SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended November 29, 1997

OR

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

For the transition period from ______________________ to _______________________

Commission file number 1-6403

WINNEBAGO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

IOWA	42-0803978
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P. O. Box 152, Forest City, Iowa	50436
(Address of principal executive offices)	(Zip Code)

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

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

There were 23,566,227 shares of $.50 par value common stock outstanding on January 8, 1998.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES

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Part I Financial Information

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Dollars in thousands

ASSETS	NOVEMBER 29, 1997 (Unaudited)	AUGUST 30, 1997
CURRENT ASSETS		
Cash and cash equivalents	$ 56,972	$ 32,130
Receivables, less allowance for doubtful accounts ($1,463 and $1,429, respectively)	22,503	31,322
Dealer financing receivables less allowance for doubtful accounts ($189 and $155, respectively)	18,105	13,336
Inventories	53,329	53,584
Prepaid expenses	6,713	5,872
Deferred income taxes	4,917	4,917
Total current assets	162,539	141,161
PROPERTY AND EQUIPMENT, at cost		
Land	1,167	1,167
Buildings	38,563	42,455
Machinery and equipment	66,499	66,142
Transportation equipment	4,968	5,004
	111,197	114,768
Less accumulated depreciation	78,364	81,175
Total property and equipment, net	32,833	33,593
LONG-TERM NOTES RECEIVABLE, less allowances ($1,488 and $1,465, respectively)	5,653	5,692
INVESTMENT IN LIFE INSURANCE AND OTHER LONG-TERM INVESTMENTS	18,773	17,641
DEFERRED INCOME TAXES, NET	14,900	14,900
OTHER ASSETS	487	488
TOTAL ASSETS	$235,185	$213,475

See Unaudited Condensed Notes to Consolidated Financial Statements.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Dollars in thousands

LIABILITIES AND STOCKHOLDERS' EQUITY	NOVEMBER 29, 1997	AUGUST 30, 1997
	(Unaudited)	
CURRENT LIABILITIES		
Current maturities of long-term debt	$ --	$ 695
Accounts payable, trade	20,561	20,471
Income tax payable	14,203	--
Accrued expenses:		
Insurance	3,360	2,687
Product warranties	3,953	3,329
Vacation liability	3,352	3,012
Promotional	3,339	2,508
Other	7,891	8,524
Total current liabilities	56,659	41,226
POSTRETIREMENT HEALTH CARE AND DEFERRED COMPENSATION BENEFITS	49,260	48,367
STOCKHOLDERS' EQUITY		
Capital stock, common, par value $.50; authorized 60,000,000 shares	12,930	12,927
Additional paid-in capital	23,152	23,109
Reinvested earnings	97,517	92,179
	133,599	128,215
Less treasury stock, at cost	4,333	4,333
Total stockholders' equity	129,266	123,882
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$235,185	$213,475

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

IN THOUSANDS EXCEPT PER SHARE DATA

	THIRTEEN WEEKS ENDED	
	November 29, 1997	November 30, 1996
Net revenues	$125,896	$113,892
Cost of goods sold	107,473	98,813
Gross profit	18,423	15,079
Operating expenses:		
Selling and delivery	5,729	6,338
General and administrative	5,266	4,885
Total operating expenses	10,995	11,223
Operating income	7,428	3,856
Financial income	613	369
Income from continuing operations before income taxes	8,041	4,225
Provision for taxes	2,703	1,519
Income from continuing operations	5,338	2,706
Discontinued operations:		
Gain from sale of discontinued Cycle-Sat subsidiary (includes a loss on operations of $160 net of applicable income tax credits of $123 and a gain on disposal of $16,632 net of income taxes of $13,462)	--	16,472
Net income	$ 5,338	$ 19,178
Income per common share:		
Income from continuing operations	$ .21	$ .11
Gain from sale of discontinued Cycle-Sat subsidiary	--	.65
Net income	$ .21	$ .76
Weighted average number of shares of common stock outstanding	25,481	25,379

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

Dollars in thousands
Increase (decrease) in cash and cash equivalents

	THIRTEEN WEEKS ENDED	
	November 29, 1997	November 30, 1996
Cash flows from operating activities:		
Net income	$ 5,338	$ 19,178
Adjustments to reconcile net income to net cash from operating activities:		
Pre-tax gain on sale of Cycle-Sat subsidiary	--	(29,811)
Depreciation and amortization	1,369	1,665
Realized and unrealized gains on investments, net	--	(120)
Proceeds from sale of trading securities	--	3,707
Other	60	(112)
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	7,987	(960)
Decrease in inventories	255	11,824
Increase in accounts payable and accrued expenses	16,128	11,661
Increase in postretirement benefits	915	339
Other	--	(2,194)
Net cash provided by operating activities	32,052	15,177
Cash flows provided (used) by investing activities:		
Gross proceeds from the sale of Cycle-Sat subsidiary*	--	55,883
Investments in marketable securities	(813)	--
Purchases of property and equipment	(687)	(1,106)
Investments in dealer receivables	(13,899)	(9,128)
Collections of dealer receivables	9,096	9,807
Other	(258)	(72)
Net cash (used) provided by investing activities	(6,561)	55,384
Cash flows used by financing activities and capital transactions:		
Payment of long-term debt of discontinued operation	--	(13,220)
Payments of long-term debt	(695)	(1,779)
Other	46	261
Net cash used by financing activities and capital transactions	(649)	(14,738)
Net increase in cash and cash equivalents	24,842	55,823
Cash and cash equivalents - beginning of period	32,130	797
Cash and cash equivalents - end of period	$ 56,972	$ 56,620

* Includes $7,590 paid to the minority shareholders subsequent to November 30, 1996.

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

1. In the opinion of management, the accompanying unaudited consolidated condensed financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the consolidated financial position as of November 29, 1997, the consolidated results of operations for the 13 weeks ended November 29, 1997 and November 30, 1996, and the consolidated cash flows for the 13 weeks ended November 29, 1997 and November 30, 1996. The results of operations for the 13 weeks ended November 29, 1997, are not necessarily indicative of the results to be expected for the full year.

2. Inventories are valued at the lower of cost or market, with cost being determined under the last-in, first-out (LIFO) method and market defined as net realizable value.

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

	November 29, 1997	August 30, 1997
Finished goods............	$ 26,681	$ 27,577
Work in process...........	14,757	13,842
Raw materials.............	29,887	29,907
	71,325	71,326
LIFO reserve..............	(17,996)	(17,742)
	$ 53,329	$ 53,584

3. Since March 1992, the Company has had a financing and security agreement with NationsCredit Corporation (NationsCredit). Terms of the agreement limit borrowings to the lesser of $30,000,000 or 75 percent of eligible inventory (fully manufactured recreation vehicles and motor home chassis and related components). Borrowings are secured by the Company's receivables and inventory. Borrowings under the agreement bear interest at the prime rate, as defined in the agreement, plus 50 basis points. The line of credit is available through March 31, 1998, and continues during successive one-year periods unless either party provides at least 90-days' notice prior to the end of the one-year period to the other party that they wish to terminate the line of credit. The agreement also contains certain restrictive covenants including maintenance of minimum net worth, working capital and current ratio. As of November 29, 1997, the Company was in compliance with these covenants. There were no outstanding borrowings under the line of credit at November 29, 1997 or August 30, 1997.

4. It is customary practice for companies in the recreation vehicle industry to enter into repurchase agreements with lending institutions which have provided wholesale floor plan financing to dealers. The Company's agreements provide for the repurchase of its products from the financing institution in the event of repossession upon a dealer's default. The Company was contingently liable for approximately $133,017,000 and $115,637,000 under repurchase agreements with lending institutions as of November 29, 1997 and August 30, 1997, respectively. Included in these contingent liabilities as of November 29, 1997 and August 30, 1997 are approximately $24,577,000 and $24,868,000, respectively, of certain dealer receivables subject to recourse agreements with NationsCredit and Green Tree Financial Corporation.

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

	THIRTEEN WEEKS ENDED	
	November 29, 1997	November 30, 1996
Interest	$ 118	$ 186
Income taxes	20	4

6. On December 29, 1997, the Company repurchased 1,920,600 shares of Common Stock from the Estate of John K. Hanson. The shares were repurchased for an aggregate purchase price of $17,000,000 ($8.85125 per share).

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

RESULTS OF OPERATIONS

Thirteen weeks ended November 29, 1997 compared to thirteen weeks ended November 30, 1996

Net revenues for the 13 weeks ended November 29, 1997 were $125,896,000, an increase of $12,004,000, or 10.5 percent from the 13 week period ended November 30, 1996. Motor home shipments (Class A and C) were 2,062 units, an increase of 104 units, or 5.3 percent, during the first quarter of fiscal 1998 compared to the first quarter of fiscal 1997. Revenues increased by a larger percentage than unit sales in the first quarter of fiscal 1998 due to increased sales of higher priced Class A motor homes. The Company is encouraged by dealer reception to its 1998 products. Taking into account the order backlog the Company has on hand at this time, the Company is experiencing one of the best new product launches in its history.

Gross profit, as a percent of net revenues, was 14.6 percent for the 13 weeks ended November 29, 1997 compared to 13.2 percent for the 13 weeks ended November 30, 1996. This increase can be attributed primarily to the motor home product mix change experienced during the first quarter of 1998 compared to the first quarter of fiscal 1997.

Selling and delivery expenses were $5,729,000 or 4.6 percent of net revenues during the first quarter of fiscal 1998 compared to $6,338,000 or 5.6 percent of net revenues during the first quarter of fiscal 1997. The decrease in dollars and percentage can be attributed primarily to the Company's decision to sell its wholly owned subsidiary and European distributor, Winnebago Industries Europe, GmbH (WIE) during fiscal 1997. Also contributing to the decreases were lower advertising expenses. Increased sales volume contributed to the decrease in percentage.

General and administrative expenses increased by $381,000 to $5,266,000 comparing the 13 weeks ended November 29, 1997 to the 13 weeks ended November 30, 1996 but decreased as a percentage of net revenues to 4.2 percent from 4.3 percent. The increase in dollars was caused primarily by an increase in the Company's product liability costs during fiscal 1998 offset partially by the elimination of WIE general and administrative costs due to the sale in fiscal 1997. The reduction in percentage was caused by the increased sales volume.

The Company had net financial income of $613,000 for the first quarter of fiscal 1998 compared to net financial income of $369,000 for the comparable quarter of fiscal 1997. During the 13 weeks ended November 29, 1997, the Company recorded $660,000 of interest income and $47,000 of losses in foreign currency transactions. During the 13 weeks ended November 30, 1996, the Company recorded $309,000 of interest income, $121,000 of realized and unrealized gains in its trading securities portfolio and $61,000 of losses in foreign currency transactions.

For the 13 weeks ended November 29, 1997, the Company had income from continuing operations before taxes of $8,041,000 and a provision for taxes of $2,703,000 resulting in income from continuing operations of $5,338,000 or $.21 per share. For the 13 weeks ended November 30, 1996, the Company had income from continuing operations before taxes of $4,225,000 and a provision for taxes of $1,519,000 resulting in income from continuing operations of $2,706,000 or $.11 per share.

For the 13 weeks ended November 30, 1996, the Company recorded a gain from the sale of the discontinued Cycle-Sat subsidiary of $16,472,000 (net of income taxes of $13,462,000), or $.65 per share.

During the 13 weeks ended November 30, 1997, the Company had net income of $5,338,000, or $.21 per share, compared to $19,178,000, or $.76 per share for the 13 weeks ended November 29, 1996.

LIQUIDITY AND FINANCIAL CONDITION

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

At November 29, 1997, working capital was $105,880,000, an increase of $5,945,000 from the amount at August 30, 1997. The Company's principal sources and uses of cash during the 13 weeks ended November 29, 1997 are set forth in the unaudited consolidated condensed statement of cash flows for that period.

Principal known demands at November 29, 1997 on the Company's liquid assets for the remainder of fiscal 1998 include approximately $3,600,000 of capital expenditures (primarily equipment replacement) and $2,500,000 of cash dividends declared by the Board of Directors on October 16, 1997 (paid January 5, 1998). Subsequent to the first quarter of fiscal 1998, the Company's Board of Directors authorized the repurchase of outstanding shares of the Company's Common Stock for an aggregate purchase price of up to $36,500,000; $17,000,000 was applied to the purchase of 1,920,600 shares of Common Stock from the Estate of John K. Hanson on December 29, 1997. The remaining $19,500,000 may be used by the Company to make open-market purchases of its Common Stock from time to time over the next 18 months.

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

RECENTLY ISSUED ACCOUNTING STANDARDS

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share," was issued in February, 1997 and will be adopted by the Company in the second quarter of fiscal 1998. The adoption of SFAS No. 128 is not expected to have a significant impact on the calculation of earnings per share.

FORWARD LOOKING INFORMATION

Except for the historical information contained herein, certain of the matters discussed in this report are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties, including, but not limited to demand from customers, effects of competition, the general state of the economy, interest rates, consumer confidence, changes in the product or customer mix or revenues and in the level of operating expenses and other factors which may be disclosed throughout this Form 10-Q. Any forecasts and projections in this report are "forward looking statements," and are based on management's current expectations of the Company's near-term results, based on current information available pertaining to the Company, including the aforementioned risk factors. Actual results could differ materially.

Part II   Other Information

Item 6   Exhibits and Reports on Form 8-K

(a) No exhibits are being filed as a part of this report.

(b) The Company did not file any reports on Form 8-K during the period covered by this report.

SIGNATURES

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

WINNEBAGO INDUSTRIES, INC.
(Registrant)

Date January 8, 1998

/s/ Fred G. Dohrmann
Fred G. Dohrmann
Chairman of the Board and Chief Executive Officer

Date January 8, 1998

/s/ Edwin F. Barker
Edwin F. Barker
Vice President - Chief Financial Officer

3-MOS
AUG-29-1998
NOV-29-1997
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