretirement benefit liabilities are determined by actuaries using assumptions about the discount rate and health care cost-trend rates. A significant increase or decrease in interest rates could have a significant impact on our operating results. Further discussion of our postretirement benefit plan and related assumptions is included in Note 6.

**Warranty.** A comprehensive 12-month/15,000-mile warranty and a 3-year/36,000-mile warranty on sidewalls and floors is provided by us with the purchase of any new motor home. Estimated costs related to product warranty are accrued at the time of sale and are based upon past warranty claims and unit sales history and adjusted as required to reflect actual costs incurred, as information becomes available. A significant increase in dealership labor rates, the cost of parts or the frequency of claims could have a material adverse impact on our operating results for the period or periods in which such claims or additional costs materialize. We also incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. Estimated costs are accrued at the time the service action is implemented and are based upon past claim rate experiences and the estimated cost of the repairs. Further discussion of our warranty costs and associated accruals is included in Note 5.

**Repurchase Commitments.** Generally, companies in the RV industry enter into repurchase agreements with lending institutions which have provided wholesale floorplan financing to dealers. Our repurchase agreements provide that, in the event of default by the dealer on the agreement to pay the lending institution, we will repurchase the financed motor homes. The agreements also provide that our liability will not exceed 100 percent of the dealer invoice and provide for periodic liability reductions based on the time since the date of the original invoice. These repurchase obligations generally 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. Our obligations under these repurchase agreements are reduced by the proceeds received upon the resale of any repurchased unit. The gross repurchase obligation will vary depending on the season and the level of dealer inventories. Past losses under these agreements have not been significant. Further discussion of our repurchase obligations is included in Note 7.



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**Stock-Based Compensation.** Historically, we have granted stock options to our key employees and nonemployee directors as part of their compensation. In the first quarter of Fiscal 2007, we granted restricted stock awards to key employees instead of stock options.

The amount of compensation expense incurred related to stock awards and to be incurred in future periods is dependent upon a number of factors, such as the number of awards, both options and shares granted, the timing of stock option exercises and actual forfeiture rates. We estimate the fair value of all stock option awards as of the date of grant by applying the Black-Scholes option-pricing model. The application of this valuation model involves assumptions, some of which are judgmental and highly sensitive, in the determination of stock option compensation expense. These assumptions include, among others, our expected stock price volatility and the expected life of our stock options, which are based primarily on our historical experience.

The value of the restricted stock is based on the closing price of our common stock on the date of grant.

The fair value of each award is amortized on a straight-line basis over the requisite service period or to an employee's eligible retirement date, if earlier. This is because our awards typically vest over three years or upon retirement if earlier; thus, options and restricted stock awards are expensed immediately upon grant for retirement-eligible employees. This feature accelerates expense in the period of grant (typically our first fiscal quarter) and relatively less expense thereafter. This creates an uneven pattern of stock-based compensation that results in relatively higher expense in our first fiscal quarter and relatively lower expense in our second through fourth quarters. The impact of this feature is significant since a majority of our awards are made to retirement-eligible employees. Further discussion of our stock-based compensation is included in Note 2.

**Other.** We have reserves for other loss exposures, such as litigation, taxes, product liability, worker's compensation, employee medical claims, inventory and accounts receivable. We also have loss exposure on loan guarantees. Establishing loss reserves for these matters requires the use of estimates and judgment in regards to risk exposure and ultimate liability. We estimate losses under the programs using consistent and appropriate methods; however, changes in assumptions could materially affect our recorded liabilities for loss.

## Results of Operations

### Current Quarter Compared to the Same Quarter Last Year

The following is an analysis of changes in key items included in the consolidated statements of income for the quarter ended November 25, 2006 compared to the quarter ended November 26, 2005.

(In thousands, except percent and per share data)	Quarter Ended					
	Nov. 25, 2006	% of Revenues	Nov. 26, 2005	% of Revenues	(Decrease) Increase	% Change
Net revenues	\$ 201,765	100.0	\$ 232,255	100.0	\$ (30,490)	(13.1)
Cost of goods sold	180,381	89.4	201,091	86.6	(20,710)	(10.3)
Gross profit	21,384	10.6	31,164	13.4	(9,780)	(31.4)
Selling	4,727	2.4	4,673	2.0	54	1.2
General and administrative	6,517	3.2	5,049	2.2	1,468	29.1
Total operating expenses	11,244	5.6	9,722	4.2	1,522	15.7
Operating income	10,140	5.0	21,442	9.2	(11,302)	(52.7)
Financial income	1,563	0.8	922	0.4	641	69.5
Income before income taxes	11,703	5.8	22,364	9.6	(10,661)	(47.7)
Provision for taxes	3,767	1.9	7,794	3.3	(4,027)	(51.7)
Net income	\$ 7,936	3.9	\$ 14,570	6.3	\$ (6,634)	(45.5)
Diluted income per share	\$ 0.25		\$ 0.44		\$ (0.19)	(43.2)
Fully diluted average shares outstanding	31,587		33,221		(1,634)	(4.9)

Unit deliveries consisted of the following:

Motor home unit deliveries:	Quarter Ended					
	Nov. 25, 2006	Product Mix %	Nov. 26, 2005	Product Mix %	Decrease	% Change
Class A gas	772	35.0	901	36.1	(129)	(14.3)
Class A diesel	341	15.4	422	16.9	(81)	(19.2)
Total Class A	1,113	50.4	1,323	53.0	(210)	(15.9)
Class C	1,096	49.6	1,171	47.0	(75)	(6.4)
Total deliveries	2,209	100.0	2,494	100.0	(285)	(11.4)

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Net revenues for the thirteen weeks ended November 25, 2006 decreased \$30.5 million, or 13.1 percent, primarily as a result of an 11.4 percent decrease in unit deliveries. Along with our overall decline in motor home deliveries, our average selling price decreased 2.8 percent when comparing the thirteen weeks ended November 25, 2006 to the thirteen weeks ended November 26, 2005.

Gross profit margin decreased from 13.4 percent during the thirteen weeks ended November 26, 2005 to 10.6 percent during the thirteen weeks ended November 25, 2006. The deterioration of margin was primarily due to lower production volumes resulting in increased fixed costs per unit of production and increased retail promotional programs. Also contributing to the reduced margins were increased raw material commodities and health care costs.

Selling expenses increased \$54,000, or 1.2 percent, during the thirteen weeks ended November 25, 2006. As a percent of net revenues, selling expenses were 2.4 percent and 2.0 percent during the thirteen weeks ended November 25, 2006 and November 26, 2005, respectively. The increases were due primarily to advertising expenses.

General and administrative expenses increased \$1.5 million, or 29.1 percent, during the thirteen weeks ended November 25, 2006. As a percent of net revenues, general and administrative expenses were 3.2 percent and 2.2 percent during the thirteen weeks ended November 25, 2006 and November 26, 2005, respectively. The increases were due primarily to stock-based compensation expense as a result of accelerated vesting due to an increase of retirement eligible employees.

Financial income increased \$641,000, or 69.5 percent, during the thirteen weeks ended November 25, 2006. The increase in financial income was due to a higher average interest rate earned on investments and a higher average short-term investment balance.

The overall effective income tax rate decreased to 32.2 percent for the thirteen weeks ended November 25, 2006 from 34.9 percent for the thirteen weeks ended November 26, 2005. The decrease was a result of an increase in tax-free and dividend income and stock option tax benefits due to the exercise of stock options.

Net income decreased by 45.5 percent and income per diluted share decreased by 43.2 percent when comparing the thirteen weeks ended November 25, 2006 to the thirteen weeks ended November 26, 2005. The smaller percentage decrease in income per diluted share was due to a lower number of shares of common stock outstanding during the thirteen weeks ended November 25, 2006, as a result of shares of common stock repurchased by the Company. (See Note 10 of the Unaudited Notes to Condensed Consolidated Financial Statements for the period ended November 25, 2006.)

### **Analysis of Financial Condition, Liquidity and Resources**

In recent fiscal periods, we have generated substantial cash from operations, which has enabled us to meet our working capital needs and make appropriate investments in manufacturing equipment and facilities, as well as pay increased cash dividends and repurchase stock. Cash and cash equivalents totaled \$13.0 million and \$24.9 million as of November 25, 2006 and August 26, 2006, respectively. Short-term investments, consisting primarily of highly liquid investments as of November 25, 2006 and August 26, 2006, were \$130.0 million on both dates. Working capital at November 25, 2006 and August 26, 2006 was \$200.1 million and \$187.0 million, respectively, an increase of \$13.1 million. We have no long-term debt. We currently expect our cash on hand and funds generated from operations to be sufficient to cover both short- and long-term operation requirements.

### **Operating Activities**

Cash used in operating activities was \$11.6 million during the thirteen weeks ended November 25, 2006, compared to cash provided by operating activities of \$32.4 million during the thirteen weeks ended November 26, 2005. The changes in cash used in operating activities was primarily attributable to an increase in our raw material chassis and work-in-process chassis inventories. The decrease in net income of \$6.6 million also contributed to the decrease, to a lesser extent.

### **Investing Activities**

The primary uses of cash for investing activities were for manufacturing equipment and facilities purchases of \$1.2 million for the thirteen weeks ended November 25, 2006 compared to \$1.4 million during the thirteen weeks ended November 26, 2005. We purchased \$80.4 million of short-term investments and received proceeds of \$80.4 million from the sale or maturity of short-term investments during the thirteen weeks ended November 25, 2006. During the thirteen weeks ended November 26, 2005, we purchased \$49.5 million of short-term investments and received proceeds of \$32.6 million from the sale or maturity of short-term investments.

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### **Financing Activities**

Cash provided by financing activities for the thirteen weeks ended November 25, 2006 was \$209,000 compared to cash uses of \$8.0 million during the thirteen weeks ended November 26, 2005. Payments of \$3.1 million for the thirteen weeks ended November 25, 2006 and \$3.0 million for the thirteen weeks ended November 26, 2005 for cash dividends were made. We did not repurchase any of our common stock during the thirteen weeks ended November 25, 2006, but did transact repurchases of \$5.2 million during the thirteen weeks ended November 26, 2005. We received proceeds from the exercise of stock options of \$2.8 million and \$175,000 during the thirteen weeks ended November 25, 2006 and November 26, 2005, respectively. (See Unaudited Condensed Consolidated Statements of Cash Flows)

### **Anticipated Use of Funds**

On April 12, 2006, the Board of Directors authorized the repurchase of outstanding shares of the Company's common stock, depending on market conditions, for an aggregate consideration of up to \$50 million. We did not repurchase any shares of common stock during the thirteen weeks ended November 25, 2006. Repurchases of up to \$22.2 million of our outstanding shares of common stock remain available under this authorization.

Estimated uses, at November 25, 2006, of our liquid assets for the remainder of Fiscal 2007 include \$9.3 million for payments of cash dividends. We expect spending for capital expenditures will be approximately in the \$3 to \$5 million range for the rest of Fiscal 2007, as we believe that total capital spending in Fiscal 2007 will be consistent with Fiscal 2006.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

As of November 25, 2006, we have an investment portfolio of cash and cash equivalents of \$13.0 million and available-for-sale securities of \$130.0 million. Taking into account the credit risk criteria of our investment policy, the primary market risk associated with these investments is interest rate risk and a decline in value if market interest rates increase. However, we have the ability to hold our fixed income investments until maturity or for the typical Dutch auction period (an average of 79 days) and based upon historical experience, we do not believe there are significant risks of a failed Dutch auction. Therefore, we would not expect to recognize a material adverse impact in income or cash flows in the event of a decline in value due to an increase in market interest rates.

## Item 4. Controls and Procedures.

As of the end of the period covered by this report, we, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as required by Securities Exchange Act of 1934, as amended (the "Exchange Act") Rule 13a-15 (f). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

We, including the Chief Executive Officer and the Chief Financial Officer, do not expect that our disclosure controls and procedures will prevent all errors or all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

We are responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rule 13a-15(f). We conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control

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over financial reporting was effective as of November 25, 2006. During our assessment, we did not identify any material weaknesses in our internal control over financial reporting.

There have been no significant changes in our internal controls or in other factors which could significantly affect internal controls over financial reporting subsequent to the date we carried out its evaluation.

In connection with the evaluation of internal control over financial reporting described above, no changes in our internal control over financing reporting were identified that occurred during the first quarter of Fiscal 2007 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have reviewed the accompanying consolidated balance sheet of Winnebago Industries, Inc. and subsidiaries (the "Company") as of November 25, 2006, and the related consolidated statements of income and condensed consolidated statements of cash flows for the thirteen-week periods ended November 25, 2006 and November 26, 2005. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), 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 reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim 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 the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of August 26, 2006, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Minneapolis, Minnesota

January 4, 2007

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**PART II OTHER INFORMATION**

**Item 1. Legal Proceedings.**

We are regularly involved in legal proceedings in the ordinary course of business, some of which are covered in part by insurance. Because of the uncertainties related to the outcome of the litigation and range of loss on certain cases, we are generally unable to make a reasonable estimate of the liability that could result from an unfavorable outcome. In other cases, we prepare estimates based on historical experience, the professional judgment of our legal counsel, and other assumptions that we believe to be reasonable. As additional information becomes available, we reassess the potential liability related to pending litigation and revise the related estimates. Such revisions and any actual liability that greatly exceed our estimates could materially adversely impact our results of operations and financial condition.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

On April 12, 2006, the Board of Directors authorized the repurchase of outstanding shares of our common stock, depending on market conditions, for an aggregate consideration of up to \$50 million. There is no time restriction on this authorization. As of November 25, 2006, 970,200 shares had been repurchased for an aggregate consideration of approximately \$27.8 million. There were no repurchases during the first quarter of Fiscal 2007 under this authorization.

**Item 5. Other Information.**

(a) On December 28, 2006, the Company adopted the Winnebago Industries, Inc. Executive Deferred Compensation Plan (the "Executive Deferred Compensation Plan"). The Executive Deferred Compensation Plan permits deferrals of a portion of salary and all or a portion of cash incentive award compensation. The Executive Deferred Compensation Plan is effective as of January 1, 2007 and will apply to compensation paid to participants on and after such date. A copy of the Executive Deferred Compensation Plan is filed as Exhibit 10c to this Quarterly Report on Form 10-Q.

Under the Executive Deferred Compensation Plan, executive officers and certain key employees may annually choose to defer up to 50 percent of their salary and up to 100 percent of their cash incentive awards. The Human Resources Committee may, from time to time and in its sole and absolute discretion, select the investments in which a participant's deferred benefit account may be deemed invested ("Available Investments").

Each participant may designate, on an Investment Election Form, the Available Investments in which his or her deferred benefit account will be deemed invested, and the percentage of his or her deferred benefit account that will be invested in each Available Investment, for purposes of determining the amount of earnings or losses to be credited or debited to his or her deferred benefit account. Such form must be filed with the administrator of the Executive Deferred Compensation Plan.

A participant in the Executive Deferred Compensation Plan shall, upon the first to occur of the following events, be entitled to a payment (a "Deferred Benefit") equal to the amount of his or her deferred benefit account as of the determination date coincidental with such event (capitalized terms used below shall have the meanings ascribed to them in the Executive Deferred Compensation Plan):

- Date certain (which must be selected by the participant in his or her participation agreement and which cannot be changed except as otherwise provided in the Executive Deferred Compensation Plan);
- Separation from Service;
- Disability;
- Death; or
- Change of Control.

The Company shall pay to the participant (or the participant's beneficiary), his or her Deferred Benefit in one of the following forms (as elected in the participation agreement filed by the participant with the administrator of the Executive Deferred Compensation Plan):

- A lump sum payment; or
- A monthly payment of a fixed amount which shall amortize the participant's Deferred Benefit in equal monthly payments of principal and interest over a period from 2 to 120 months (as selected by the participant on his or her participation agreement). In the event of Death, Disability or Change in Control, the Company shall pay to the participant (or the participant's beneficiary) the total value of his or her Deferred Benefit in a lump-sum payment.

In the absence of a participant's election as to the form of the payout, a participant's Deferred Benefit Account shall be paid over a 120-month period.

Item 6. Exhibits.

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

### 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.  
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(Registrant)

Date January 4, 2007

/s/ Bruce D. Hertzke

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

Date January 4, 2007

/s/ Sarah N. Nielsen

Sarah N. Nielsen  
Chief Financial Officer (Principal Financial Officer)

### Exhibit Index

- 10a. Amended Winnebago Industries, Inc. 2004 Incentive Compensation Plan.
- 10b. Amended Winnebago Industries, Inc. Directors' Deferred Compensation Plan.
- 10c. Winnebago Industries, Inc. Executive Deferred Compensation Plan.

- 15. Letter regarding Unaudited Interim Financial Information.
- 31.1 Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated January 4, 2007.
- 31.2 Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated January 4, 2007.
- 32.1 Certification by the Chief Executive Officer pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated January 4, 2007.
- 32.2 Certification by the Chief Financial Officer pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated January 4, 2007.

Exhibit 10a.

AMENDED

WINNEBAGO INDUSTRIES, INC.  
2004 INCENTIVE COMPENSATION PLAN

1. *Plan.* The Winnebago Industries, Inc. 2004 Incentive Compensation Plan (the “*Plan*”) was adopted by Winnebago Industries, Inc. (the “*Company*”) to reward certain key Employees of the Company and its Affiliates and Non-employee Directors of the Company by providing for certain cash benefits and by enabling them to acquire shares of Common Stock of the Company.

2. *Objectives.* The purpose of this Winnebago Industries, Inc. 2004 Incentive Compensation Plan is to further the interests of the Company and its shareholders by providing incentives in the form of Awards to key Employees and Non-employee Directors who can contribute materially to the success and profitability of the Company and its Affiliates. Such Awards will recognize and reward outstanding performances and individual contributions and give Participants in the Plan an interest in the Company parallel to that of the shareholders, thus enhancing the proprietary and personal interest of such Participants in the Company’s continued success and progress. This Plan will also enable the Company and its Affiliates to attract and retain such Employees and Non-employee Directors.

3. *Definitions.* As used herein, the terms set forth below shall have the following respective meanings unless otherwise expressly provided herein:

“*Administrator*” means (i) with respect to Employee Awards, the Committee, and (ii) with respect to Director Awards, the Board.

“*Affiliate*” means a Subsidiary or Joint Venture.

“*Authorized Officer*” means the Chief Executive Officer of the Company (or any other senior officer of the Company to whom the Chief Executive Officer shall delegate the authority to execute any Award Agreement, where applicable).

“*Award*” means an Employee Award or a Director Award.

“*Award Agreement*” means any Employee Award Agreement or Director Award Agreement.

“*Board*” means the Board of Directors of the Company.

“*Cash Award*” means an award denominated in cash.

“*Change in Control,*” unless otherwise defined by the Committee, means the time when (i) any Person becomes an Acquiring Person, or (ii) individuals who shall qualify as Continuing Directors of the Company shall have ceased for any reason to constitute at least a majority of the Board of Directors of the Company, *provided, however,* that in the case of either clause (i) or (ii) a Change of Control shall not be deemed to have occurred if the event shall have been approved prior to the occurrence thereof by a majority of the Continuing Directors who shall then be members of such Board of Directors, and in the case of clause (i) a Change of Control shall not be deemed to have occurred upon the acquisition of stock of the Company by a pension, profit-sharing, stock bonus, employee stock ownership plan or other retirement plan intended to be qualified under Section 401(a) of the Code established by the Company or any subsidiary of the Company. (In addition, stock held by such a plan shall not be treated as outstanding in determining ownership percentages for purposes of this definition.)

For the purpose of the definition “*Change of Control*” only:

(a) “*Continuing Director*” means (i) any member of the Board of Directors of the Company, which such person is a member of the Board, who is not an Affiliate or Associate of any Acquiring Person or of any such Acquiring Person’s Affiliate or Associate and was a member of the Board prior to the time when such Acquiring Person shall have become an Acquiring Person, and (ii) any successor of a Continuing Director, while such successor is a member of the Board, who is not an Acquiring Person or any Affiliate or Associate of any Acquiring Person or a representative or nominee of an Acquiring Person or of any affiliate or associate of such Acquiring Person and is recommended or elected to succeed the Continuing Director by a majority of the Continuing Directors.

(b) “*Acquiring Person*” means any Person or any individual or group of Affiliates or Associates of such Person who acquires beneficial ownership, directly or indirectly, of 20 percent or more of the outstanding stock of the Company if such acquisition occurs in whole or in part, except that the term “*Acquiring Person*” shall not include a Hanson Family Member or an Affiliate or Associate of a Hanson Family Member. Notwithstanding the foregoing, no Person shall become an “*Acquiring Person*” as the result of (x) an acquisition of Common Stock by the Company which, by reducing the number of shares outstanding, increases the proportionate number of shares beneficially owned by such Person to 20% or more of the outstanding Common Stock then outstanding or (y) the acquisition by such Person of newly-issued Common Stock directly from the Company (it being understood that a purchase from an underwriter or other intermediary is not directly from the Company); *provided however,* that if a Person shall become the beneficial owner of 20% or more of the Common Stock then outstanding by reason of share purchases by the Company or the receipt of newly-issued Common Stock directly from the Company and shall, after such share purchases or direct issuance by the Company, become the beneficial owner of any additional Common Stock of the Company, then such Person shall be deemed to be an “*Acquiring Person*”; *provided further, however,* that any transferee from such Person who becomes the beneficial owner of 20% or more of the Common Stock then outstanding shall nevertheless be deemed to be an “*Acquiring Person*.” Notwithstanding the foregoing, if the Board of Directors of the Company determines in good faith that a Person who would otherwise be an “*Acquiring Person,*” as defined pursuant to the foregoing provisions of this paragraph, has become such inadvertently, and such Person divests as promptly as practicable (and in any event within ten business days after notification by the Company) a sufficient number of shares of Common Stock so that such Person would no longer be an “*Acquiring Person,*” as defined pursuant to the foregoing provisions of this paragraph, then such Person shall not be deemed to be an “*Acquiring Person*” for any purpose of this Plan.

(c) “*Affiliate*” means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(d) “*Associate*” means (1) any corporate, partnership, limited liability company, entity or organization (other than the Company or a majority-owned subsidiary of the Company) of which such a Person is an officer, director, member, or partner or is, directly, or indirectly the beneficial owner of ten percent (10 percent) or more of the class of equity securities, (2) any trust or fund in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, (3) any relative or spouse of such person, or any relative of such spouse, or (4) any investment company for which such person or any Affiliate of such person serves as investment advisor.

(e) “*Hanson Family Member*” means John K. Hanson and Luise V. Hanson (and the executors or administrators of their estates), their lineal descendants (and the executors or administrators of their estates), the spouses of their lineal descendants (and the executors or administrators of their estate) and the John K.



and Luise V. Hanson Foundation.

(f) “*Person*” means an individual, corporation, limited liability company, partnership, association, joint stock company, trust, unincorporated organization or government or political subdivision thereof.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time.

“*Committee*” means the Human Resources Committee of the Board or such other independent Committee of the Board as is designated by the Board to administer the Plan.

“*Common Stock*” means Winnebago Industries, Inc. common stock, par value \$.50 per share.

“*Company*” means Winnebago Industries, Inc., an Iowa corporation, or any successor thereto.

“*Director Award*” means any Stock Award, Non-qualified Stock Options or Performance Award granted, whether singly, in combination or in tandem, to a Participant who is a Non-employee Director pursuant to such applicable terms, conditions and limitations (including treatment as a Performance Award) as the Board may establish in order to fulfill the objectives of the Plan.

“*Director Award Agreement*” means a written agreement setting forth the terms, conditions and limitations applicable to a Director Award, to the extent the Board determines such agreement is necessary.

“*Disability*” means the Participant is unable to perform each of the essential duties of such Participant’s position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months.

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“*Dividend Equivalents*” means, with respect to Stock Units or shares of Restricted Stock that are to be issued at the end of the Restriction Period, an amount equal to all dividends and other distributions (or the economic equivalent thereof) that are payable to shareholders of record during the Restriction Period on a like number of shares of Common Stock.

“*Employee*” means an employee of the Company or any of its Affiliates.

“*Employee Award*” means any Option, SAR, Stock Award, Cash Award or Performance Award granted, whether singly, in combination or in tandem, to a Participant who is an Employee pursuant to such applicable terms, conditions and limitations (including treatment as a Performance Award) as the Committee may establish in order to fulfill the objectives of the Plan.

“*Employee Award Agreement*” means a written agreement setting forth the terms, conditions and limitations applicable to an Employee Award, to the extent the Committee determines such agreement is necessary.

“*Equity Award*” means any Option, SAR, Stock Award, or Performance Award (other than a Performance Award denominated in cash) granted to a Participant under the Plan.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Fair Market Value*” of a share of Common Stock means, as of a particular date, (i) (A) if Common Stock is listed on a national securities exchange, the closing price per share of such Common Stock on the consolidated transaction reporting system for the principal national securities exchange on which shares of Common Stock are listed on that date, or, if there shall have been no such sale so reported on that date, on the next succeeding date on which such a sale was so reported, (B) if Common Stock is not so listed but is quoted on the NASDAQ National Market, the mean between the highest and lowest sales price per share of Common Stock reported by the NASDAQ National Market on that date, or, if there shall have been no such sale so reported on that date, on the next succeeding date on which such a sale was so reported, or, at the discretion of the Committee, the price prevailing on the NASDAQ National Market at the time of exercise, (C) if Common Stock is not so listed or quoted, the mean between the closing bid and asked price on that date, or, if there are no quotations available for such date, on the next succeeding date on which such quotations shall be available, as reported by the NASDAQ Stock Market, or, if not reported by the NASDAQ Stock Market, by the National Quotation Bureau Incorporated or (D) if Common Stock is not publicly traded, the most recent value determined by an independent appraiser appointed by the Company for such purpose, or (ii) if applicable, the price per share as determined in accordance with the procedures of a third party administrator retained by the Company to administer the Plan.

“*Grant Date*” means the date an Award is granted to a Participant pursuant to the Plan. The Grant Date for a substituted award is the Grant Date of the original award.

“*Grant Price*” means the price at which a Participant may exercise his or her right to receive cash or Common Stock, as applicable, under the terms of an Award.

“*Incentive Stock Option*” means an Option that is intended to comply with the requirements set forth in Section 422 of the Code.

“*Joint Venture*” means any joint venture or partnership in which the Company has at least 50% ownership, voting, capital or profit interests (in whatever form).

“*Non-employee Director*” means an individual serving as a member of the Board who is not an Employee of the Company or any of its Affiliates.

“*Non-qualified Stock Option*” means an Option that is not an Incentive Stock Option.

“*Option*” means a right to purchase a specified number of shares of Common Stock at a specified Grant Price, which may be an Incentive Stock Option or a Non-qualified Stock Option.

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“*Participant*” means an Employee or Non-employee Director to whom an Award has been granted under this Plan.

“*Performance Award*” means an Award made pursuant to this Plan that is subject to the attainment of one or more performance goals.

“*Performance Goal*” means a standard established by the Committee to determine in whole or in part whether a Qualified Performance Award shall be earned.

“*Qualified Performance Award*” means a Performance Award made to a Participant who is an Employee that is intended to qualify as qualified performance-based compensation under Section 162(m) of the Code, as described in Section 8(v)(B) of the Plan.

“*Restricted Stock*” means Common Stock that is restricted or subject to forfeiture provisions.

“*Restriction Period*” means a period of time beginning as of the Grant Date of an Award of Restricted Stock and ending as of the date upon which the Common Stock subject to such Award is no longer restricted or subject to forfeiture provisions.

“*Stock Appreciation Right*” or “*SAR*” means a right to receive a payment, in cash or Common Stock, equal to the excess of the Fair Market Value or other specified valuation of a specified number of shares of Common Stock on the date the right is exercised over a specified Grant Price, in each case, as determined by the Committee.

“*Stock Award*” means an Award in the form of shares of Common Stock or Stock Units, including an award of Restricted Stock.

“*Stock Unit*” means a unit equal to one share of Common Stock (as determined by the Committee) granted to either an Employee or a Non-employee Director.

“*Subsidiary*” means any corporation of which the Company directly or indirectly owns shares representing 50% or more of the combined voting power of the shares of all classes or series of capital stock of such corporation which have the right to vote generally on matters submitted to a vote of the shareholders of such corporation.

#### 4. Eligibility.

(a) *Employees.* Employees eligible for the grant of Employee Awards under this Plan are those who hold positions of responsibility and whose performance, in the judgment of the Committee, can have a significant effect on the success of the Company and its Affiliates.

(b) *Directors.* Members of the Board eligible for the grant of Director Awards under this Plan are those who are Non-employee Directors.

5. *Common Stock Available for Awards.* Subject to the provisions of paragraph 17 hereof, no Award shall be granted if it shall result in the aggregate number of shares of Common Stock issued under the Plan plus the number of shares of Common Stock covered by or subject to Awards then outstanding (after giving effect to the grant of the Award in question) to exceed 2,000,000 shares. No more than 1,000,000 shares of Common Stock shall be available for Awards other than Options or SARs. The number of shares of Common Stock that are the subject of Awards under this Plan that are forfeited or terminated, expire unexercised, are settled in cash in lieu of Common Stock or in a manner such that all or some of the shares covered by an Award are not issued to a Participant or are exchanged for Awards that do not involve Common Stock, shall again immediately become available for Awards hereunder. If the Grant Price or other purchase price of any Option or other Award granted under the Plan is satisfied by tendering shares of Common Stock to the Company by either actual delivery or by attestation, or if the tax withholding obligation resulting from the settlement of any such Option or other Award is satisfied by tendering or withholding shares of Common Stock, only the number of shares of Common Stock issued net of the shares of Common Stock tendered or withheld shall be deemed delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Plan. Shares of Common Stock delivered under the Plan in settlement, assumption or substitution of outstanding awards or obligations to grant future awards under the plans or

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arrangements of another entity shall not reduce the maximum number of shares of Common Stock available for delivery under the Plan, to the extent that such settlement, assumption or substitution is a result of the Company or an Affiliate acquiring another entity or an interest in another entity. The Committee may from time to time adopt and observe such procedures concerning the counting of shares against the Plan maximum as it may deem appropriate. The Board and the appropriate officers of the Company shall from time to time take whatever actions are necessary to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that shares of Common Stock are available for issuance pursuant to Awards.

6. *Administration.* (a) This Plan shall be administered by the Committee except as otherwise provided herein.

(b) Subject to the provisions hereof, the Committee shall have full and exclusive power and authority to administer this Plan and to take all actions that are specifically contemplated hereby or are necessary or appropriate in connection with the administration hereof. The Committee shall also have full and exclusive power to interpret this Plan and to adopt such rules, regulations and guidelines for carrying out this Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of this Plan. The Committee may, in its discretion, provide for the extension of the exercisability of an Employee Award, accelerate the vesting or exercisability of an Employee Award, eliminate or make less restrictive any restrictions applicable to an Employee Award, waive any restriction or other provision of this Plan (insofar as such provision relates to Employee Awards) or an Employee Award or otherwise amend or modify an Employee Award in any manner that is either (i) not adverse to the Participant to whom such Employee Award was granted or (ii) consented to by such Participant. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Committee deems necessary or desirable to further the Plan purposes. Any decision of the Committee, with respect to Employee Awards, in the interpretation and administration of this Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned.

(c) No member of the Committee or officer of the Company to whom the Committee has delegated authority in accordance with the provisions of paragraph 7 of this Plan shall be liable for anything done or omitted to be done by him or her, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

(d) The Board shall have the same powers, duties, and authority to administer the Plan with respect to Director Awards as the Committee retains with respect to Employee Awards as described above.

7. *Delegation of Authority.* Following the authorization of a pool of cash or shares of Common Stock to be available for Awards, the Committee may authorize the Chief Executive Officer of the Company or a committee consisting solely of members of the Board to grant individual Employee Awards from such pool pursuant to such conditions or limitations as the Committee may establish. The Committee may also delegate to the Chief Executive Officer and to other executive officers of the Company its administrative duties under this Plan (excluding its granting authority) pursuant to such conditions or limitations as the Committee may establish. The Committee may engage or authorize the engagement of a third party administrator to carry out administrative functions under the Plan.

8. *Employee Awards.* (a) The Committee shall determine the type or types of Employee Awards to be made under this Plan and shall designate from time to time the Employees who are to be the recipients of such Awards. Each Employee Award may, in the discretion of the Committee, be embodied in an Employee Award Agreement, which shall contain such terms, conditions and limitations as shall be determined by the Committee in its sole discretion and, if required by the Committee, shall be signed by the Participant to whom the Employee Award is granted and by an Authorized Officer for and on behalf of the Company. Employee Awards may consist of those listed in this paragraph 8(a) and may be granted singly, in combination or in tandem. Employee Awards may also be granted in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other employee plan of the Company or any of its Affiliates, including the plan of any acquired entity. An Employee Award may provide for the grant or issuance of additional, replacement or alternative Employee Awards upon the occurrence of specified events. All or part of an Employee Award may be subject to conditions established by the Committee, which may include, but are not limited to, continuous service with the Company and its Affiliates, achievement of specific business objectives, increases in specified indices, attainment of specified growth rates and other comparable measurements of performance. Upon the termination of employment by a Participant who is an Employee, any unexercised, deferred, unvested or unpaid Employee Awards shall be treated as set forth in the applicable Employee Award Agreement or as otherwise specified by the Committee.

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(i) *Option.* An Employee Award may be in the form of an Option. On the Grant Date, the Grant Price of an Option shall be not less than the Fair Market Value of the Common Stock subject to such Option. The term of the Option shall extend no more than 10 years after the Grant Date. Options may not include provisions that “reload” the option upon exercise. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any Options awarded to Employees pursuant to this Plan, including the Grant Price, the term of the Options, the number of shares subject to the Option and the date or dates upon which they become exercisable, shall be determined by the Committee.

(ii) *Stock Appreciation Rights.* An Employee Award may be in the form of a SAR. On the Grant Date, the Grant Price of a SAR shall be not less than the Fair Market Value of the Common Stock subject to such SAR. The holder of a tandem SAR may elect to exercise either the option or the SAR, but not both. The exercise period for a SAR shall extend no more than 10 years after the Grant Date. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any SARs awarded to Employees pursuant to this Plan, including the Grant Price, the term of any SARs and the date or dates upon which they become exercisable, shall be determined by the Committee.

(iii) *Stock Award.* An Employee Award may be in the form of a Stock Award. The terms, conditions and limitations applicable to any Stock Awards granted to Employees pursuant to this Plan shall be determined by the Committee; *provided* that any Stock Award which is not a Performance Award shall have a minimum Restriction Period of one year from the Grant Date, *provided* that (i) the Committee may provide for earlier vesting upon a termination of employment by reason of death, Disability or normal retirement, and (ii) such one-year minimum Restriction Period shall not apply to a Stock Award that is granted in lieu of salary or bonus.

(iv) *Cash Award.* An Employee Award may be in the form of a Cash Award. The terms, conditions and limitations applicable to any Cash Awards granted to Employees pursuant to this Plan shall be determined by the Committee.

(v) *Performance Award.* Without limiting the type or number of Employee Awards that may be made under the other provisions of this Plan, an Employee Award may be in the form of a Performance Award. The terms, conditions and limitations applicable to any Performance Awards granted to Employees pursuant to this Plan shall be determined by the Committee; *provided* that any Stock Award which is a Performance Award shall have a minimum Restriction Period of one year from the Grant Date, *provided* that the Committee may provide for earlier vesting upon a termination of employment by reason of death, Disability or normal retirement. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and/or amount of Performance Awards that will be paid out to the Employee.

(A) *Non-qualified Performance Awards.* Performance Awards granted to Employees that are not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code shall be based on achievement of such goals and be subject to such terms, conditions and restrictions as the Committee or its delegate shall determine.

(B) *Qualified Performance Awards.* Performance Awards granted to Employees under the Plan that are intended to qualify as qualified performance-based compensation under Section 162(m) of the Code shall be paid, vested or otherwise deliverable solely on account of the attainment of one or more pre-established, objective Performance Goals established by the Committee prior to the earlier to occur of (x) 90 days after the commencement of the period of service to which the Performance Goal relates or (y) the lapse of 25% of the period of service (as scheduled in good faith at the time the goal is established), and in any event while the outcome is substantially uncertain. A Performance Goal is objective if a third party having knowledge of the relevant facts could determine whether the goal is met. Such a Performance Goal may be based on one or more business criteria that apply to the Employee, one or more business segments, units or divisions of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies.

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A Performance Goal may include one or more of the following:

- Stock price measures (including but not limited to growth measures and total shareholder return);
- Earnings per share (actual or targeted growth);
- Earnings before interest, taxes, depreciation, and amortization (“*EBITDA*”);
- Economic value added (“*EVA*”);
- Net income measures (including but not limited to income after capital costs and income before or after taxes);
- Operating income;
- Cash flow measures;
- Return measures (including but not limited to return on assets and return on equity);
- Market share;
- Product quality measures;
- Succession planning;
- Margins; and
- Corporate values measures (including but not limited to ethics compliance, environmental, and safety).

Unless otherwise stated, such a Performance Goal need not be based upon an increase under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). In interpreting Plan provisions applicable to Performance Goals and Qualified Performance Awards, it is the intent of the Plan to conform with the standards of Section 162(m) of the Code and Treasury Regulation §1.162-27(e)(2)(i), as to grants to those Employees whose compensation is, or is likely to be, subject to Section 162(m) of the Code, and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions. Prior to the payment of any compensation based on the achievement of Performance Goals, the Committee must certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any Qualified Performance Awards made pursuant to this Plan shall be determined by the Committee.

(b) Notwithstanding anything to the contrary contained in this Plan, the following limitations shall apply to any Employee Awards made hereunder:

(i) no Participant may be granted, during any fiscal year, Employee Awards consisting of Options or SARs (including Options or SARs that are granted as Performance Awards) that are exercisable for more than 100,000 shares of Common Stock;

(ii) no Participant may be granted, during any calendar year, Employee Awards consisting of Stock Awards (including Stock Awards that are granted as Performance Awards) covering or relating to more than 100,000 shares of Common Stock (the limitation set forth in this clause (ii), together with the limitation set forth in clause (i) above, being hereinafter collectively referred to as "*Stock Based Awards Limitations*"); and

(iii) no Participant may be granted Employee Awards consisting of cash (including Cash Awards that are granted as Performance Awards) in respect of any fiscal year having a value determined on the Grant Date in excess of \$1,000,000.

9. *Director Awards.* (a) The Board may grant Director Awards to the Non-employee Directors of the Company from time to time in accordance with this paragraph 9. Director Awards may consist of those listed in this paragraph 9 and may be granted singly, in combination or in tandem. Each Director Award may, in the discretion of the Board, be embodied in a Director Award Agreement, which shall contain such terms, conditions and limitations as shall be determined by the Board in its sole discretion and, if required by the Board, shall be accepted by the Participant to whom the Director Award is granted and signed by an Authorized Officer for and on behalf of the Company.

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(i) *Stock Awards.* A Director Award may be in the form of a Stock Award. A Non-employee Director may not sell, transfer, assign, pledge or otherwise encumber or dispose of any portion of a Stock Award until he or she terminates service as a Non-employee Director, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Stock Award prior to such time shall have no effect. Any additional terms, conditions and limitations applicable to any Stock Awards granted to a Non-employee Director pursuant to this Plan shall be determined by the Board.

(ii) *Performance Awards.* Without limiting the type or number of Director Awards that may be made under the other provisions of this Plan, a Director Award may be in the form of a Performance Award. A Non-employee Director may not sell, transfer, assign, pledge or otherwise encumber or dispose of any portion of the Performance Award until he or she terminates service as a Non-employee Director, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Performance Award prior to such time shall have no effect. Any additional terms, conditions and limitations applicable to any Performance Awards granted to a Non-employee Director pursuant to this Plan shall be determined by the Board. The Board shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and/or amount of Performance Awards that will be paid out to the Non-employee Director.

(iii) *Non-qualified Stock Options.* A Director Award may be in the form of a Non-qualified Stock Option. On the Grant Date, the Grant Price of a Non-qualified Stock Option shall be not less than the Fair Market Value of the Common Stock subject to such Option. The term of the Non-qualified Stock Option shall extend no more than 10 years after the Grant Date. Non-qualified Stock Options may not include provisions that "reload" the option upon exercise. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any Non-qualified Stock Options awarded to Directors pursuant to this Plan, including the Grant Price, the term of the Non-qualified Stock Options, the number of shares subject to the Non-qualified Stock Option and the date or dates upon which they become exercisable, shall be determined by the Committee.

(b) Notwithstanding anything to the contrary contained in this Plan, no Participant may be granted, during any fiscal year, Director Awards consisting of Stock Awards (including Stock Awards that are granted as Performance Awards) covering or relating to more than 5,000 shares of Common Stock (the limitation set forth in this paragraph (b) being hereinafter referred to as a "*Stock Based Awards Limitation*") or Non-qualified Stock Options for more than 10,000 shares of Common Stock during any fiscal year.

10. *Change in Control.* Notwithstanding the provisions of paragraphs 8 and 9 hereof, unless otherwise expressly provided in the applicable Award Agreement, or as otherwise specified in the terms of an Equity Award, in the event of a Change in Control during a Participant's employment (or service as a Non-employee Director) with the Company or one of its Affiliates, each Equity Award granted under this Plan to the Participant shall become immediately vested and fully exercisable, with performance-based equity awards vested at target level (regardless of the otherwise applicable vesting or exercise schedules or performance goals provided for under the Award Agreement or the terms of the Equity Award).

11. *Payment of Awards.*

(a) *General.* Payment made to a Participant pursuant to an Award may be made in the form of cash or Common Stock, or a combination thereof, and may include such restrictions as the Administrator shall determine, including, in the case of Common Stock, restrictions on transfer and forfeiture provisions. If such payment is made in the form of Restricted Stock, the Administrator shall specify whether the underlying shares are to be issued at the beginning or end of the Restriction Period. In the event that shares of Restricted Stock are to be issued at the beginning of the Restriction Period, the certificates evidencing such shares (to the extent that such shares are so evidenced) shall contain appropriate legends and restrictions that describe the terms and conditions of the restrictions applicable thereto. In the event that shares of Restricted Stock are to be issued at the end of the Restriction Period, the right to receive such shares shall be evidenced by book entry registration or in such other manner as the Administrator may determine.

(b) *Deferral.* With the approval of the Administrator, amounts payable in respect of Awards may be deferred and paid either in the form of installments or as a lump-sum payment. The Administrator may permit selected Participants to elect to defer payments of some or all types of Awards or any other compensation otherwise payable by the Company in accordance with procedures established by the Administrator and may provide that such deferred compensation may be payable in shares of Common Stock. Any deferred payment pursuant to an Award, whether elected by the Participant or specified by the Award Agreement or the terms of the Award or by the Administrator, may be forfeited if and to the extent that the Award Agreement or the terms of the Award so provide.

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(c) *Dividends, Earnings and Interest.* Rights to dividends or Dividend Equivalents may be extended to and made part of any Stock Award, subject to such terms, conditions and restrictions as the Administrator may establish. The Administrator may also establish rules and procedures for the crediting of interest or other earnings on deferred cash payments and Dividend Equivalents for Stock Awards.

(d) *Substitution of Awards.* Subject to paragraphs 14 and 16, at the discretion of the Committee, a Participant who is an Employee may be offered an election to substitute an Employee Award for another Employee Award or Employee Awards of the same or different type.

12. *Option Exercise.* The Grant Price shall be paid in full at the time of exercise in cash or, if permitted by the Committee and elected by the optionee, the optionee may purchase such shares by means of tendering Common Stock valued at Fair Market Value on the date of exercise, or any combination thereof. The Committee shall determine acceptable methods for Participants to tender Common Stock or other Awards. The Committee may provide for procedures to permit the exercise or purchase of such Awards by use of the proceeds to be received from the sale of Common Stock issuable pursuant to an Award. The Committee may adopt additional rules and procedures regarding the exercise of Options from time to time, *provided* that such rules and procedures are not inconsistent with the provisions of this paragraph.

An optionee desiring to pay the Grant Price of an Option by tendering Common Stock using the method of attestation may, subject to any such conditions and in compliance with any such procedures as the Committee may adopt, do so by attesting to the ownership of Common Stock of the requisite value in which case the Company shall issue or otherwise deliver to the optionee upon such exercise a number of shares of Common Stock subject to the Option equal to the result obtained by dividing (a) the excess of the aggregate Fair Market Value of the shares of Common Stock subject to the Option for which the Option (or portion thereof) is being exercised over the Grant Price payable in respect of such exercise by (b) the Fair Market Value per share of Common Stock subject to the Option, and the optionee may retain the shares of Common Stock the ownership of which is attested.

13. *Taxes.* The Company or its designated third party administrator shall have the right to deduct applicable taxes from any Employee Award payment and withhold, at the time of delivery or vesting of cash or shares of Common Stock under this Plan, an appropriate amount of cash or number of shares of Common Stock or a combination thereof for payment of taxes or other amounts required by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes. The Committee may also permit withholding to be satisfied by the transfer to the Company of shares of Common Stock theretofore owned by the holder of the Employee Award with respect to which withholding is required. If shares of Common Stock are used to satisfy tax withholding, such shares shall be valued based on the Fair Market Value when the tax withholding is required to be made.

14. *Amendment, Modification, Suspension or Termination of the Plan.* The Committee may amend, modify, suspend or terminate this Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law, except that (i) any amendment, modification, suspension, or termination of paragraph 9 of this Plan shall be approved by the Board, (ii) no amendment or alteration that would adversely affect the rights of any Participant under any Award previously granted to such Participant shall be made without the consent of such Participant and (iii) no amendment or alteration shall be effective prior to its approval by the shareholders of the Company to the extent such approval is required by applicable legal requirements or the requirements of the securities exchange on which the Company's stock is listed. Notwithstanding anything herein to the contrary, without the prior approval of the Company's shareholders, Options issued under the Plan will not be repriced, replaced, or regranted through cancellation or by decreasing the exercise price of a previously granted Option.

15. *Assignability.* Unless otherwise determined by the Administrator and provided in the Award Agreement or the terms of the Award, no Award or any other benefit under this Plan shall be assignable or otherwise transferable except by will, beneficiary designation or the laws of descent and distribution. In the event that a beneficiary designation conflicts with an assignment by will, the beneficiary designation will prevail. The Administrator may prescribe and include in applicable Award Agreements or the terms of the Award other restrictions on transfer. Any attempted assignment of an Award or any other benefit under this Plan in violation of this paragraph 15 shall be null and void.

16. *Adjustments.* (a) The existence of outstanding Awards shall not affect in any manner the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the capital stock of the Company or its business or any merger or consolidation of the Company, or any issue of bonds,

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debentures, preferred or prior preference stock (whether or not such issue is prior to, on a parity with or junior to the existing Common Stock) or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding of any kind, whether or not of a character similar to that of the acts or proceedings enumerated above.

(b) In the event of any subdivision or consolidation of outstanding shares of Common Stock, declaration of a dividend payable in shares of Common Stock or other stock split, then (i) the number of shares of Common Stock reserved under this Plan, (ii) the number of shares of Common Stock covered by outstanding Awards, (iii) the Grant Price or other price in respect of such Awards, (iv) the appropriate Fair Market Value and other price determinations for such Awards, and (v) the Stock Based Awards Limitations shall each be adjusted proportionately by the Board as appropriate to reflect such transaction. In the event of any other recapitalization or capital reorganization of the Company, any consolidation or merger of the Company with another corporation or entity, the adoption by the Company of any plan of exchange affecting Common Stock or any distribution to holders of Common Stock of securities or property (other than normal cash dividends or dividends payable in Common Stock), the Board shall make appropriate adjustments to (i) the number of shares of Common Stock covered by Awards, (ii) the Grant Price or other price in respect of such Awards, (iii) the appropriate, Fair Market Value and other price determinations for such Awards, and (iv) the Stock Based Awards Limitations to reflect such transaction; *provided* that such adjustments shall only be such as are necessary to maintain the proportionate interest of the holders of the Awards and preserve, without increasing, the value of such Awards. In the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Board shall be authorized (i) to assume under the Plan previously issued compensatory awards, or to substitute new Awards for previously issued compensatory awards, including Awards, as part of such adjustment or (ii) to cancel Awards that are Options or SARs and give the Participants who are the holders of such Awards notice and opportunity to exercise for 30 days prior to such cancellation.

17. *Restrictions.* No Common Stock or other form of payment shall be issued with respect to any Award unless the Company shall be satisfied based on the advice of its counsel that such issuance will be in compliance with applicable federal and state securities laws. Certificates evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Administrator may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation and any applicable federal or state securities law. The Administrator may cause a legend or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.

18. *Unfunded Plan.* This Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants under this Plan, any such accounts shall be used merely as a bookkeeping convenience, including bookkeeping accounts established by a third party administrator retained by the Company to administer the Plan. The Company shall not be required to segregate any assets for purposes of this Plan or Awards hereunder, nor shall the Company, the Board or the Committee be deemed to be a trustee of any benefit to be granted under this Plan. Any liability or obligation of the Company to any Participant with

respect to an Award under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Award Agreement or the terms of the Award, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company nor the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan.

19. *Right to Employment.* Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company to terminate any Participant's employment or other service relationship at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company.

20. *Successors.* All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

21. *Governing Law.* This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Iowa.

22. *Effectiveness.* The Plan will be submitted to the shareholders of the Company for approval at the 2004 annual meeting of shareholders scheduled to be held on January 13, 2004 and, if approved, will become retroactively effective as of January 1, 2004.

23. *Termination.* No Awards shall be made under the Plan after January 1, 2014.

**Exhibit 10b.**

**AMENDED  
WINNEBAGO INDUSTRIES, INC.  
DIRECTORS' DEFERRED COMPENSATION PLAN**

**1. Plan**

The Winnebago Industries, Inc. Directors' Deferred Compensation Plan (the "Plan").

**2. Effective Date and Plan Year**

The Plan is effective April 1, 1997. The Plan Year shall be from January 1 through December 31 each year.

**3. Purpose of the Plan**

The Plan's purpose is to enable the directors of Winnebago Industries, Inc. (the "Company"), who are non-employees, to elect to receive their fees and retainers as members of the Board of Directors and committees of the Board of Directors in a form other than as direct payments.

**4. Participants**

Any member of the Board of Directors of the Company who is not an employee may elect to become a participant ("Participant" or "Director") under the Plan by filing an election in the form prescribed by the Board of Directors.

**5. Compensation Eligible for Deferral**

Any Participant may elect, in accordance with Section 6 of this Plan, to defer annually the receipt of a portion of the director's fees or retainers otherwise payable to him or her by the Company in any calendar year for services to the Company ("Deferral Compensation"), which portion shall be designated by him or her. Compensation paid to a Director for business or professional services rendered to the Company in any capacity other than as a Director shall not be treated as Deferral Compensation.

**6. Election Form**

Each Director shall be entitled to file with the Plan Administrator prior to December 31 of each Plan Year (or prior to the commencement of the term of a new Director) a form prescribed by the Board of Directors so as to make an election under the Plan. Pursuant to such election, a Director may elect with respect to a Plan Year to defer a designated percentage of Deferral Compensation of either fifty percent (50%) or one hundred percent (100%). The Director's election shall also include: (i) the manner in which the Deferral Compensation is to be applied, (ii) the timing of receipt of payment of any Deferral Compensation which is prescribed in Section 9; and (iii) the form of distribution of any Deferral Compensation which is prescribed in Section 10.

A Director's election regarding the amount of Deferral Compensation shall be irrevocable with respect to Deferral Compensation deferred in any one year and Company matching contributions thereon, if any. A Director may elect to apply 100% of his or her Deferral Compensation to either but not both of the following forms:

- a. "Money Credits" which are described in Section 8(a); or
- b. "Winnebago Stock Units" which are described in Section 8(b).

**7. Matching Contribution on Winnebago Stock Units**

Any Director electing to defer fees under the Plan and to invest Deferral Compensation in "Winnebago Stock Units", as described in Section 8, shall receive a matching contribution from the Company equal to twenty-five percent (25%) of the Deferral Compensation so invested. The Company's match provided pursuant to this Plan shall be credited to the Director's Deferral Accounts and invested in "Winnebago Stock Units" pursuant to the provisions of Section 8(b).

**8. Director's Deferral Accounts**

Accounts ("Director's Deferral Accounts") will be established by the Company for each Director electing to defer fees or retainers and invest his or her Deferral Compensation in either "Money Credits" or "Winnebago Stock Units." His or her Director's Deferral Accounts shall be credited as of the last day of each calendar month with the amount of Deferral Compensation earned, and any Company matches made with respect to "Winnebago Stock

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Units, during that month." Deferral Compensation shall be converted into "Money Credits" or "Winnebago Stock Units" in accordance with the following procedures:

**a. Money Credits**

"Money Credits" are units credited in accordance with the Participant's election to the Director's Deferral Accounts in the form of dollars. The Money Credits shall accrue interest from the credit date. The rate of interest which shall be applied to the Participant's Money Credits is the 30 year Treasury bond yields as of the first business day of the Plan Year. The Board of Directors may from time to time prescribe additional methods for the accrual of interest on Money Credits with respect to Deferral Compensation deferred in Plan Years subsequent to the Director's new election.

**b. Winnebago Stock Units**

"Winnebago Stock Units" are units credited in accordance with the Participant's election to the Director's Winnebago Stock Unit Account in the form of common stock of the Company. The common stock utilized for purposes of the Plan shall be treasury shares of the Company. Winnebago Stock Units shall be recorded in the Director's Winnebago Stock Unit Account on the basis of the mean between the high and the low prices of the common stock of the Company on the date upon which the Account is to be credited, as officially quoted by the New York Stock Exchange. Winnebago Stock Units representing the Company match provided pursuant to Section 7 ("Matching Winnebago Stock Units") shall be recorded in the Director's Matching Winnebago Stock Unit Account on the same basis.



A Participant's Matching Winnebago Stock Unit Account shall vest on a graduated basis at the rate of thirty-three and one-third percent (33-1/3%) for each complete 12 month period of service as a Director following the Effective Date of the Plan, and any Matching Winnebago Stock Units thereafter recorded in such account after the Director's completion of 36 months of service after the Effective Date will be fully vested and nonforfeitable. Notwithstanding the above, the Participant's Matching Winnebago Stock Unit Account shall become fully vested upon his or her attainment of age 69-1/2 or death while serving as Director. In the event that a Participant terminates his or her service as a Director, any unvested Matching Winnebago Stock Units shall be forfeited by the Director and applied to future Company matching contributions.

In the event of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, reorganization, combination or exchange of shares or other similar corporate change, then if the Plan Administrator shall determine, in its sole discretion, that such change equitably requires an adjustment in the number of Winnebago Stock Units then held in the Director's Winnebago Stock Unit Account, or in the Matching Winnebago Stock Unit Account, such adjustments shall be made by the Plan Administrator and shall be conclusive and binding for all purposes of the Plan.

**9. Timing of Distribution of Director's Deferral Accounts**

A Participant shall receive distribution, or commence to receive distribution, of his or her Director's Deferral Accounts, in accordance with the Participant's election which shall be upon the earliest of:

- a. Designated date;
- b. Termination of service as a Director;
- c. Death;
- d. Disability. For purposes hereof a Participant shall be considered disabled if the Participant:
  - (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or
  - (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 3 months under an accident and health plan covering employees of the participant's employer

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- e. A "Change of Control" (as defined below).

In the event of a "Change of Control," as defined in Section 14, the Participant shall receive a lump sum distribution of his or her Director's Deferral Accounts within 30 days following his or her termination of service as a Director after such Change in Control. Notwithstanding the above, in no event shall a Participant's receipt of a distribution of Winnebago Stock Units from his or her Director's Deferral Accounts precede the six-month anniversary of his or her election to convert Deferral Compensation into Winnebago Stock Units.

**10. Form of Distribution of Money Units in Director's Deferral Accounts**

A Participant shall be entitled to receive distribution of his or her Money Units in his or her Director's Deferral Accounts in either of the following forms as designated by the Participant in the deferral election filed pursuant to Section 6:

- a. a lump sum; or
- b. approximately equal annual installments over a three-year period.
- c. approximately equal annual installments over a five-year period.

**11. Form of Distribution of Winnebago Stock Units in Director's Deferral Accounts**

A Participant's vested Winnebago Stock Units shall be distributed fully and in kind on the distribution date elected by the Participant in his or her deferral election filed with the Plan Administrator pursuant to Section 6. All shares of Company stock distributed pursuant to this Plan but which are not registered with the Securities and Exchange Commission shall bear an appropriate restrictive legend as shall be determined by the Company's securities counsel.

**12. Beneficiary**

If a Participant shall cease to be a Director by reason of his or her death, or if he or she shall die after he or she shall be entitled to distributions hereunder but prior to receipt of all distributions hereunder, all Money Units or Winnebago Stock Units then distributable hereunder shall be distributed (i) to such beneficiary as such Participant shall designate by an instrument in writing filed with the Plan Administrator, or (ii) in the absence of such designation, to his or her personal representative, or (iii) if no personal representative is appointed within six months of his or her death to his or her spouse, or (iv) if his or her spouse is not then living, to his or her then living descendants, per stirpes, in the same manner and at the same intervals as they would have been made to such Participant had he or she continued to live; provided however, in no event shall shares of Company stock be distributed prior to the date elected by the Director.

**13. Participant's Rights Unsecured**

The right of any Participant to receive a distribution hereunder of Money Credits or Winnebago common stock shall be an unsecured claim against the general assets of the Company. The Deferral Compensation and any interest thereon may not be assigned, transferred, encumbered, or otherwise disposed of until the same shall be paid to such Director. The Company shall be obligated to credit treasury shares in anticipation of its obligation to make such distributions under the Plan, but no Participant shall have any rights in or against any shares of common stock so credited or in any cash or Money Units held in his or her Director's Deferral Accounts. All such common stock and Money Units shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes as it may deem appropriate.

**14. Deposit of Funds Into Grantor Trust**

The Company shall deposit with the trustee of a grantor trust established by the Company an amount of funds which is sufficient to carry out the terms of the Plan and which is to be distributed in accordance with the terms and conditions of the Plan. The funds deposited into such trust shall remain subject to the claims of the general creditors of the Company as if such funds were general creditors of the Company as if such funds were general assets of the Company.

For purposes of this Plan, "Change of Control" shall mean a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, all as defined in Section 409A of the Code and the Treasury Regulations promulgated thereunder.

**15. Plan Administrator**

The Plan Administrator shall be the Human Resources Committee of the Board of Directors of the Company. The Plan Administrator shall interpret the Plan (including ambiguous provisions thereof), determine benefits which are payable to Participants, and make all final decisions with respect to the rights of Participants hereunder. The Plan Administrator shall at least annually provide each participating Director with a statement of his or her account.

**16. Amendments to the Plan**

The Board of Directors of the Company may amend the Plan at any time, without the consent of the Participants or their beneficiaries, provided, however, that no amendment shall divest any Participant or beneficiary of rights to which he or she would have been entitled if the Plan had been terminated on the effective date of such amendment.

**17. Termination of Plan**

The Board of Directors of the Company may terminate the Plan at any time. If not so terminated, the Plan will automatically terminate on June 30, 2013. Upon termination of the Plan, distributions in respect of credits and units in a Participant's Director's Deferral Accounts as of the date of termination shall be made in the manner and at the time heretofore prescribed or, alternatively, the Board of Directors may provide the Participant or beneficiaries with benefits under a substitute plan which shall not be less than the vested benefits which would have been distributed in a full and complete distribution of all credits and units in a Participant's Director's Deferral Accounts as of the date of Plan termination.

**18. Expenses**

All costs of administration of the Plan will be paid by the Company.

Exhibit 10c.

WINNEBAGO INDUSTRIES, INC.  
EXECUTIVE DEFERRED COMPENSATION PLAN

ARTICLE I  
PURPOSE

The purpose of the Winnebago Industries, Inc. Executive Deferred Compensation Plan (the “**Plan**”) is to provide an opportunity for certain officers, highly compensated, and management employees of Winnebago Industries, Inc. to defer the receipt of a portion of their annual cash compensation. It is expected that the Plan will aid in retaining and attracting individuals of exceptional ability by providing such individuals with a means to enhance their standard of living at retirement, and upon the occurrence of certain other events.

ARTICLE II  
DEFINITIONS

For the purposes of this Plan, the following words and phrases shall have the meanings indicated, unless the context clearly indicates otherwise:

“**Administrator**” means the person appointed by the Compensation Committee to administer this Plan.

“**Applicant**” means the person(s) seeking administrative remedies under Article III.

“**Available Investments**” shall be those investment alternatives selected by the Compensation Committee.

“**Beneficiary**” means the person, persons or entity designated by the Participant to receive any benefits payable under this Plan in the event of the Participant’s death. Any Participant Beneficiary designation shall be made on a Beneficiary Designation Form filed with the Administrator pursuant to Article VIII and shall become effective only when received in writing by the Administrator.

“**Beneficiary Designation Form**” means the form filed with the Administrator pursuant to Article VIII, which may take such form as the Administrator from time to time selects.

“**Bonus**” means any cash incentive compensation payable to a Participant in addition to the Participant’s Salary prior to reduction for salary deferral contributions under this and other qualified and nonqualified plans maintained or otherwise sponsored by the Company, including (but not limited to) the Company’s 401(k) plan. The Compensation Committee may, from time to time, establish minimum and maximum amounts of Bonus, which may be deferred under the Plan. The current quarterly bonus does not qualify as *Performance Based Compensation* as defined in this Article II.

“**Change in Control**” means any event or series of events that would permit a distribution under Section 409A(a)(2)(A)(v) of the Code.

“**Claims Administrator**” has the meaning set forth in Article III of this Plan.

“**Company**” means Winnebago Industries, Inc., an Iowa corporation.

“**Compensation**” means all regular remuneration for services payable by the Company to a Participant in cash during a Plan Year (without reduction for amounts deferred pursuant to the Plan), including (but not limited to) Salary and Bonus.

“**Compensation Committee**” means the persons selected by the Human Resources Committee of the Board of Directors of the Company to serve as members of the Compensation Committee.

“**Deferred Benefit**” means the benefit payable to a Participant or Participant’s Beneficiary upon the Participants’ death, Disability, Separation from Service, or upon a Change of Control.

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“**Deferred Benefit Account**” means the accounts established and maintained on the books of account of the Company for each Participant pursuant to Article VI.

“**Determination Date**” means the last day of each Plan Year or such other date as determined by the Compensation Committee; provided, however, that the date of the occurrence of an event entitling a Participant to a distribution under Article VII of the Plan shall be treated as a Determination Date for that Participant and only for that Participant.

“**Disability**” means disability as defined in Section 409A(a)(2)(C) of the Code.

“**Further Deferral Request**” means the agreement filed by a Participant with the Administrator pursuant to Section 7.2.4, which may take such form as the Administrator from time to time selects.

“**Investment Election Form**” means the form filed with the Administrator pursuant to Article V. Investment Election Forms may take such form as the Administrator from time to time selects.

“**Investment Return**” means the return on a Participant’s deemed investment of his or her Deferred Benefit Account, determined as of each Determination Date, or, if the Compensation Committee so elects, more frequently. The Compensation Committee shall use any reasonable method it determines appropriate to determine a Participant’s Investment Return.

“**Participant**” means any officer, highly compensated or management employee who is designated by the Compensation Committee to participate in this Plan and who elects to participate by filing a Participation Agreement as provided in Article IV.

**“Participation Agreement”** means the agreement filed by a Participant with the Administrator pursuant to Section 4.2, which may take such form as the Administrator from time to time selects; provided, however, that Participation Agreements must, at a minimum, provide the Participant with a mechanism for identifying the percentage or amount of his or her Compensation that is to be deferred under this Plan.

**“Performance Based Compensation”** has the meaning ascribed to it in the Treasury Regulations issued or proposed to be issued under Section 409A of the Code.

**“Performance Period”** means the period for which Performance Based Compensation is earned.

**“Plan”** has the meaning set forth in the introductory paragraph.

**“Plan Year”** means a twelve month period commencing on January 1 and ending the following December 31, or such part year in which the Plan is in effect.

**“Rules”** means the Commercial Rules of Arbitration of the American Arbitration Association.

**“Salary”** means the Participant’s base cash compensation prior to reduction for salary deferral contributions under this and other qualified and nonqualified plans maintained or otherwise sponsored by the Company, including (but not limited to) the Company’s 401(k) plan. The Compensation Committee may, from time to time, establish minimum and maximum amounts of Salary, which may be deferred under the Plan.

**“Separation from Service”** means any event that would permit a distribution under Section 409A(a)(2)(A)(i) of the Code.

**“Specified Employee”** has the meaning set forth in Section 409A(a)(2)(B)(i) of the Code.

**“Spouse”** means a Participant’s wife or husband who was lawfully married to the Participant at the time of the Participant’s death or a determination of Participant’s incompetency.

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### ARTICLE III ADMINISTRATION

3.1 **Generally.** The Plan shall be administered by the Compensation Committee, which may establish such rules and regulations as it deems necessary, interpret the Plan, make factual findings and determinations, and otherwise make all determinations and take such action in connection with the Plan as it, in its sole discretion deems appropriate. The decisions of the Compensation Committee shall be final, conclusive and binding upon all parties and no member of the Compensation Committee shall be liable for any action or determination made in good faith with respect to the Plan and/or Deferred Benefits payable under the Plan. All actions of the Compensation Committee shall, except as otherwise provided herein, be made by a majority vote of the members of the Compensation Committee. The Compensation Committee shall appoint one member to serve as the Administrator of the Plan. The Administrator may be removed and replaced by a majority vote of the other members of the Compensation Committee at any time and for any reason. The Compensation Committee and each person to whom duties and responsibilities have been delegated by the Compensation Committee shall be indemnified and held harmless by the Company against all claims, liabilities, fines, and penalties, and all expenses reasonably incurred by or imposed upon such individuals (including but not limited to reasonable attorneys’ fees) which arise as a result of actions or failures to act in connection with the operation, administration and grant of Deferred Benefits under the Plan. Any person acting as or on behalf of the Compensation Committee who is a Participant in the Plan shall abstain from any determination under the Plan with respect to his or her own participation. Any determination required under the Plan with respect to members of the Compensation Committee shall be made by a majority of the disinterested members of the Compensation Committee and, if none, by the Board of Directors of the Company.

#### 3.2 **Claims Procedure; Arbitration.**

3.2.1 **Claims Administrator.** The Claims Administrator shall be designated by the Compensation Committee. The Compensation Committee reserves the right to change the Claims Administrator from time to time and to designate a special Claims Administrator when deemed necessary to avoid a conflict of interest.

#### 3.2.2 **Claims Denial.**

3.2.2.1 **Claim for Benefits.** If an Applicant does not receive timely payment of any Deferred Benefits that the Applicant believes are due and payable under the Plan, the Applicant may file a claim for benefits by notifying the Claims Administrator in writing. The Claims Administrator may require any Applicant to submit an application therefore in writing, together with such other documents and information as the Claims Administrator may require.

3.2.2.2 **Notification of Benefit Determination.** The Claims Administrator will notify the Applicant of a benefit determination in writing within a reasonable time. Notification that a claim is wholly or partially denied will normally be given no later than ninety (90) days after receipt of the claim. The notice shall (1) specify the reasons for the adverse decision, (2) refer to the specific provisions of the Plan on which the decision is based, (3) describe any additional material necessary to complete the claim and the reasons that such material is necessary, (4) describe the appeal and review procedures and the applicable time limits, and (5) inform the Applicant of the right to bring an action following review in accordance with Section 3.2.4. Should special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Applicant prior to the expiration of the initial ninety (90) day period. The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In no event shall the period of the extension exceed ninety (90) days from the end of the initial ninety (90) day period. Claims not acted upon within the time prescribed herein shall be deemed denied for purposes of proceeding to the review stage.

#### 3.2.3 **Appeal and Review of Denied Claims.**

3.2.3.1 Review. An Applicant is entitled to have an adverse benefit determination reviewed by the Compensation Committee. The request for review must be in writing and filed with the Claims Administrator no later than sixty (60) days following the Applicant's receipt of the adverse determination. The Applicant may submit written comments and other information and documents

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relating to the claim, and have reasonable access to and receive copies of all documents and information relevant to the claim. The Applicant may request a hearing. The Claims Administrator will promptly forward the request for review and the claim file to the Compensation Committee. The decision of the Compensation Committee shall be made promptly, and not later than sixty (60) days after the Compensation Committee's receipt of a request for review, unless special circumstances require an extension of time for processing. In such a case, a decision shall be rendered as soon as possible, but not later than one hundred twenty (120) days after receipt of the request for review.

3.2.3.2 Review Procedure. The Compensation Committee has the discretion to decide whether a hearing shall be held. The Compensation Committee will afford no deference to the Claims Administrator's decision, and will ensure a full and fair review *de novo*.

3.2.3.3 Notification of Benefit Determination on Review. The Compensation Committee's decision will be in writing and sent to the Claims Administrator. The Claims Administrator will then notify the Applicant either by hand delivery or by first class mail within a reasonable time, and normally not later than sixty (60) days after a determination has been made by the Compensation Committee. If the Compensation Committee issues an adverse benefit decision to the Participant or his Beneficiary, the decision shall (1) specify the reasons for the decision, (2) refer to specific plan provisions on which the decision was based, (3) inform the Applicant of the right to review all information reviewed by the Compensation Committee, even information not relied on in making the decision, and (4) inform the Applicant of the right to bring a civil action pursuant to the arbitration provisions of Section 3.2.4.

3.2.4 Arbitration. Subject to prior completion of the claims procedure described above, any claim or controversy arising under the Plan shall be settled by arbitration before a single arbitrator to be held in Cerro Gordo County, Iowa in accordance with the Rules, and any judgment upon the award rendered by the arbitrator may be enforced in any court having competent jurisdiction thereof. The arbitrator shall be selected in accordance with the Rules.

3.2.5 Exhaustion of Remedies. No legal action for benefits under the Plan may be brought unless and until the Applicant has exhausted his remedies under this Article III.

#### ARTICLE IV PARTICIPATION - ELECTIONS TO DEFER

4.1 **Participation.** Participation in the Plan shall be limited to officers, highly compensated or management employees selected by the Compensation Committee who elect to participate in the Plan by filing a Participation Agreement with the Administrator after being notified of such selection.

4.2 **Participation Agreements.** A Participation Agreement must be filed prior to the 15th day of December immediately preceding the Plan Year in which the Participant's participation will commence, or such earlier date as required by the Administrator. The election to participate shall be effective on the first day of the Plan Year following receipt by the Administrator of a properly completed and executed Participation Agreement. However, with respect to the first Plan Year of the Plan or with respect to an individual hired or promoted during the Plan Year who thereby becomes eligible to participate herein and who does not currently participate in another "account balance plan" (as defined in Section 409A of the Code and the guidance issued in connection therewith), an initial Participation Agreement may be filed within 30 days of notification to the Participant of his or her eligibility to participate. Such election to participate shall be effective on the first day of the month following the Administrator's receipt thereof, except that elections not received by the Administrator prior to the 15th day of any calendar month shall be effective no earlier than the first day of the second month following the month of receipt, and elections for any Compensation earned over a period longer than one month shall not be effective until the period subsequent to the one in which such election is filed. Participation Agreements shall be effective for one Plan Year; a new Participation Agreement must be filed by the 15th day of December immediately preceding each Plan Year that the Participant intends to defer his or her Salary or Bonus.

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4.3 **Bonus Payments.** Notwithstanding anything in this Article IV to the contrary, Participation Agreements allowing for the deferral of Performance Based Compensation based upon a performance period of twelve (12) months or more, including Bonus payments, shall not be effective unless filed no later than 6 months before the end of the Performance Period, or such earlier date as selected by the Administrator. The quarterly bonus deferral election must be filed on the Participation Agreement by December 15<sup>th</sup> of the year preceding the start of the fiscal year.

#### ARTICLE V INVESTMENT ELECTIONS

5.1 **Investment Designations.** Each Participant may designate, on an Investment Election Form, the Available Investments in which his or her Deferred Benefit Account will be deemed invested, and the percentage of his or her Deferred Benefit Account that will be invested in each Available Investment, for purposes of determining the amount of earnings or losses to be credited or debited to his or her Deferred Benefit Account. Such form must be filed with the Administrator. The Compensation Committee may, at any time and for any reason, limit the frequency in which Participants may change their investment designations. If no such limitations are imposed, investment designations may be changed daily. If a Participant fails to designate an Available Investment for all or a portion of the Participant's Deferred Benefit Account, his or her Deferred Benefit Account will be deemed invested in the JPMorgan Prime Money Market Fund or similar fund selected by the Compensation Committee in its sole and absolute discretion.

5.2 **Selection of Investment.** The Compensation Committee may, from time to time and in its sole and absolute discretion, select the investments in which a Participant's Deferred Benefit Account may be deemed invested ("**Available Investments**"). If the Compensation Committee

determines that an investment shall no longer be an Available Investment, it shall notify, in writing, all Participants that have all or a portion of their Deferred Benefit Account invested in such investment of the date that it will no longer be an Available Investment. If a Participant fails to redesignate that portion of his Deferred Benefit Account deemed invested in such investment by the date designated by the Administrator, such portion will be deemed invested in the JPMorgan Prime Money Market Fund or similar fund selected by the Compensation Committee in its sole and absolute discretion.

5.3. **Effect of Designation.** Although the Participants may designate the Available Investments in which his or her Deferred Benefit Account will be deemed invested, the Administrator shall not be bound by such designation. The Available Investments are to be used only for purposes of crediting and debiting each Participant's Deferred Benefit Account with earnings and losses thereon, and shall not be considered or construed in any manner as an actual investment in such item or items.

5.4 **Statement of Accounts.** The Administrator shall submit to each Participant, as soon as administratively possible after each calendar quarter end, a statement in such form as the Administrator deems appropriate, setting forth the balance of each Participant's Deferred Benefit Account as of such Determination Date.

5.5 **No Guaranteed Return.** Each Participant, by filing a Participation Agreement and/or an Investment Election Form, agrees and acknowledges that neither the Company, nor any agent of the Company vested with authority regarding the Plan or having responsibilities associated with the Plan has a duty to maximize or protect the Participant's deemed return on investment. Each Participant further acknowledges and agrees that neither the Company nor any agent of the Company vested with authority regarding the Plan or having responsibilities associated with the Plan shall be liable for any loss of Deferred Benefits by reason of their selection of investments.

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## ARTICLE VI DEFERRED BENEFIT ACCOUNT

6.1 **Establishment of Account.** A separate Deferred Benefit Account shall be established and maintained for each Plan Year that a Participant participates in the Plan. If so desired, the Compensation Committee may, at any time, establish subaccounts within each Participant's Deferred Benefit Account. A Participant's Deferred Benefit Account and any subaccount thereof shall be utilized solely as a device for the measurement and determination of the amounts to be paid to the Participants pursuant to this Plan. A Participant's Deferred Benefit Account and any subaccount thereof shall not constitute or be treated as a trust fund of any kind or require the segregation of any assets of the Company.

6.2 **Determination of Account.** A Participant's Deferred Benefit Account shall be valued as of each Determination Date.

## ARTICLE VII BENEFITS

7.1 **Generally.** A Participant shall, upon the first to occur of the following events, be entitled to a payment (a "**Deferred Benefit**") equal to the amount of his or her Deferred Benefit Accounts as of the Determination Date coincidental with such event:

- 7.1.1 Date certain (which must be selected by the Participant in his or her Participation Agreement and which cannot be changed except as otherwise provided in subparagraph 7.2.3);
- 7.1.2 Separation from Service;
- 7.1.3 Disability;
- 7.1.4 Death; or
- 7.1.5 Change of Control.

7.2 **Payment of Benefit.** The Company shall pay to the Participant (or the Participant's Beneficiary), his or her Deferred Benefit in one of the following forms (as elected in the Participation Agreement filed by the Participant with the Administrator):

- 7.2.1 A lump sum payment; or
- 7.2.2 A monthly payment of a fixed amount which shall amortize the Participant's Deferred Benefit in equal monthly payments over a period from 2 to 120 months (as selected by the Participant on his or her Participation Agreement).
- 7.2.3 In the event of Death, Disability or Change in Control, the Company shall pay to the Participant (or the Participant's Beneficiary) the total value of his or her Deferred Benefit in a lump sum payment.

In the absence of a Participant's election under this Section, a Participant's Deferred Benefit Account shall be paid over a 120 month period in the manner specified in subparagraph 7.2.2.

7.2.4 Notwithstanding anything in this Article VII or Article IV to the contrary, a Participant may delay the payment of a Deferred Benefit or change the form of payment of a Deferred Benefit by filing a Further Deferral Request with the Administrator. Such request must be made not less than twelve (12) months prior to the date the payment is scheduled to be paid (or in the case of installment payments, twelve (12) months prior to the date the first payment was scheduled to be paid), and shall, if so filed, be effective twelve (12) months after the date on which it is filed with the Administrator. In the case of a Deferred Benefit payable under Sections 7.1.1 and 7.1.2 of this Agreement, the requested delay for payment must be for a period of not less than five (5) years from the date that such payment would have been otherwise made (or in the case of an installment payment, five (5) years from the date the first payment was scheduled to be paid).

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7.2.5 Notwithstanding anything in this Article VII to the contrary or a Participant's Participation Agreement or Amended Participation Agreement, the Administrator will, no later than the later of (a) the 31st day of December of the calendar year in which the Participant's Separation from Service occurs or (b) the 15th day of the third month following the Participant's Separation from Service, pay any amount remaining in the Participant's Deferred Benefit Account to the Participant in a single lump sum payment if the amount remaining in the Participant's Deferred Benefit Account is equal to or less than ten thousand dollars (\$10,000). The determination by the Administrator to liquidate a Participant's Deferred Benefit Account in accordance with this Section 7.2.5 shall be final and binding upon the Participant; the Participant shall have no right or power to elect not to receive payments made in accordance with this Section 7.2.

7.3 **Commencement of Payments.** Payments of any Deferred Benefit in accordance with Section 7.2 shall begin within sixty (60) days following receipt of written notice delivered to the Administrator by a Participant or his or her representative of an event that entitles a Participant (or a Beneficiary) to payments under the Plan.

7.4 **Withholding; Payroll Taxes.** To the extent required by the law in effect at the time deferrals are made, the Company shall withhold from a Participant's Compensation any federal, state or local taxes it is required to withhold. To the extent required by law in effect at the time payments of Deferred Benefits are made, the Company shall withhold from a Participant's Deferred Benefit any federal, state or local taxes it is required to withhold. A Beneficiary, however, may (to the extent allowed by Section 3405(a)(2) of the Code, or any successor provision thereto) elect not to have withholding of federal income tax be made on any Deferred Benefits payable under the Plan.

## ARTICLE VIII BENEFICIARY DESIGNATION

8.1 **Beneficiary Designation.** Each participant shall have the right, at any time, to designate any person or persons as a Beneficiary or Beneficiaries (both primary as well as contingent) to whom payment under this Plan shall be made in the event of Participant's death prior to complete distribution of the benefits due to the Participant under the Plan by filing a Beneficiary Designation Form with the Administrator.

8.2 **Amendments.** A Participant may change his or her Beneficiary or Beneficiaries at any time and for any reason by filing a new Beneficiary Designation Form with the Administrator. The filing of a new Beneficiary Designation Form will cancel all Beneficiary Designations Forms previously filed.

8.3 **No Beneficiary Designation.** If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, then the Participant's designated Beneficiary shall be deemed to be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike:

- 8.3.1 The Participant's surviving Spouse;
- 8.3.2 The Participant's living children in equal shares, except that if any of the children predecease the Participant but leave issue surviving, then such issue shall take by right of representation the share their parent would have taken if living;
- 8.3.3 The personal representative (executor or administrator) of Participant's estate.

8.4 **Effect of Payment.** The payment to the deemed Beneficiary of the entire amount owed shall completely discharge the Company's obligations under this Plan.

## ARTICLE IX AMENDMENT AND TERMINATION OF PLAN

9.1 **Amendment.** The Company may amend the Plan at any time in whole or in part; however, no amendment shall decrease the amount of any Deferred Benefit Account. In the event the Plan is amended, all Participation Agreements shall, to the extent determined by the Compensation Committee, be subject to the provisions of such amendment as if such amendment were set forth in full therein, without further action or amendment to the Participation Agreements. The Company and each Participant and Beneficiary shall be bound by, and have the benefit of, each and every provision of the Plan, as amended from time to time.

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9.2 **Section 409A of the Code.** The Plan is intended to comply with Section 409A and shall be administered in accordance with and interpreted in a manner consistent with Section 409A of the Code and the Treasury Regulations promulgated thereunder. Notwithstanding anything in the Plan to the contrary, the Company may amend the Plan at any time and in any manner that it, in its sole discretion, deems reasonably necessary to bring the Plan into compliance with the Section 409A of the Code.

9.3 **Company's Right to Terminate.** The Company may terminate the Plan at any time if, in its reasonable business judgment, the continuance of the Plan would not be in the best interests of the Company. Upon the termination of the Plan, all Participants under the Plan shall be paid the balance in their Deferred Benefit Accounts in accordance with their Participation Agreements in effect on the date the Plan is terminated and the Plan shall continue only as a means of administering the payment of such amounts.

## ARTICLE X MISCELLANEOUS

10.1 **Unsecured General Creditor Status.** Participants and their Beneficiaries shall have no legal or equitable rights, interest or claims in any property or assets of the Company, nor shall they be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company. Such policies or other assets of the Company shall not be held under any trust for the benefit of Participants or their Beneficiaries or held in any way as collateral security for the satisfaction or discharge of the



obligations of the Company under the Plan. Any and all of the Company's assets and such policies shall be, and remain, the general, unpledged and unrestricted assets of the Company, whether held directly or in a trust. The Company's obligation under the Plan is and shall be merely an unfunded and unsecured promise of the Company to pay money in the future.

10.2 **Nonassignability.** Except as expressly allowed herein, neither a Participant nor a Beneficiary nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey (in advance of actual payment) the amounts, if any, payable under the Plan. No part of the amounts payable shall (in advance of actual payment) be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

10.3 **Not a Contract of Employment.** The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between the Company and the Participant, and the Participant (or Participant's Beneficiary) shall have no rights against the Company except as may otherwise be specifically provided herein. Moreover, nothing in this Plan shall be deemed to give a Participant the right (i) to be retained in the employ or other service of the Company for any specific length of time, (ii) to interfere with the right of the Company to discipline or discharge the Participant at any time, (iii) to hold any particular position or responsibility with the Company, or (iv) to receive any particular Compensation from the Company.

10.4 **Protective Provisions.** Each Participant shall cooperate with the Company by furnishing any and all information requested by the Company in order to facilitate the payment of benefits under the Plan, by taking such physical examinations as the Company may deem necessary, and by taking such other actions as reasonably may be requested by the Company.

10.5 **Incompetent.** If the Administrator reasonably determines that any Participant or Beneficiary to whom a benefit is payable under this Plan is unable to care for his or her affairs because of an illness or accident, then any payment due such Participant or Beneficiary (unless prior claim therefore shall have been made by a duly authorized guardian or other legal representative) may be paid, upon appropriate indemnification of the Company, to the person deemed by the Administrator to have current responsibility for the handling of the affairs of such Participant or Beneficiary. Any such payment shall be a payment for the account of the Participant or Beneficiary and shall be a complete discharge of any liability of the Company therefore.

10.6 **Governing Law.** The provisions of this Plan shall be governed by and construed according to the laws of the State of Iowa.

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10.7 **Successors.** The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns.

10.8 **Effective Date.** This Plan shall become effective as of January 1, 2007.

**WINNEBAGO INDUSTRIES, INC.**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit 15**

Winnebago Industries, Inc.  
Forest City, Iowa

We have made a review, in accordance with the standards of the Public Company Accounting Oversight Board (United States), of the unaudited interim financial information of Winnebago Industries, Inc. and subsidiaries for the thirteen-week periods ended November 25, 2006, and November 26, 2005, as indicated in our report dated January 4, 2007; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended November 25, 2006, is incorporated by reference in Registration Statements No. 2-40316, No. 2-82109, No. 33-21757, No. 33-59930, No. 333-31595, No. 333-47123 and No. 333-113246 on Form S-8.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP  
Minneapolis, Minnesota  
January 4, 2007

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**Exhibit 31.1**  
**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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and, based on such evaluation, presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this Quarterly Report; and
  - d) disclosed in this Quarterly Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: January 4, 2007

By: /s/ Bruce D. Hertzke  
Bruce D. Hertzke  
Chief Executive Officer

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**Exhibit 31.2**  
**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, Sarah N. Nielsen, 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Registrant’s disclosure controls and procedures and, based on such evaluation, presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this Quarterly Report; and
  - d) disclosed in this Quarterly Report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: January 4, 2007

By: /s/ Sarah N. Nielsen  
Sarah N. Nielsen  
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

I, Bruce D. Hertzke, Chairman of the Board and Chief Executive Officer of Winnebago Industries, Inc., certifies that pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (a) This Quarterly Report on Form 10-Q ("periodic report") of Winnebago Industries, Inc. (the "issuer"), for the quarter ended November 25, 2006 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 this periodic report fairly represents, in all material respects, the financial condition and results of operations of the issuer.

Date: January 4, 2007

By: /s/ Bruce D. Hertzke  
Bruce D. Hertzke  
Chief Executive Officer

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**Exhibit 32.2**

**CERTIFICATION PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

I, Sarah N. Nielsen, Chief Financial Officer of Winnebago Industries, Inc., certifies that pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (a) This Quarterly Report on Form 10-Q ("periodic report") of Winnebago Industries, Inc. (the "issuer"), for the quarter ended November 25, 2006 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 this periodic report fairly represents, in all material respects, the financial condition and results of operations of the issuer.

Date: January 4, 2007

By: /s/ Sarah N. Nielsen  
Sarah N. Nielsen  
Chief Financial Officer

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