SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

(X) Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 (No Fee Required) for the fiscal year ended August 29, 1998; or

( ) Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 (No Fee Required)

For the transition period from _________________ to __________________
Commission File Number 1-6403

WINNEBAGO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

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

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock ($.50 par value)	The New York Stock Exchange, Inc.
	Chicago Stock Exchange, Inc.
	The Pacific Stock Exchange, Inc.

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

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 __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Annual Report on Form 10-K or any amendment to this Annual Report on Form 10-K _____.

Aggregate market value of the common stock held by non-affiliates of the Registrant on November 16, 1998: $146,822,876 (13,737,813 shares at closing price on New York Stock Exchange of $10.6875).

Common stock outstanding on November 16, 1998, 22,123,944 shares.

DOCUMENTS INCORPORATED BY REFERENCE

1. The Winnebago Industries, Inc. Annual Report to Shareholders for the fiscal year ended August 29, 1998, portions of which are incorporated by reference into Part II hereof.

2. The Winnebago Industries, Inc. Proxy Statement for the Annual Meeting of Shareholders scheduled to be held January 20, 1999, portions of which are incorporated by reference into Part III hereof.

WINNEBAGO INDUSTRIES, INC.

FORM 10-K

Report for the Fiscal Year Ended August 29, 1998

PART I

ITEM 1. Business

GENERAL

Winnebago Industries, Inc. is a leading U.S. manufacturer of motor homes, self-contained recreation vehicles used primarily in leisure travel and outdoor recreation activities. Motor home sales by the Company represented more than 87 percent of its revenues in each of the past five fiscal years. The Company's motor homes are sold through dealer organizations primarily under the Winnebago, Itasca, Vectra, Rialta and Luxor brand names.

Other products manufactured by the Company consist principally of extruded aluminum, commercial vehicles, and a variety of component products for other manufacturers. Finance revenues consisted of revenues from floor plan unit financing for a limited number of the Company's dealers.

The Company was incorporated under the laws of the state of Iowa on February 12, 1958, and adopted its present name on February 28, 1961. The Company's executive offices are located at 605 West Crystal Lake Road in Forest City, Iowa. Unless the context indicates otherwise, the term "Company" refers to Winnebago Industries, Inc. and its subsidiaries.

PRINCIPAL PRODUCTS

The Company determined it was appropriate to define its operations into two business segments for fiscal 1998 (See Note 16, "Business Segment Information" in the Company's Annual Report to Shareholders for the year ended August 29, 1998). However, during each of the last five fiscal years, at least 91% of the revenues of the Company were derived from recreational vehicle products.

The following table sets forth the respective contribution to the Company's net revenues by product class for each of the last five fiscal years (dollars in thousands):

	Fiscal Year Ended (1)				
	August 29, 1998	August 30, 1997	August 31, 1996	August 26, 1995	August 27, 1994
Motor Homes (Class A and C)	$ 468,004	$ 381,191	$ 432,212	$ 402,435	$ 385,319
	89.1%	87.0%	89.2%	87.5%	88.9%
Other Recreation Vehicle Revenues (2)	18,014	19,771	17,166	19,513	21,903
	3.5%	4.5%	3.5%	4.2%	5.1%
Other Manufactured Products Revenues (3)	37,000	35,750	34,020	36,961	25,184
	7.0%	8.2%	7.0%	8.0%	5.8%
Total Manufactured Products Revenues ..	523,018	436,712	483,398	458,909	432,406
	99.6%	99.7%	99.7%	99.7%	99.8%
Finance Revenues (4)	2,076	1,420	1,406	1,220	831
	.4%	.3%	.3%	.3%	.2%
Total Net Revenues	$ 525,094	$ 438,132	$ 484,804	$ 460,129	$ 433,237
	100.0%	100.0%	100.0%	100.0%	100.0%

(1) The fiscal year ended August 31, 1996 contained 53 weeks; all other fiscal years in the table contained 52 weeks. All years prior to fiscal 1998 are appropriately restated to exclude the Company's discontinued Cycle-Sat, Inc. (Cycle-Sat) subsidiary's revenues from satellite courier and tape duplication services.
(2) Primarily EuroVan Campers, recreation vehicle related parts and recreation vehicle service revenue.
(3) Primarily sales of extruded aluminum, commercial vehicles and component products for other manufacturers.
(4) Winnebago Acceptance Corporation (WAC) revenues from dealer financing.

Unit sales of the Company's principal recreation vehicles for the last five fiscal years were as follows:

	Fiscal Year Ended (1)				
	August 29, 1998	August 30, 1997	August 31, 1996	August 26, 1995	August 27, 1994
Unit Sales:					
Class A	5,381	4,834	5,893	5,993	6,820
Class C	3,390	2,724	2,857	2,853	1,862
Total Motor Homes	8,771	7,558	8,750	8,846	8,682
Class B Conversions (EuroVan Camper) .	978	1,205	857	1,014	376

(1) The fiscal year ended August 31, 1996 contained 53 weeks; all other fiscal years in the table contained 52 weeks.

The primary use of recreation vehicles for leisure travel and outdoor recreation has historically led to a peak retail selling season concentrated in the spring and summer months. The Company's sales of recreation vehicles are generally influenced by this pattern in retail sales, but can also be affected by the level of dealer inventory.

The Company's products are generally manufactured against orders from the Company's dealers. As of August 29, 1998, the Company's backlog of orders for Class A and Class C motor homes was approximately 1,700 units compared to approximately orders for 1,300 units August 30, 1997. The Company includes in its backlog all accepted purchase orders from dealers shippable within the next six months. Orders in backlog can be canceled at the option of the purchaser at any time without penalty and, therefore, backlog may not necessarily be a measure of future sales.

Presently, the Company meets its working capital requirements, capital equipment requirements and cash requirements of subsidiaries with funds generated internally. Since March 26, 1992, the Company has had a financing and security agreement with Nations Bank Specialty Lending Unit (formerly NationsCredit Corporation) (See Note 7, "Notes Payable" in the Company's Annual Report to Shareholders for the year ended August 29, 1998).

RECREATION VEHICLES

MOTOR HOMES - A motor home is a self-propelled mobile dwelling used primarily as a temporary dwelling during vacation and camping trips.

Recreation Vehicle Industry Association (RVIA) classifies motor homes into three types (Class A, Class B and Class C). The Company currently manufactures Class A and Class C motor homes and converts Class B motor homes.

Class A models are conventional motor homes constructed directly on medium-duty truck chassis which include the engine and drivetrain components. The living area and driver's compartment are designed and produced by the recreation vehicle manufacturer.

Class B models are panel-type trucks to which sleeping, kitchen and toilet facilities are added. These models also have a top extension added to them for more head room.

Class C models are mini motor homes built on van-type chassis onto which the manufacturer constructs a living area with access to the driver's compartment. Certain models of the Company's Class C units include van-type driver's compartments built by the Company.

The Company currently manufactures and sells Class A and Class C motor homes primarily under the Winnebago, Itasca, Vectra, Rialta and Ultimate brand names. These motor homes generally provide living accommodations for four to seven persons and include kitchen, dining, sleeping and bath areas, and in some models, a lounge. Optional equipment accessories include, among other items, air conditioning, electric power plant, stereo system and a wide selection of interior equipment. The Company converts Class B motor homes under the EuroVan Camper brand name, which are distributed through the Volkswagen dealer organization.

The Company offers, with the purchase of any new Winnebago, Itasca, Vectra or Ultimate motor home, a comprehensive 12-month/15,000-mile warranty, a 3-year/36,000-mile warranty on sidewalls, floors and slide-out room assemblies, and a 10-year fiberglass roof warranty. The Rialta has a 2-year/24,000-mile warranty. The EuroVan Camper has a 2-year/ 24,000-mile warranty on the conversion portion of the unit. Estimated warranty costs are provided at the time of sale of the warranted products. Estimates of future warranty costs are based on prior experience and known current events.

The Company's Class A and Class C motor homes are sold by dealers in the retail market at prices ranging from approximately $45,000 to more than $225,000, depending on size and model, plus optional equipment and delivery charges.

The Company currently manufactures Class A and Class C motor homes ranging in length from 26 to 40 feet and 22 to 31 feet, respectively. Class B motor homes converted by the Company (EuroVan Camper) are 17 feet in length.

NON-RECREATION VEHICLE ACTIVITIES

OEM, COMMERCIAL VEHICLES, AND OTHER PRODUCTS

OEM - Original equipment manufacturer sales of component parts such as aluminum extrusions, metal stamping, rotational moldings, vacuum formed plastics, fiberglass components, panel lamination, electro-deposition painting of steel and sewn or upholstered items to outside manufacturers.

Commercial Vehicles - Commercial vehicles sales are custom shells primarily designed for the buyer's special needs and requirements.

Other Products - Sales of molded plastic docks for marine applications.

WINNEBAGO ACCEPTANCE CORPORATION (WAC) - WAC engages in floor plan and rental unit financing for a limited number of the Company's dealers.

DISCONTINUED ACTIVITIES -

On November 19, 1996, the Company sold all of the assets of its Cycle-Sat subsidiary, a distributor of satellite courier and tape duplication services, to Vyvx, Inc., a subsidiary of The Williams Companies, Inc., Tulsa, Oklahoma. See Note 2, "Discontinued Operations - Sale of Cycle-Sat Subsidiary" in the Company's Annual Report to Shareholders for the year ended August 29, 1998.

PRODUCTION

The Company's Forest City facilities have been designed to provide vertically integrated production line manufacturing. The Company also operates a fiberglass manufacturing facility in Hampton, Iowa, a sewing operation in Lorimor, Iowa and a chassis modification facility in Charles City, Iowa. At August 29, 1998, the Company was in the process of setting up a cabinet door manufacturing facility in Charles City, Iowa. The Company manufactures the majority of the components utilized in its motor homes, with the exception of the chassis, engines, auxiliary power units and appliances.

Most of the raw materials and components utilized by the Company are obtainable from numerous sources. The Company believes that substitutes for raw materials and components, with the exception of chassis, would be obtainable with no material impact on the Company's operations. Certain components, however, are produced by only a small group of quality suppliers which have the capacity to supply large quantities on a national basis. This is especially true in the case of motor home chassis, where Ford Motor Company and General Motors Corporation are the dominant suppliers. Shortages, production delays or work stoppages by the employees of such suppliers could have a material adverse effect on the Company's business. The inability of the Company to obtain an adequate chassis supply could have a material adverse effect on the Company's results of operations. The Company purchases Class A and C chassis from General Motors Corporation - Chevrolet Motor Division and Ford Motor Company; Class C chassis from Volkswagen of America, Inc.; and Class A chassis from Freightliner Custom Chassis Corporation. Class B chassis from Volkswagen of America, Inc. are utilized in the Company's Rialta motor home and the EuroVan Camper. Only two vendors accounted for as much as five percent of the Company's purchases in fiscal 1998, Ford Motor Company and General Motors Corporation (approximately 32 percent, in the aggregate).

On September 3, 1998, General Motors (GM) announced that it will discontinue the manufacture of its motor home chassis products. GM has signed a letter of intent with Union City Body Company (UCBC) of Union City, Indiana to sell certain assets used for chassis production. GM plans to cease chassis production by the end of 1998. Upon closing of the sale transaction, UCBC will produce its own version of chassis products. UCBC has informed the Company that it expects to begin production of chassis in the first quarter of 1999. A transition team comprised of key GM and UCBC representatives has been formed to assure an orderly business transition. The Company has placed orders with GM which will allow it to basically have chassis available for its fiscal 1999 production schedule. The Company uses current GM chassis in approximately 25 percent of its products. The Company is currently working with UCBC but at this time does not know what effect this sale transaction will have on its future results of operations.

Motor home bodies are made from various materials and structural components which are typically laminated into rigid, lightweight panels. Body designs are developed with computer design and analysis, and subjected to a variety of tests and evaluations to meet Company standards and requirements.

The Company manufactures picture windows, lavatories, and all of the doors, cabinets, shower pans, waste holding tanks, wheel wells and sun visors used in its recreation vehicles. In addition, the Company produces most of the bucket seats, upholstery items, lounge and dinette seats, seat covers, mattresses, decorator pillows, curtains and drapes.

The Company produces substantially all of the raw, liquid-painted and powder-coated aluminum extrusions used for interior and exterior trim in its recreation vehicles. The Company also sells aluminum extrusions to over 120 customers.

DISTRIBUTION AND FINANCING

The Company markets its recreation vehicles on a wholesale basis to a broadly diversified dealer organization located throughout the United States and, to a limited extent, in Canada. Foreign sales, including Canada, were less than five percent of net revenues in fiscal 1998. As of August 29, 1998 and August 30, 1997, the motor home dealer organization in the United States and Canada included approximately 350 and 340 dealers, respectively. During fiscal 1998, 13 dealers accounted for approximately 25 percent of motor home unit sales, and only one dealer accounted for more than four percent (4.4%) of motor home unit sales.

Winnebago Industries Europe GmbH, a wholly owned subsidiary, was sold in August 1997 (See Note 16, "Business Segment Information," in the Company's Annual Report to Shareholders for the year ended August 29, 1998). All international sales (except Canada) are now handled by five distributors who market the Company's recreation vehicles within eight foreign countries.

The Company has sales agreements with dealers which are renewed on an annual or bi-annual basis. Many of the dealers are also engaged in other areas of business, including the sale of automobiles, and many dealers carry one or more competitive lines. The Company continues to place high emphasis on the capability of its dealers to provide complete service for its recreation vehicles. Dealers are obligated to provide full service for owners of the Company's recreation vehicles, or in lieu thereof, to secure such service at their own expense from other authorized firms.

At August 29, 1998, the Company had a staff of 33 people engaged in field sales and service to the motor home dealer organization.

The Company advertises and promotes its products through national RV magazines and cable TV networks and on a local basis through trade shows, television, radio and newspapers, primarily in connection with area dealers.

Substantially all sales of recreation vehicles to dealers are made on cash terms. Most dealers are financed on a "floor plan" basis under which a bank or finance company lends the dealer all, or substantially all, of the purchase price, collateralized by a lien upon, or title to, the merchandise purchased. Upon request of a lending institution financing a dealer's purchases of the Company's products, and after completion of a credit investigation of the dealer involved, the Company will execute a repurchase agreement. These agreements provide that, in the event of default by the dealer on the dealer's agreement to pay the lending institution, the Company will repurchase the financed merchandise. The agreements provide that the Company's liability will not exceed 100 percent of the invoice price and provide for periodic liability reductions based on the time since the date of the invoice. The Company's contingent liability on all repurchase agreements was approximately $132,540,000 and $115,637,000 at August 29, 1998 and August 30, 1997, respectively. Included in these contingent liabilities are approximately $18,623,000 and $24,868,000, respectively, of certain dealer receivables subject to recourse (See Note 10, "Contingent Liabilities and Commitments" in the Company's Annual Report to Shareholders for the year ended August 29, 1998). The Company's contingent liability under repurchase agreements varies significantly from time to time, depending upon seasonal shipments, competition, dealer organization, gasoline supply and availability of bank financing.

COMPETITION

The recreation vehicle market is highly competitive, both as to price and quality of the product. The Company believes its principal marketing advantages are the quality of its products, its dealer organization, its warranty and service capability and its marketing techniques. The Company also believes that its prices are competitive with the competitions' units of comparable size and quality.

The Company is a leading manufacturer of motor homes. For the 12 months ended August 31, 1998, Recreation Vehicle Industry Association (RVIA) reported factory shipments of 41,200 Class A motor homes, 3,600 Class B motor homes and 15,600 Class C motor homes. Unit sales of such products by the Company for the last five fiscal years are shown on page 2 of this report. The Company has numerous competitors and potential competitors in this industry. The five largest manufacturers represented approximately 71 percent of the Class A motor home and Class C motor home market for the 12 months ended August 31, 1998, including the Company's sales, which represented 16 percent of the market. As the Company does not manufacture Class B motor homes but only completes a conversion package on these units, the Class B motor home comparison is not included in this report. The Company is not a significant factor in the markets for its other recreation vehicle products and its non-recreation vehicle products and services.

REGULATION, TRADEMARKS AND PATENTS

The Company is subject to a variety of federal, state and local regulations, including the National Traffic and Motor Vehicle Safety Act, under which the National Highway Traffic Safety Administration may require manufacturers to recall recreational vehicles that contain safety-related defects, and numerous state consumer protection laws and regulations relating to the operation of motor vehicles, including so-called "Lemon Laws." The Company is subject to regulations promulgated by the Occupational Safety and Health Administration (OSHA). The Company's facilities are periodically inspected by federal or state agencies, such as OSHA, concerned with workplace health and safety. The Company believes that its products and facilities comply in all material respects with the applicable vehicle safety, consumer protection, RVIA and OSHA regulations and standards. Amendments to any of these regulations and the implementation of new regulations, however, could significantly increase the cost of manufacturing, purchasing, operating or selling the Company's products and could have a material adverse effect on the Company's results of operations. The failure of the Company to comply with present or future regulations could result in fines being imposed on the Company, potential civil and criminal liability, suspension of sales or production, or cessation of operations. In addition, a major product recall could have a material adverse effect on the Company's results of operations.

The Company's operations are subject to a variety of federal and state environmental regulations relating to the use, generation, storage, treatment, emission and disposal of hazardous materials and wastes and noise pollution. Although the Company believes that it is currently in material compliance with applicable environmental regulations, the failure of the Company to comply with present or future regulations could result in fines being imposed on the Company, potential civil and criminal liability, suspension of production or operations, alterations to the manufacturing process, or costly cleanup or capital expenditures.

The Company has several registered trademarks, including Winnebago, Itasca, Minnie Winnie, Brave, Chieftain, Sunrise, Adventurer, Spirit, Sunflyer, Suncruiser, Sundancer, Vectra Grand Tour, Luxor, Rialta and Minnie.

RESEARCH AND DEVELOPMENT

During fiscal 1998, 1997 and 1996, the Company spent approximately $1,128,000, $1,695,000 and $801,000, respectively, on research and development activities. These activities involved the equivalent of 16, 24 and 12 full-time employees during fiscal 1998, 1997 and 1996, respectively.

HUMAN RESOURCES

As of September 1, 1998, 1997 and 1996, the Company employed approximately 3,010, 2,830 and 3,150 persons, respectively. Of these, approximately 2,410, 2,270 and 2,250 persons, respectively, were engaged in manufacturing and shipping functions. None of the Company's employees are covered under a collective bargaining agreement.

ITEM 2. Properties

The Company's manufacturing, maintenance and service operations are conducted in multi-building complexes owned by the Company, containing an aggregate of approximately 1,452,000 square feet in Forest City, Iowa. The Company also owns 698,000 square feet of warehouse facilities located in Forest City. The Company leases approximately 235,000 square feet of its unoccupied manufacturing facilities in Forest City to others. The Company also owns a manufacturing facility (74,000 square feet) in Hampton, Iowa. The Company leases a storage facility (25,000 square feet) in Hampton, Iowa and a manufacturing facility (17,200 square feet) in Lorimor, Iowa. Subsequent to fiscal year end, the Company purchased a 50,000 square foot manufacturing facility and entered into an agreement to lease a 10,000 square foot manufacturing facility both in Charles City, Iowa. Leases on the above leased facilities expire at various dates, the earliest of which is January 1, 1999. The Company's facilities in Forest City are located on approximately 780 acres of land, all owned by the Company.

Most of the Company's buildings are of steel or steel and concrete construction and are protected from fire with high-pressure sprinkler systems, dust collector systems, automatic fire doors and alarm systems. The Company believes that its facilities and equipment are well maintained, in excellent condition, suitable for the purposes for which they are intended and adequate to meet the Company's needs for the foreseeable future.

ITEM 3. Legal Proceedings

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

ITEM 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

Executive Officers of the Registrant

NAME	OFFICE (YEAR FIRST ELECTED AN OFFICER)	AGE
Bruce D. Hertzke +	Chairman of the Board, Chief Executive Officer and President (1989)	47
Edwin F. Barker	Vice President, Chief Financial Officer (1980)	51
Raymond M. Beebe	Vice President, General Counsel & Secretary (1974)	56
Ronald D. Buckmeier	Vice President, Product Development (1997)	51
Brian J. Hrubes	Controller (1996)	47
James P. Jaskoviak	Vice President, Sales and Marketing (1994)	46
Robert J. Olson	Vice President, Manufacturing (1996)	47
Joseph L. Soczek, Jr.	Treasurer (1996)	55

+ Director

Officers are elected annually by the Board of Directors. All of the foregoing officers have been employed by the Company as officers or in other responsible positions for at least the last five years.

PART II

ITEM 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Reference is made to information concerning the market for the Company's common stock, cash dividends and related stockholder matters on page 36 of the Company's Annual Report to Shareholders for the year ended August 29, 1998, which information is incorporated by reference herein. On October 15, 1998, the Board of Directors declared a cash dividend of $.10 per common share payable January 11, 1999 to shareholders of record on December 11, 1998. The Company paid dividends of $.20 per common share during fiscal years 1998 and 1997.

ITEM 6. Selected Financial Data

Reference is made to the information included under the caption "Selected Financial Data" on page 1 of the Company's Annual Report to Shareholders for the year ended August 29, 1998, which information is incorporated by reference herein.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Reference is made to the information under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 13 through 17 of the Company's Annual Report to Shareholders for the year ended August 29, 1998, which information is incorporated by reference herein.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Not Applicable.

ITEM 8. Financial Statements and Supplementary Data

The consolidated financial statements of the Company which appear on pages 18 through 33 and the report of the independent accountants which appears on page 34, and the supplementary data under "Interim Financial Information (Unaudited)" on page 35 of the Company's Annual Report to Shareholders for the year ended August 29, 1998, are incorporated by reference herein.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

Reference is made to the table entitled Executive Officers of the Registrant in Part One of this report and to the information included under the caption "Election of Directors" in the Company's Proxy Statement for the Annual Meeting of Shareholders scheduled to be held January 20, 1999, which information is incorporated by reference herein.

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") requires the Company's officers and directors and persons who beneficially own more than 10 percent of the Company's common stock (collectively "Reporting Persons") to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange. Reporting Persons are required by the SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on its review of the copies of such forms received or written representations from certain Reporting Persons that no Forms 5 were required for those persons, the Company believes that, during fiscal year 1998, all the Reporting Persons complied with all applicable filing requirements, except that Mr. Jerry N. Currie, a director of the Company, inadvertently omitted to file a Form 4 reporting the March, 1998 exercise of options to purchase 1,500 shares of Common Stock. Mr. Frederick M. Zimmerman, a director of the Company, inadvertently omitted to file a Form 4 for fiscal 1994 reporting the purchase of 100 shares of Common Stock.

ITEM 11. Executive Compensation

Reference is made to the information included under the caption "Executive Compensation" in the Company's Proxy Statement for the Annual Meeting of Shareholders scheduled to be held January 20, 1999, which information is incorporated by reference herein.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

Reference is made to the share ownership information included under the caption "Voting Securities and Principal Holders Thereof" in the Company's Proxy Statement for the Annual Meeting of Shareholders scheduled to be held January 20, 1999, which information is incorporated by reference herein.

ITEM 13. Certain Relationships and Related Transactions

Reference is made to the information included under the caption "Certain Transactions with Management" in the Company's Proxy Statement for the Annual Meeting of Shareholders scheduled to be held January 20, 1999, which information is incorporated by reference herein.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. The consolidated financial statements of the Company are incorporated by reference in ITEM 8 and an index to financial statements appears on page 13 of this report.

2. Consolidated Financial Statement Schedules
Winnebago Industries, Inc. and Subsidiaries

All schedules, other than Schedule II, are omitted because of the absence of the conditions under which they are required or because the information required is shown in the consolidated financial statements or the notes thereto.

(a) 3. Exhibits

See Exhibit Index on page 16.

(b) Reports on Form 8-K

No reports on Form 8-K have been filed during the last quarter of the period covered by this report.

UNDERTAKING

For the purposes of complying with the amendments to the rules governing Form S-8 (effective July 13, 1990) under the Securities Act of 1933, the undersigned registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into registrant's Registration Statements on Form S-8 Nos. 2-40316 (which became effective on or about June 10, 1971), 2-82109 (which became effective on or about March 15, 1983), 33-21757 (which became effective on or about May 31, 1988), 33-59930 (which became effective on or about March 24, 1993) and 333-31595 (which became effective on or about July 18, 1997).

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By /s/ Bruce D. Hertzke

Chairman of the Board

Date: November 23, 1998

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on, November 23, 1998, by the following persons on behalf of the Registrant and in the capacities indicated.

SIGNATURE	CAPACITY
/s/ Bruce D. Hertzke Bruce D. Hertzke	Chairman of the Board, Chief Executive Officer, President and Director (Principal Executive Officer)
/s/ Edwin F. Barker Edwin F. Barker	Vice President, Chief Financial Officer (Principal Financial Officer)
/s/ Gerald E. Boman Gerald E. Boman	Director
/s/ Jerry N. Currie Jerry N. Currie	Director
/s/ Fred G. Dohrmann Fred G. Dohrmann	Director
/s/ John V. Hanson John V. Hanson	Director
/s/ Gerald C. Kitch Gerald C. Kitch	Director
/s/ Richard C. Scott Richard C. Scott	Director
/s/ Joseph M. Shuster Joseph M. Shuster	Director
/s/ Frederick M. Zimmerman Frederick M. Zimmerman	Director
/s/ Francis L. Zrostlik Francis L. Zrostlik	Director
/s/ Brian J. Hrubes Brian J. Hrubes	Controller (Principal Accounting Officer)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

* Refers to respective pages in the Company's 1998 Annual Report to Shareholders, a copy of which is attached hereto, which pages are incorporated herein by reference.

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of Winnebago Industries, Inc. and subsidiaries (the Company) as of August 29, 1998 and August 30, 1997 and for each of the three years in the period ended August 29, 1998 and have issued our report thereon dated October 21, 1998. Such consolidated financial statements and report are included in your fiscal 1998 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of Winnebago Industries, Inc. and subsidiaries, as listed in Item 14(a)2. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP
- -----------------------------
Deloitte & Touche LLP
Minneapolis, Minnesota
October 21, 1998

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

(Dollars in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	COLUMN F
		ADDITIONS (REDUCTIONS)				
PERIOD AND DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COST AND EXPENSES	BAD DEBTS RECOVERIES	DEDUCTIONS CHARGE-OFFS	OTHER*	BALANCE AT END OF PERIOD
Year Ended August 29, 1998:						
Allowance for doubtful accounts receivable	$ 1,429	$ 367	$ - - -	$ 214	$ - - -	$ 1,582
Allowance for doubtful dealer receivables	155	(6)	- - -	71	- - -	78
Allowance for excess and obsolete inventory	814	1,443	- - -	1,554	- - -	703
Allowance for doubtful notes receivable	1,465	(492)	- - -	- - -	- - -	973
Year Ended August 30, 1997:						
Allowance for doubtful accounts receivable	702	730	1	4	- - -	1,429
Allowance for doubtful dealer receivables	197	(160)	118	- - -	- - -	155
Allowance for excess and obsolete inventory	569	1,319	- - -	1,074	- - -	814
Allowance for doubtful notes receivable	797	668	- - -	- - -	- - -	1,465
Year Ended August 31, 1996:						
Allowance for doubtful accounts receivable	1,128	359	- - -	329	(456)	702
Allowance for doubtful dealer receivables	255	(70)	29	17	- - -	197
Allowance for excess and obsolete inventory	669	1,301	- - -	1,401	- - -	569
Allowance for doubtful notes receivable	950	(324)	- - -	285	456	797

* Includes transfers of reserves from doubtful dealer receivables to doubtful accounts and from doubtful accounts to long-term notes receivable.

EXHIBIT INDEX

3a. Articles of Incorporation previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 27, 1988 (Commission File Number 1-6403), and incorporated by reference herein.

3b. Amended Bylaws of the Registrant.

4a. Restated Inventory Floor Plan Financing Agreement between Winnebago Industries, Inc. and NationsCredit Corporation previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 27, 1994 (Commission File Number 1-6403), and incorporated by reference herein and the First Amendment dated October 31, 1995 thereto.

4b. Restated Financing and Security Agreement dated July 6, 1995 between Winnebago Industries, Inc. and NationsCredit Commercial Corporation previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 1-6403), and incorporated by reference herein.

10a. Winnebago Industries, Inc. Stock Option Plan for Outside Directors previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 1992 (Commission File Number 1-6403), and incorporated by reference herein.

10b. Amendment to Winnebago Industries, Inc. Deferred Compensation Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 1-6403), and incorporated by reference herein.

10c. Amendment to Winnebago Industries, Inc. Profit Sharing and Deferred Savings and Investment Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 1-6403), and incorporated by reference herein.

10d. Winnebago Industries, Inc. Book Unit Rights Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 1987 (Commission File Number 1-6403), and incorporated by reference herein.

10e. Winnebago Industries, Inc. 1987 Non-Qualified Stock Option Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 1987 (Commission File Number 1-6403), and incorporated by reference herein.

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

10g. Winnebago Industries, Inc. Employee's Stock Bonus Plan and Trust Agreement previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1996 (Commission File Number 1-6403) and incorporated by reference herein.

10h. Winnebago Industries, Inc. Directors' Deferred Compensation Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 30, 1997 (Commission File Number 1-6403) and incorporated by reference herein.

10i. Winnebago Industries, Inc. 1997 Stock Option Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 30, 1997 (Commission File Number 1-6403) and incorporated by reference herein.

10j. Winnebago Industries, Inc. Executive Share Option Plan.

13. Winnebago Industries, Inc. Annual Report to Shareholders for the year ended August 29, 1998.

21. List of Subsidiaries.

23. Consent of Independent Auditors.

27. Financial Data Schedule.

EXHIBIT 3b.

BY-LAWS
OF
WINNEBAGO INDUSTRIES, INC.

AS AMENDED

ARTICLE I. OFFICES

The principal office of the Corporation in the State of Iowa, shall be located in the City of Forest City, County of Winnebago, State of Iowa.

The Corporation may have such other offices, either within or without of the State of Iowa, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE II. SHAREHOLDERS

Section 1. Annual Meeting

The Annual Meeting of the Shareholders shall be held on a date in the month of January of each year, commencing with the January, 1999 meeting, to be annually set by the Board of Directors with written notice thereof to be given not less than ten (10) days prior thereto by the Secretary, to be held in Forest City, Iowa, at such place as may be designated by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Notice of Shareholder Business and Nominations

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any shareholder of the Corporation who was a shareholder of record at the time of giving of notice provided for in this Section 2 who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of Section 2(1) of these By-laws, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for shareholder action. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting of shareholders; provided however, that in the event that the date of the annual meeting to which such shareholder's notice relates is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made by the Corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 as amended (the "Exchange Act") and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such shareholder and such beneficial owner.

ARTICLE III. BOARD OF DIRECTORS

Section 1. General Powers

The business and affairs of this Corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications

The number of directors constituting the Board of Directors of the Corporation shall be ten (10) until increased or decreased by proper amendment thereto. Each director shall hold office until the next annual meeting of the shareholders and until his successor shall have been elected and qualified. Directors need not be residents of the State of Iowa nor shareholders of the Corporation.

Section 3. Regular Meetings

The regular meeting of the Board of Directors shall be held without other notice than these By-Laws, immediately after, and at the same place as, the Annual Meeting of the Shareholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Iowa, for the holding of additional regular meetings without other notice than such resolution.

Section 4. Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the President or any one director. The persons or person authorized to call special meetings of the Board of Directors may fix the time for holding any special meetings of the Board of Directors so called, but the place shall be the same as the regular meeting place unless another place is unanimously agreed upon at the time and ratified by appropriate resolution.

Section 5. Notice of Meetings

Notice of any special meeting of the Board of Directors shall be given at least five (5) days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with sufficient postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company; any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Committees

The Board of Directors may, by resolution adopted by a majority of the whole board, designate from among its members an Executive Committee and one or more other committees. Any such committee, to the extent provided in the resolution, shall have and may exercise all the authority of the Board of Directors; provided, however, that no such committee shall have such authority in reference to any matter for which such authority is specifically reserved to the full Board of Directors by the terms of the Iowa Business Corporation Act, as amended. Each such committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

ARTICLE IV. OFFICERS

Section 1. Number

The officers of the Corporation shall be a President, Vice President, a Secretary and a Treasurer. Such other officers, assistant officers and acting officers as may be deemed necessary, may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person if so nominated and elected.

Section 2. Election and Term of Office

The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. The officers of the Corporation shall hold office until their successors are chosen and qualify or until their death or resignation. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors in office. Any vacancy occurring in any office in the Corporation shall be filled by the Board of Directors.

ARTICLE V. FISCAL YEAR

The fiscal year of this Corporation shall begin on the 1st day of September and end on the last day of August, in each year.

ARTICLE VI. AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors.

EXHIBIT 10f.

RV OFFICER INCENTIVE COMPENSATION PLAN

GROUP A - OFFICER
FISCAL PERIOD 1998-1999

WINNEBAGO INDUSTRIES, INC.
FOREST CITY, IOWA

PURPOSE

The purpose of this plan is to provide greater incentive to employees in officer positions, who contribute to the success of the Company, by enabling them to participate in that success, and to aid in attracting and retaining employees who will contribute to the progress and profitability of the Company.

It is the purpose of this plan to attract, obtain, develop, motivate, and retain capable officer personnel, stimulate constructive and imaginative thinking, and otherwise contribute to the growth and profits of the corporation

ADMINISTRATION

The plan prior to each new fiscal year must meet the approval of the Human Resource Committee of the Board of Directors. The Human Resource Committee may establish such rules and regulations as it deems necessary for proper administration of this plan and may amend or revoke any rule or regulation so established.

PARTICIPANTS

Recommendation of a participant must be made by the President of Winnebago Industries, Inc.

MINIMUM QUALIFICATIONS REQUIRED OF PARTICIPANTS:

1. Participant must be an officer with specific responsibilities which can impact the corporation
2. Participants must be employed for the entire fiscal year to be eligible for the bonus and in addition, participant must be employed at the time the bonus is paid except as waived by the Human Resource Committee.

NATURE OF THE PLAN

The incentive award is based on the performance of the CORPORATION.

This is a bonus based upon the Company's attainment of a predetermined profit goal for the fiscal quarter. The profit goal is to be recommended by the Human Resource Committee and approved by the Board of Directors each quarter at the beginning of the fiscal quarter.

The profit goal, for purposes of this plan, will be the "Incentive Compensation Profit" which shall mean the combined gross income from the operation of the Company less the combined expenses, deductions and credits of the Company attributable to such operations. In computing the incentive compensation profit, no deduction shall be taken or allowance made for federal or state income taxes, or any expenses associated with retirement plans or incentive compensation plans. Incentive awards are determined in proportion to the actual operating profit generated for the quarter in relation to the profit goal that was set. If the operating profit achieved is less than 80 percent of goal set, no bonus is paid and the maximum bonus paid at 120 percent of the profit goal.

METHOD OF PAYMENT

The quarterly amount of a participant's incentive compensation for the quarter shall be the percentage of the total amount of base salary received by the individual the fiscal quarter when he was a participant in the plan. 60% of the quarterly amount of the earned bonus will be paid within 45 days after the close of the fiscal quarter and the remainder of the bonus due will be paid after the books have been audited at the end of the fiscal year providing the Company has made its objective in each quarter. Bonuses will be paid as follows:

NUMBER OF QUARTERS OBJECTIVE WAS MADE	AMOUNT OF THE BONUS HOLDBACK TO BE PAID
1	25%
2	50%
3	75%
4	100%

The attached quarterly bonus formula developed for the Officers Group I of Winnebago Industries provides a 40 percent bonus calculation for a 100 percent achievement of operating profit.

A participant must be employed by Winnebago Industries on August 28, 1999 to be eligible for any previous quarterly or holdback allocations.

Approved By:

Bruce D. Hertzke   Dated

- ------------------------------------   --------------------------------

C.E.O. & Chairman of the Board

Gerald C. Kitch   Dated

- ------------------------------------   --------------------------------

Chairman, Human Resource Committee
of the Winnebago Board of Directors

RV EXECUTIVE MANAGEMENT INCENTIVE COMPENSATION PLAN

GROUP B - EXECUTIVE
FISCAL PERIOD 1998-1999

WINNEBAGO INDUSTRIES, INC.
FOREST CITY, IOWA

PURPOSE

The purpose of this plan is to provide greater incentive to employees in managerial positions, who contribute to the success of the Company, by enabling them to participate in that success, and to aid in attracting and retaining employees who will contribute to the progress and profitability of the Company.

It is the purpose of this plan to attract, obtain, develop, motivate, and retain capable managerial personnel, stimulate constructive and imaginative thinking, and otherwise contribute to the growth and profits of the corporation.

ADMINISTRATION

The plan prior to each new fiscal year must meet the approval of the Human Resource Committee of the Board of Directors. The Human Resource Committee may establish such rules and regulations as it deems necessary for proper administration of this plan and may amend or revoke any rule or regulation so established.

PARTICIPANTS

Recommendation of a participant must be made by the Vice President that has the responsibility for the specific unit or group which the proposed participant is a member. The Vice President must justify direct dependence of recommended employee's influence, performance and achievements, which could determine the success of that unit or group and employee must be considered a direct link to the success and profitability of the corporation.

MINIMUM QUALIFICATIONS REQUIRED OF PARTICIPANTS:

1. Participant must be in Labor Grade Number 70 or above.
2. Participant must be in the capacity of a staff supervisor or manager of a specific unit or group with specific responsibilities which can impact the corporation.
3. Participants must be employed for the entire fiscal year to be eligible for the bonus and in addition, participant must be employed at the time the bonus is paid except as waived by the Human Resource Committee.

Appointment of participants to the "Executive Management Incentive Compensation Plan" will be recommended by the President to the Human Resource Committee for approval based on meeting the aforementioned qualifications and upon recommendation of the respective Vice President.

NATURE OF THE PLAN

The incentive award is based on the performance of the CORPORATION.

This is a bonus based upon the Company's attainment of a predetermined profit goal for the fiscal quarter. The profit goal is to be recommended by the Human Resource Committee and approved by the Board of Directors each quarter at the beginning of the fiscal quarter.

The profit goal, for purposes of this plan, will be the "Incentive Compensation Profit" which shall mean the combined gross income from the operation of the Company less the combined expenses, deductions and credits of the Company attributable to such operations. In computing the incentive compensation profit, no deduction shall be taken or allowance made for federal or state income taxes, or any expenses associated with retirement plans or incentive compensation plans. Incentive awards are determined in proportion to the actual operating profit generated for the quarter in relation to the profit goal that was set. If the operating profit achieved is less than 80 percent of goal set, no bonus is paid and the maximum bonus paid at 120 percent of the profit goal.

METHOD OF PAYMENT

The quarterly amount of a participant's incentive compensation for the quarter shall be the percentage of the total amount of base salary received by the individual the fiscal quarter when he was a participant in the plan. 60% of the quarterly amount of the earned bonus will be paid within 45 days after the close of the fiscal quarter and the remainder of the bonus due will be paid after the books have been audited at the end of the fiscal year providing the Company has made its objective in each quarter. Bonuses will be paid as follows:

NUMBER OF QUARTERS OBJECTIVE WAS MADE	AMOUNT OF THE BONUS HOLDBACK TO BE PAID
1	25%
2	50%
3	75%
4	100%

The attached quarterly bonus formula developed for the Executive Group II of Winnebago Industries provides a 30 percent bonus calculation for a 100 percent achievement of operating profit.

A participant must be employed by Winnebago Industries on August 28, 1999 to be eligible for any previous quarterly or holdback allocations.

Approved By:

Bruce D. Hertzke August 13, 1998

Bruce D. Hertzke Dated
C.E.O. & Chairman of the Board

Gerald C. Kitch October 14, 1998

Gerald C. Kitch Dated
Chairman, Human Resource Committee
of the Winnebago Board of Directors

RV MANAGEMENT INCENTIVE COMPENSATION PLAN

GROUP C - MANAGEMENT
FISCAL PERIOD 1998-1999

WINNEBAGO INDUSTRIES, INC.
FOREST CITY, IOWA

PURPOSE

The purpose of this plan is to provide greater incentive to employees in managerial positions, who contribute to the success of the Company, by enabling them to participate in that success, and to aid in attracting and retaining employees who will contribute to the progress and profitability of the Company.

It is the purpose of this plan to attract, obtain, develop, motivate, and retain capable managerial personnel, stimulate constructive and imaginative thinking, and otherwise contribute to the growth and profits of the corporation

ADMINISTRATION

The plan prior to each new fiscal year must meet the approval of the Human Resource Committee of the Board of Directors. The Human Resource Committee may establish such rules and regulations as it deems necessary for proper administration of this plan and may amend or revoke any rule or regulation so established.

PARTICIPANTS

Recommendation of a participant must be made by the Vice President member that has the responsibility for the specific unit or group which the proposed participant is a member. The Vice President must justify direct dependence of recommended employee's influence, performance and achievements, which could determine the success of that unit or group and employee must be considered a direct link to the success and profitability of the corporation.

MINIMUM QUALIFICATIONS REQUIRED OF PARTICIPANTS:

1. Participant must be in the capacity of a manager of a specific unit or group with budget responsibilities and specific responsibilities which significantly can impact the corporation.
2. Participants must be employed for the entire fiscal year to be eligible for the bonus and in addition, participant must be employed at the time the bonus is paid except as waived by the Human Resource Committee.

Appointment of participants to the "Management Incentive Compensation Plan" will be recommended by the President to the Human Resource Committee for approval based on meeting the aforementioned qualifications and upon recommendation of the respective Vice President.

NATURE OF THE PLAN

The incentive award is based on the performance of the CORPORATION.

This is a bonus based upon the Company's attainment of a predetermined profit goal for the fiscal quarter. The profit goal is to be recommended by the Human Resource Committee and approved by the Board of Directors each quarter at the beginning of the fiscal quarter.

The profit goal, for purposes of this plan, will be the "Incentive Compensation Profit" which shall mean the combined gross income from the operation of the Company less the combined expenses, deductions and credits of the Company attributable to such operations. In computing the incentive compensation profit, no deduction shall be taken or allowance made for federal or state income taxes, or any expenses associated with retirement plans or incentive compensation plans.

METHOD OF PAYMENT

The quarterly amount of a participant's incentive compensation for the quarter shall be the percentage of the total amount of base salary received by the individual the fiscal quarter when he was a participant in the plan. 60% of the quarterly amount of the earned bonus will be paid within 45 days after the close of the fiscal quarter and the remainder of the bonus due will be paid after the books have been audited at the end of the fiscal year providing the Company has made its objective in each quarter. Bonuses will be paid as follows:

NUMBER OF QUARTERS OBJECTIVE WAS MADE	AMOUNT OF THE BONUS HOLDBACK TO BE PAID
1	25%
2	50%
3	75%
4	100%

A participant must be employed by Winnebago Industries on August 28, 1999 to be eligible for any previous quarterly or holdback allocations.

Incentive awards are determined in proportion to the actual operating profit generated for the quarter in relation to the profit goal that was set. If the operating profit achieved is less than 80 percent of goal set, no bonus is paid and the maximum bonus paid at 120 percent of the profit goal.

The attached quarterly bonus formula developed for the Management Group III of Winnebago Industries provides a 20 percent bonus calculation for a 100 percent achievement of operating profit.

Approved By:

Bruce D. Hertzke August 13, 1998

Bruce D. Hertzke
C.E.O. & Chairman of the Board
Dated

Gerald C. Kitch October 14, 1998

Gerald C. Kitch
Chairman, Human Resource Committee
of the Winnebago Board of Directors
Dated

EXHIBIT 10j.

WINNEBAGO INDUSTRIES, INC.
EXECUTIVE SHARE OPTION PLAN

ARTICLE I

PURPOSE

1.1 PURPOSE. The purpose of the Plan is to provide stock options to certain key individuals, commensurate with their contributions to the success of the Employer, in a form that will provide incentives and rewards for superior performance, encourage the recipients to continue in the employment of the Employer, and allow the recipients to diversify their investment portfolios.

1.2 INTENT. The Plan is intended to be a nonqualified stock option plan within the meaning of Section 83 of the Code. The Plan is not intended to be a plan covered by the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE II

DEFINITIONS AND CONSTRUCTION

2.1 DEFINITIONS. As used herein, the following capitalized words and phrases shall have the respective meanings set forth below

"BENEFICIARY" means the person or persons designated by a Participant, pursuant to Section 3.7, to exercise an Option after the Participant's death.

"BOARD OF DIRECTORS" or "BOARD" means the board of directors of the Employer.

"CHANGE OF CONTROL" means the time when (i) any person, either individually or together with such persons' affiliates or associates, shall have become the beneficial owner, directly or indirectly, of at least 30% of the outstanding stock of the Company and there shall have been a public announcement of such occurrence by the Company or such person, or (ii) individuals who shall qualify as Continuing Directors 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 that in the case of clause (i), a Change of Control shall not be deemed to have occurred upon the transfer of stock of the Company by gift or bequest from one Hanson Family Member to another Hanson Family Member or to an Affiliate of the Hanson Family Member. For the purpose of this definition:

(a) "Continuing Director" means any member of the Board of Directors of the Company, while 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 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 an 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 group of affiliates or associates who acquires the beneficial ownership, directly or indirectly, of 20% or more of the outstanding stock of the Company if such acquisition occurs following the date of this Agreement.

(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 corporation or organization (other than the Company or a majority-owned subsidiary of the Company) of which such person is an officer or partner or is, directly or indirectly the beneficial owner of ten percent (10%) or more of any 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. No pension, profit-sharing, stock bonus, Employee Stock ownership plan or other retirement plan intended to be qualified under Section 401(a) of the Internal Revenue Code established by the Company or any subsidiary shall be deemed an Acquiring Person or an Affiliate or Associate of an Acquiring Person. In addition, stock held by such a plan shall not be treated as outstanding in determining ownership percentages in Sections 11.1(i) or 11.2(b) above.

(e) "Hanson Family Member" means John K. Hanson and Luise V.

Hanson, the executors or administrators of their estates, their lineal descendants, the spouses of their lineal descendants, and the John K. and Luise V. Hanson Foundation.

"CODE" means the Internal Revenue Code of 1986, any amendments thereto, and any regulations or rulings issued thereunder.

"COMMITTEE" means the Winnebago Compensation Committee appointed in accordance with Section 6.1.

"EFFECTIVE DATE" means April 1, 1997.

"EMPLOYEE" means any key individual, including but not limited to a person in an executive position with the Employer, who is employed by the Employer.

"EMPLOYER" means Winnebago Industries, Inc. and any successor thereto.

"ERISA" means the Employee Retirement Income Security Act of 1974, any amendments thereto, and any regulations or rulings issued thereunder.

"EXERCISE DATE" means, with respect to any Option, the date on which the Option is exercised by a Participant.

"EXERCISE PERIOD" means the period during which a Participant may exercise an Option, as determined under Section 4.1.

"EXERCISE PRICE" means the price to be paid by a Participant to exercise an Option, as determined under Section 3.3.

"FAIR MARKET VALUE" means the closing price of a share of Stock reflected in the consolidated trading tables of The Wall Street Journal (presently the NYSE-Composite Transactions), or other recognized market source, as determined by the Committee, on the applicable date of reference hereunder, or if there is no sale on such date, then the closing price on the last previous day on which a sale is reported.

"GRANT DATE" means, with respect to any Option, the date on which the Option Agreement is executed by the Employer and the Participant.

"OPTION" means the right of a Participant, granted by the Employer in accordance with Section 3.2, to purchase Stock from the Employer at the Exercise Price.

"OPTION AGREEMENT" means an agreement setting forth the terms of an Option executed by the Employer and a Participant pursuant to Section 3.2.

"PARTICIPANT" means any Employee who has been designated by the Human Resources Committee of the Board of Directors of the Employer and who has been granted Options in accordance with the Plan and whose Options have not been exercised in full.

"PLAN" means the Winnebago Industries, Inc. Executive Share Option Plan, as set forth herein and from time to time amended.

"STOCK" means shares of common or preferred stock of a corporation listed on a national securities exchange (exclusive of the stock of Winnebago Industries, Inc.) or NASDAQ, or shares of a regulated investment company designated by the Committee as subject to purchase through the exercise of an Option.

"TERMINATION OF EMPLOYMENT" means an Employee's separation from the service of the Employer (including all subsidiaries and affiliates of the Employer) by reason of resignation, discharge, death or other termination. The Committee may, in its discretion, determine whether any leave or other absence from service constitutes a Termination of Employment for purposes of the Plan.

"TRUST" means the trust established pursuant to Article VII to hold the Stock that is subject to purchase through the exercise of an Option.

"TRUST AGREEMENT" means an agreement setting forth the terms of the Trust established pursuant to Article VII.

"TRUST FUND" means the Stock subject to an Option that is held in the Trust.

"TRUSTEE" means the persons or institution acting as trustee of the Trust.

2.2 HEADINGS. The headings of Articles, Sections and Paragraphs are solely for convenience of reference. If there is any conflict between such headings and the text of this Plan, the text shall control.

2.3 GENDER. Unless the context clearly requires a different meaning, all pronouns shall refer indifferently to persons of any gender.

2.4 SINGULAR AND PLURAL. Unless the context clearly requires a different meaning, singular terms shall also include the plural and vice versa.

ARTICLE III

OPTION GRANT

3.1 ELIGIBILITY. Options may be granted to any Employee selected by the Committee from the key Employees of the Employer who have the capability of making a substantial contribution to the success of the Employer. In making this selection and in determining the form and amount of Options, the Committee shall consider any factors that it deems relevant, including the individual's functions, responsibilities, value of services to the Employer and past and potential contributions to the Employer's profitability and growth.

3.2 GRANT OF OPTIONS. Options may be granted by the Committee at any time on or after the Effective Date and prior to the termination of the Plan. Options shall become effective upon the execution by Employer and the Participant of an Option Agreement specifying the Stock, the number of shares subject to the Option, the Exercise Price, and such other terms and in such form as the Committee may from time to time determine in accordance with the Plan.

3.3 EXERCISE PRICE. The Exercise Price shall be initially determined by the Committee but shall be no less than 25 percent and no more than 100 percent of the Fair Market Value of the Stock on the Grant Date. The Exercise Price shall be subsequently adjusted so that in the event of a stock dividend, stock split, reverse stock split, rights offering, return of capital distribution, recapitalization or similar transaction that materially affects the Fair Market Value of the Stock, the Committee shall adjust the Exercise Price so that it retains the same ratio to the Fair Market Value of the Stock as existed immediately before such transaction, or as otherwise provided in the Option Agreement.

3.4 CONDITIONS OF GRANT. As a condition to the grant of a Stock Option, the Committee may, in its discretion, require a Participant to enter into one or more of the following agreements with the Employer on or before the Grant Date:

(a) A covenant not to compete with the Employer, which shall become effective on the date of Termination of Employment of the Participant with the Employer and which shall contain such terms and conditions as may be required by the Committee.

(b) An agreement to remain in the employ of the Employer for at least six months after the Grant Date of an Option.

3.5 STOCK TO BE HELD IN TRUST. Upon the grant of an Option, the Employer shall acquire the Stock and contribute it to the Trust as soon as practicable after the Grant Date. At the time contributed to the Trust, the Stock shall not be subject to any security interest, whether or not perfected, or to any option or contract under which any other person may acquire any interest in it, except as otherwise provided in Section 7.2 and Section 12 of the Trust Agreement.

3.6 SUBSTITUTION OF ASSETS HELD IN TRUST. The Committee may, in its discretion, after consultation with the Participant, substitute Stock of equal Fair Market Value for any Stock subject to purchase through the exercise of an Option.

3.7 DESIGNATION OF BENEFICIARY. As soon as practicable after the grant of an Option, the Participant shall designate one or more Beneficiaries and successor Beneficiaries, and may change a Beneficiary designation at any time, by filing the prescribed form with the Committee. The consent of the Participant's current Beneficiary shall not be required for a change of Beneficiary. No Beneficiary shall have any rights under the Plan or an Option Agreement during the lifetime of the Participant, except as may otherwise be provided in Section 3.9.

(a) The Beneficiary of a Participant who dies without having designated a Beneficiary in accordance with this Section 3.7 and who is lawfully married on the date of death shall be the Participant's surviving spouse.

(b) The Beneficiary of any other Participant who dies without having designated a beneficiary in accordance with this Section 3.7 shall be the Participant's estate.

3.8 GENERAL NON-TRANSFERABILITY. No Option granted under this Plan may be transferred, assigned, or alienated (whether by operation of law or otherwise), except as provided herein, and no Option shall be subject to execution, attachment or similar process. An Option may be exercised only by the Participant (or the Participant's Beneficiary pursuant to Section 3 7).

ARTICLE IV

OPTION EXERCISE

4.1 EXERCISE PERIOD. A Participant may exercise all or any portion of an Option at any time during the period beginning six months after the Grant Date and ending on the earlier of:

(a) twelve months after the Participant's date of death, and

(b) fifteen years after the Grant Date.

4.2 OPTION EXERCISE. A Participant (or the Participant's Beneficiary pursuant to Section 3.7) may exercise all or any portion of an Option by giving written notice to the Committee and tendering full payment of the Exercise Price by bank certified or cashiers check on or before the date of exercise.

4.3 DELIVERY OF STOCK. On the date of exercise, or as soon as practicable thereafter (but in no event later than five business days after the date of exercise), the Employer shall deliver or cause to be delivered the Stock then being purchased to the Participant (or the Participant's Beneficiary pursuant to Section 3.7). In the event that the listing, registration or qualification of the Option or the Stock on any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the exercise of the Option, then the Option shall not be exercised in whole or in part until such listing, registration, qualification, consent or approval has been effected or obtained.

4.4 TAX WITHHOLDING. Whenever Stock is to be delivered upon exercise of an Option under the Plan, the Employer shall require as a condition of such delivery (a) the cash payment by the Participant of an amount sufficient to satisfy all federal, state and local tax withholding, requirements related thereto, (b) the withholding of such amount from any Stock to be delivered to the Participant, (c) the withholding of such amount from compensation otherwise due to the Participant, or (d) any combination of the foregoing, at the election of the Participant with the consent of the Employer. Such election shall be made before the date on which the amount of tax to be withheld is determined by the Employer, and such election shall be irrevocable.

4.5 ADDITIONAL WITHHOLDING. With the consent of the Employer, the Participant may elect a greater amount of withholding, not to exceed the estimated amount of the Participant's total tax liability with respect to the delivery of Stock under the Plan. Such election shall be made at the same time and in the same manner as provided under Section 4.4.

4.6 FAILURE TO EXERCISE. No Option shall be exercised, in whole or in part, after the end of the Exercise Period and the Employer shall have no obligation to deliver or cause to be delivered to the Participant (or the Participants Beneficiary or Assignee) the Stock subject to such Option.

ARTICLE V

AMENDMENT OR TERMINATION

5.1 PLAN AMENDMENT. The Board may, from time to time in its discretion, amend any provision of the Plan, in whole or in part, with respect to any Participant or group of Participants. Such amendment shall be effective as of the date specified therein and shall be binding upon the Committee, all Participants and Beneficiaries, and all other persons claiming an interest under the Plan.

5.2 PLAN TERMINATION. The Plan shall terminate on the fifteenth anniversary of the Effective Date or such earlier date as the Board may determine in its discretion. Such termination shall be effective as of the date determined by the Board and shall be binding upon the Committee, all Participants and Beneficiaries, and all other persons claiming an interest under the Plan. Options shall continue to be exercisable after the effective date of such termination, and may be exercised in accordance with Article IV, but no new Options shall be granted.

5.3 AMENDMENT OF OPTIONS. An Option may be amended by the Committee at any time if the Committee determines that an amendment is necessary or advisable as a result of:

(a) any addition to or change in the Code or ERISA, a federal or state securities law or any other law or regulation, which occurs after the Grant Date and by its terms applies to the Option;

(b) any substitution of stock held in Trust pursuant to Section 3.6;

(c) any Plan amendment pursuant to Section 5.1, or Plan termination pursuant to Section 5.2, provided that the amendment does not materially affect the terms, conditions and restrictions applicable to the Option; or

(d) any circumstances not specified in Paragraphs (a), (b). or (c), with the consent of the Participant.

5.4 CHANGE OF CONTROL. Notwithstanding any other provision of the Plan or an Option Agreement, in the event of a Change of Control:

(a) the Participant shall not be required to remain in the employ of the Employer for at least six months after the Grant Date of an Option under Section 3.4(b);

(b) the Exercise Period under Section 4.1 shall not end prior to six months after such Change of Control;

(c) an Option Agreement shall not be amended by the Committee under Section 5.3 for any reason without the consent of the Participant; and

(d) an Option may be terminated by the Committee on any date after a Change of Control, in its sole discretion and without the consent of the Participant, if the Committee makes a cash payment to the Participant on such date in an amount equal to the Fair Market Value of the Stock subject to such Option, reduced by the Exercise Price, and multiplied by the number of shares subject to such Option.

ARTICLE VI

ADMINISTRATION

6.1 THE COMMITTEE. The Plan shall be administered by a Committee consisting of one or more persons appointed by the Board of Directors. The Committee shall act by a majority of its members at the time in office and may take action either by vote at a meeting or by consent in writing without a meeting.

(a) The Board may remove any member of the Committee at any time, with or without cause, and may fill any vacancy. If a vacancy occurs, the remaining member or members of the Committee shall have full authority to act.

(b) Any member of the Committee may resign by written resignation delivered to the Board. Any such resignation shall become effective upon its receipt by the Board or on such other date as agreed to by the Board and the resigning member.

6.2 POWERS OF THE COMMITTEE. In carrying out its duties with respect to the general administration of the Plan, the Committee shall have, in addition to any other powers conferred by the Plan or by law, the following powers:

(a) to determine eligibility to participate in the Plan and eligibility to receive Options;

(b) to grant Options, and to determine the form, amount and timing of such Options;

(c) to determine the terms and provisions of the Option Agreements, and to modify such Option Agreements as provided in Section 5.3;

(d) to substitute stock held in Trust as provided in Section 3.6;

(e) to maintain all records necessary for the administration of the Plan;

(f) to prescribe, amend, and rescind rules for the administration of the Plan to the extent not inconsistent with the terms thereof;

(g) to appoint such individuals and subcommittees as it deems desirable for the conduct of its affairs and the administration of the Plan;

(h) to employ counsel, accountants and other consultants to aid in exercising its powers and carrying out its duties under the Plan; and

(i) to perform any other acts necessary, and proper for the conduct of its affairs and the administration of the Plan, except those reserved by the Board.

6.3 DETERMINATIONS BY THE COMMITTEE. The Committee shall interpret and construe the Plan and the Option Agreements. and its interpretations and determinations shall be conclusive and binding on all Participants, Beneficiaries and an other persons claiming an interest under the Plan or any Option Agreement. The Committee's interpretations and determinations under the Plan and the Option Agreements need not be uniform and may be made by it selectively among Participants, Beneficiaries and any other persons whether or not they are similarly situated.

6.4 INDEMNIFICATION OF THE COMMITTEE. The Employer shall indemnify and hold harmless each member of the Committee against any and all expenses and liabilities arising out of such member's action or failure to act in such capacity excepting only expenses and liabilities arising out of such member's own willful misconduct or gross negligence.

(a) Expenses and liabilities against which a member of the Committee is indemnified hereunder shall include, without limitation, the amount of any settlement or judgment, costs, counsel fees and related charges reasonably incurred in connection with a claim asserted or a proceeding brought against him or the settlement thereof.

(b) This right of indemnification shall be in addition to any other rights to which any member of the Committee may be entitled.

(c) The Employer may, at its own expense, settle any claim asserted or proceeding brought against any member of the Committee when such settlement appears to be in the best interests of the Employer.

6.6 EXPENSES OF THE COMMITTEE. The members of the Committee shall serve without compensation for services as such. All expenses of the Committee shall be paid by the Employer.

ARTICLE VII

TRUST PROVISIONS

7.1 ESTABLISHMENT OF THE TRUST. The Trust shall be established to hold all Stock contributed by the Employer pursuant to Section 3.5. Except as otherwise provided in Section 7.2, and Section 12 of the Trust Agreement, the Trust shall be irrevocable and no portion of the Trust Fund shall be used for any purpose other than the delivery of Stock pursuant to the exercise of an Option, and the payment of expenses of the Plan and Trust.

7.2 TRUST STATUS. The Trust is intended to be a grantor trust, within the meaning of Section 671 of the Code, of which the Employer is the grantor, and this Plan is to be construed in accordance with that intention. Notwithstanding any other provision of this Plan, the Trust Fund shall remain the property of the Employer and shall be subject to the claims of its creditors in the event of its bankruptcy or insolvency. No Participant shall have any priority claim on the Trust Fund or any security interest or other right superior to the rights of a general creditor of the Employer.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 GOVERNING LAW. Except to the extent preempted by federal law, the construction and operation of the Plan shall be governed by the laws of the State of Iowa without regard to the choice of law principles of such state.

8.2 SEVERABILITY. If any provision of this Plan is held illegal or invalid by any court or governmental authority for any reason, the remaining provisions shall remain in full force and effect and shall be construed and enforced in accordance with the purposes of the Plan as if the illegal or invalid provision did not exist.

8.3 NO OBLIGATION TO EXERCISE. The granting of an Option shall impose no obligation upon a Participant to exercise such Option.

8.4 NO RIGHTS OF SHAREHOLDER. Neither the Participant or, a Beneficiary shall be, or shall have any of the rights and privileges of, a stockholder with respect to any Stock purchasable or issuable upon the exercise of an Option, prior to the date of exercise of such Option.

8.5 NO RIGHT TO CONTINUED EMPLOYMENT. Nothing contained in the Plan shall be deemed to give any person the right to be retained in the employ of the Employer, or to interfere with the right of the Employer to discharge any person at any time without regard to the effect that such discharge shall have upon such person's rights or potential rights, if any, under the Plan. The provisions of the Plan are in addition to, and not a limitation on, any rights that a Participant may have against the Employer by reason of any employment or other agreement with the Employer.

8.6 NOTICES. Unless otherwise specified in an Option Agreement, any notice to be provided under the Plan to the Committee shall be mailed (by certified mail, postage prepaid) or delivered to the Committee in care of the Employer at its executive offices, and any notice to the Participant shall be mailed (by certified mail, postage prepaid) or delivered to the Participant at the current address shown on the payroll records of the Employer. No notice shall be binding on the Committee until received by the Committee, and no notice shall be binding on the Participant until received by the Participant.

EXHIBIT 13

WINNEBAGO INDUSTRIES, INC.
1998 ANNUAL REPORT

[PHOTO]

40 YEARS
[LOGO] WINNEBAGO INDUSTRIES
1958-1998

CORPORATE PROFILE

Incorporated under the laws of the State of Iowa on February 12, 1958, Winnebago Industries, Inc. celebrated its 40th Anniversary during fiscal 1998. The Company adopted its present name on February 28, 1961. Winnebago Industries is a leading United States manufacturer of motor homes, self-contained recreation vehicles used primarily in leisure travel and outdoor recreation activities. These vehicles are sold through dealer organizations primarily under the Winnebago(R), Itasca(R), Vectra(R), Rialta(R), and Ultimate(TM) brand names. the Company markets its recreation vehicles on a wholesale basis to a broadly diversified dealer organization located throughout the United States, and to a limited extent, in Canada. As of August 29, 1998, the motor home dealer organization in the United States and Canada included approximately 350 dealers. Motor home sales by Winnebago Industries represented more than 87 percent of its revenues in each of the past five years. In addition, the Company's subsidiary, Winnebago Acceptance Corporation (WAC), engages in floor plan and rental unit financing for a limited number of the Company's dealers.

The Company builds quality motor homes with state-of-the-art computer-aided design and manufacturing systems on automotive-styled assembly lines. Other products manufactured by the Company consist principally of a variety of component products for other manufacturers. The motor homes and component parts conform to what the Company believes to be the most rigorous testing in the RV industry.

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ABOUT THE COVER

FRONT COVER: More than two years in development, the 1999 Ultimate Advantage was designed by Winnebago Industries to meet the market demand for luxurious rear-engine diesel motor homes.

BACK COVER: Pictured clockwise from the top are the following 1999 Winnebago Industries' motor homes: Itasca Spirit 3IT, Winnebago Brave 32T, Vectra Grand Tour 37B, Ultimate Freedome 38KD, Itasca Suncruiser 33B.

SELECTED FINANCIAL DATA

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)	AUG. 29, 1998	AUG. 30, 1997(1)	AUG. 31, 1996(1)(2)	AUG. 26, 1995(1)	AUG. 27, 1994(1)
STATEMENT OF OPERATIONS					
Revenues					
Manufactured products	$ 523,018	$ 436,712	$ 483,398	$ 458,909	$ 432,406
Dealer financing	2,076	1,420	1,406	1,220	831
Total net revenues	525,094	438,132	484,804	460,129	433,237
Income before taxes	35,927	6,992	21,063	20,006	15,264
Provision (credit) for income taxes	11,543	416	6,639	(7,912)	(1,312)
Income from continuing operations	24,384	6,576	14,424	27,918	16,576
(Loss) income from discontinued operations	--	--	(2,039)	(162)	869
Gain on sale of Cycle-Sat subsidiary	--	16,472	--	--	--
Cumulative effect of accounting change	--	--	--	--	(20,420)
Net income (loss)	24,384	23,048	12,385	27,756	(2,975)
Earnings (loss) per share:					
Continuing operations:					
Basic	1.01	.26	.57	1.11	.66
Diluted	1.00	.26	.57	1.10	.65
Discontinued operations and accounting change effect:					
Basic	--	.65	(.08)	(.01)	(.78)
Diluted	--	.64	(.08)	(.01)	(.77)
Net earnings (loss) per share:					
Basic	$ 1.01	$ .91	$ .49	$ 1.10	$ (.12)
Diluted	1.00	.90	.49	1.09	(.12)
Weighted average common shares outstanding (in thousands):					
Basic	24,106	25,435	25,349	25,286	25,187
Diluted	24,314	25,550	25,524	25,513	25,546
Cash dividends per share:	$ .20	$ .20	$ .30	$ .30	$ --
BALANCE SHEET					
Total assets	$ 230,612	$ 213,475	$ 220,596	$ 211,630	$ 181,748
Stockholders' equity	116,523	123,882	105,311	100,448	79,710
Working capital	91,919	99,935	62,155	69,694	58,523
Long-term debt	$ --	$ --	$ 1,692	$ 3,810	$ 2,693
Current ratio	2.5 to 1	3.4 to 1	2.0 to 1	2.4 to 1	2.1 to 1
Unit Sales:					
Class A	5,381	4,834	5,893	5,993	6,820
Class C	3,390	2,724	2,857	2,853	1,862
Total Motor Homes	8,771	7,558	8,750	8,846	8,682
Class B Conversions (EuroVan Campers)	978	1,205	857	1,014	376

(1) Restated to reflect Cycle-Sat, Inc. and North Iowa Electronics, Inc. as discontinued operations.

(2) The fiscal year ended August 31, 1996 contained 53 weeks, all other fiscal years contained 52 weeks.

[BAR CHART]

TOTAL NET REVENUES
(dollars in millions)

1998	$525.1
1997	$438.1
1996	$484.8

[BAR CHART]

INCOME FROM CONTINUING OPERATIONS
(dollars in millions)

1998	$24.4
1997	$ 6.6
1996	$14.4

[BAR CHART]

INCOME PER DILUTED SHARE FROM CONTINUING OPERATIONS
(dollars)

1998	$1.00
1997	$0.26

1996	$0.57

[PHOTO]
CAPTION:
300,000TH
NOT ONLY DID WINNEBAGO INDUSTRIES CELEBRATE ITS 40TH ANNIVERSARY THIS YEAR, THE COMPANY ALSO MANUFACTURED ITS 300,000TH MOTOR HOME (1998 WINNEBAGO CHIEFTAIN 34WY) DURING FISCAL 1998. COMPANY EMPLOYEES ARE SHOWN ABOVE WITH WINNEBAGO INDUSTRIES CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT, BRUCE HERTZKE (RIGHT).

DEAR FELLOW SHAREHOLDERS:

As we celebrated our 40th anniversary this year, it was gratifying to reflect on our humble beginnings, as well as our vast accomplishments to date. We've come a long way from being a small start-up business manufacturing travel trailers in 1958 to the world-renowned recreation vehicle manufacturer we are today. We wish to thank our employees and shareholders for their contributions in making Winnebago Industries the successful company that it is today.

FINANCIAL RESULTS

Fiscal 1998 would have been an exceptionally exciting year even without the anniversary celebration. For the first time in our Company's history, net revenues for Winnebago Industries exceeded the half billion dollar mark. Net revenues of $525 million for fiscal 1998 exceeded fiscal 1997 net revenues by 19.8 percent.

Income from continuing operations for fiscal 1998 nearly quadrupled when compared to the previous year due to several factors, the most significant of which was the outstanding acceptance of our 1998 and 1999 motor homes by both wholesale and retail customers, as well as very favorable market conditions. According to the latest report by Statistical Surveys Inc., a national retail reporting service, our motor home sales have outperformed the motor home industry by 12 percent since the beginning of calendar 1998 through August. In addition, the recreation vehicle market in general has enjoyed a year of growth that was stimulated by favorable interest rates, lower fuel prices and high consumer confidence levels.

NEW PRODUCT DEVELOPMENT

Fiscal 1998 results represent the first full year of our strategy of refocusing on our core business of manufacturing quality motor homes. Product development has been a top priority throughout the past two model years, providing us with the best motor home lineup in Winnebago Industries' history. In fact, over 75 percent of our 1999 motor home offerings are dramatically redesigned or completely new compared to our 1997 offerings. The Company's new 1999 products were extremely well received by dealers at our Dealer Days event in August 1998, where the brand new top-of-the-line Ultimate motor home series was introduced. As a result of the acceptance of our 1999 lineup, order backlog for the Company's 1999 motor homes (Class A and C) has hit an all-time high of approximately 2,500 orders on hand, as of November 10, 1998, approximately 75 percent ahead of orders on hand at that date last year.

EXPANSION

Winnebago Industries will continue to aggressively search out ways of increasing production capacity. Towards this end, we will open a third satellite manufacturing facility in Charles City, Iowa in January, 1999. Approximately 60 miles from our corporate headquarters in Forest City, this new facility will manufacture cabinet components. In addition, Winnebago Industries also assumed control and purchased the assets of the Charles City location of North East Machine and Tool Co., doing business as North East Valve. Previously used to modify chassis for select models of the Company's motor homes, this facility now customizes the new Ulti-BayTM chassis for Winnebago Industries' new 1999 Ultimate AdvantageTM and Ultimate FreedomTM motor homes which are described later in this report. The idea of operating satellite facilities is not new to Winnebago Industries. Our two existing satellite facilities in Hampton and Lorimor, Iowa, have been in place for approximately 15 years and have proven themselves as great assets for the Company.

[PHOTO]
1999 WINNEBAGO
MINNIE 31C

Additional methods of expanding production capacity will also be implemented, such as increased capital expenditures on equipment and technology. One such example is a new laser cutting system installed in our metal stamping area that effectively produces as many parts as previously manufactured by both a metal stamping press and a shear and reduces labor by 25 percent.

BRAND AWARENESS

In addition, we will continue to further our goal of expanding the well-known Winnebago brand name beyond traditional motor homes in the RV category. An independent study of nearly 2,000 random U.S. households was conducted this year in which the Winnebago name dominated the brand awareness in RVs with a 90 percent awareness level. We currently have licensing agreements utilizing the Winnebago brand name for Winnebago Truck Campers by Sun-Lite, Inc., Winnebago Conversion Vehicles by Choo Choo Customs Group, Inc., Winnebago Park Model Homes by Chariot Eagle, Inc. and Winnebago Tents by Avid Outdoor. Winnebago Industries will continue to maximize its brand name equity by aggressively exploring licensing opportunities.

INCREASED SHAREHOLDER VALUE

We were also able to greatly increase shareholder value in fiscal 1998. Winnebago Industries' stock price increased from $8 3/8 at the beginning of fiscal 1998 to a close of $11 1/8 at fiscal year end, an increase in value of 32.8 percent. This reflects the stock market's confidence in the Company's abilities to achieve its financial and market share goals. Announced in December 1997, Winnebago Industries repurchased 3,612,600 shares of the Company's stock which was completed in September 1998. The repurchase shows the confidence we have in our Company's stock. The net effect of the repurchase was a decrease in shares outstanding, which in turn provides a greater return per share for the Company's shareholders.

OUTLOOK

An expanding number of RV owners are contributing to a rise in RV travel across the country. Overall, motor homes are increasingly in demand as baby boomers begin to turn 50 years old. According to a study by the University of Michigan, the number of people aged 55 to 64 - prime ages for RVing - will grow by 8 million over the next 12 years. This survey also tells us one of four, or 25 percent, of the people asked, said they had plans to buy an RV in the future. This means more people choosing the RV lifestyle than ever before.

These are exciting times. Enormous opportunities lie ahead for us. To meet the challenges of the next 40 years and beyond, we will continue to work not only harder, but smarter, to be able to continue to further increase our production capacity, market share, financial results, and ultimately our value for every Winnebago Industries shareholder.

/s/ Bruce D. Hertzke
Bruce D. Hertzke
Chairman of the Board, Chief Executive
Officer and President

December 1, 1998

[PHOTO]
CAPTION: BRUCE D. HERTZKE
WINNEBAGO INDUSTRIES'
CHAIRMAN OF THE BOARD,
CHIEF EXECUTIVE OFFICER AND
PRESIDENT

OPERATIONS REVIEW

NEW PRODUCTS

Continuing the Company's emphasis on new product development, Winnebago Industries, Inc. is introducing additional new and redesigned motor homes for 1999. Throughout the past two model years new product development has led to over 75 percent of Winnebago Industries' 1999 motor homes being introduced as dramatically redesigned or completely new compared to the Company's 1997 offerings. This new product development has led our motor home sales (Class A and C) to outperform the motor home industry in retail sales by 12 percent since the beginning of calendar 1998 through August. Winnebago Industries currently builds five brands of motor homes: Winnebago, Itasca, Rialta, Vectra and the new Ultimate series.

[PHOTO]
1999 ULTIMATE
FREEDOM 40JD

ULTIMATE

Leading the new product introduction for 1999 is the Ultimate series, a new generation of diesel pusher motor homes. The new Ultimate Advantage and Ultimate Freedom models are wide-body, bus-style Class A luxury coaches featuring the all-new Ulti-Bay chassis, a brand new foundation and construction that is unique to the industry. Knowing that premium coaches such as these needed to maximize storage, designers from Winnebago Industries and Freightliner Custom Chassis Corp. worked together for over two years to develop this new rear engine diesel pusher chassis.

The new Ulti-Bay chassis is the ultimate in storage design, providing more efficiencies in terms of material use and space utilization. Freightliner provides the front and rear sections of the chassis, while Winnebago Industries completes the mid-section structure of the chassis and body with tall, extremely spacious storage compartments in the area normally claimed by chassis rails. The new Ulti-Bay design centralizes exterior storage and provides a tremendous increase in easily accessible storage space - up to 184.5 cubic feet of exterior storage space is available.

Winnebago Industries' largest and most luxurious coaches, the Ultimate Advantage and Ultimate Freedom are both available in 38- and 40-foot models featuring Winnebago Industries' patented StoreMoreTM Hydraulic Slideout System with an innovative kitchen/sofa slideout room extension.

The StoreMore system, featured on most of Winnebago Industries' slideout models, includes spacious interior storage, as well as roomy exterior compartments that extend outward with the room for easy access to stored items. The exterior StoreMore compartments on the Ultimate series are also lighted and full-height for excellent usability.

VECTRA GRAND TOUR

The all-new 1999 Vectra Grand Tour(R) has been totally redesigned for those who want big bus, diesel pusher class features in a gas-powered, front engine vehicle. Both the 37B and 39Y models feature new spa-

[PHOTO]
1999 VECTRA GRAND
TOUR 37B

cious slideout room extensions: a front kitchen/sofa slide with the StoreMore Hydraulic Slideout System and a rear bedroom slide on the passenger side.

All Ultimate and Vectra series models feature Coleman high-efficiency central air conditioning systems that are integrated with a ceiling distribution system. This true central air conditioning system is virtually invisible inside and out, and quietly distributes cool air throughout the motor homes. Most other motor homes from Winnebago Industries also feature the dampening, directional ceiling ducting of the roof air conditioning.

CHIEFTAIN AND SUNFLYER

Loaded with some of the most innovative and functional amenities found in the RV industry, the Winnebago Chieftain(R) and Itasca Sunflyer(R) were exceptionally well received when introduced in fiscal 1998. We introduced these motor homes last year with three models, then supplemented them during the year with two additional models featuring double slideouts when the new increased gross vehicle weight rating chassis offerings became available from Ford and Chevrolet. For 1999, Winnebago Industries is introducing additional floorplans. Most Chieftain and Sunflyer models include a galley/couch slideout with the StoreMore Hydraulic Slideout System, while the new 35U and 35C feature a dinette/couch slideout, also with the StoreMore system. In addition to the dinette/couch slideout, the new 35U features a unique bed/wardrobe slideout where a side-facing, queen size bed and mirrored wardrobe move out to create approximately 132 cubic feet of additional living space.

ADVENTURER AND SUNCRUISER

The Winnebago Adventurer(R) and Itasca Suncruiser(R) are the most popular motor home products offered by Winnebago Industries. Redesigned in the 1998 model year, the 1999 model offerings were enhanced with a variety of slideout models, including a redesigned 37-foot model that represents one of the best values in the marketplace for a vehicle of its size. For 1999, an Adventurer/Suncruiser rear engine diesel pusher model is also offered that features exceptional offerings at an exceptional value.

New features included on all the Class A models mentioned above are the new Tri/Mark KeyOneTM system and the PowerLineTM Energy Management System. The KeyOne system is a convenience that allows for the use of just one key to open all lockable compartment, entrance and fuel doors. The PowerLine system is a fully automatic system that monitors the usage of 120-volt electrical power when utilizing 30-amp service and redistributes the power as needed.

[PHOTO]
1999 WINNEBAGO
ADVENTURER 35C

BRAVE AND SUNRISE

The Winnebago Brave(R) and Itasca Sunrise(R) motor homes have also been enhanced for 1999. The objective was to create a look that said "value" to the consumer while retaining the existing positioning in the marketplace. Two distinct product lines are now offered in each: the entry-level Brave SE and Sunrise SE and the full-basement Brave and Sunrise models. The 35C model has an available dinette/couch slideout featuring the StoreMore Hydraulic Slideout System that increases the living space by 20 square feet. The Brave and Sunrise 32T and 35C models also offer the optional energy efficient roof air conditioners with the PowerLine Energy Management System.

[PHOTO]
1999 WINNEBAGO
MINNIE WINNIE 30V

MINNIE WINNIE AND SUNDANCER

Winnebago Industries Class C motor homes have continued to gain market share in the retail market for the last four years. Winnebago Industries' retail share in the Class C market was 22.1 percent this calendar year through August compared to just 12.2 percent in calendar 1994, an increase of 81 percent. We anticipate that we will continue to perform well in the marketplace due to ongoing product improvement.

The Winnebago Minnie Winnie(R) and Itasca Sundancer(R) lines feature three widebody, basement models for 1999, including the new 30V model with galley/lounge slideout, greatly enhancing the amount of livable space inside.

MINNIE AND SPIRIT

The Winnebago Minnie(R) and Itasca Spirit(R) products have continued their solid performance in the marketplace. For 1999 we'll continue to position them as value offerings in the entry-level Class C market with seven models ranging from 22 to 31 feet in length. The Minnie and Spirit lineup also include standard dinette/couch slideout models featuring the StoreMore Hydraulic Slideout System.

[PHOTO]
1999 RIALTA QD

RIALTA

The Rialta(R) from Winnebago Industries continues to offer a unique niche market for Winnebago Industries because this type of Class C product is simply not available anywhere else. The Rialta offers fuel efficiency, front-wheel-drive maneuverability and multi-purpose usability. The new 1999 Rialta provides upscale amenities and a new model, bringing total available floorplans to four. With the new floorplan, the 22HD, we were able to combine some of the best features of the other available floorplans, while adding more interior storage and new features such as a larger refrigerator that haven't previously been offered.

EUROVAN CAMPER

The EuroVan Camper project has also been very successful. Winnebago Industries produces the camper portion of this Class B motor home which is marketed through a select group of Volkswagen of America and Volkswagen of Canada dealers. Year to date, it is a leader in Class B sales in the United States.

COMMERCIAL VEHICLES

The Commercial Vehicle Division has developed several models specifically designed to target several popular customizing markets. These include the new Med One(R) (medical), Dental One(R) (dental), The Protector(R) (law enforcement), Suite One(R) (limousine), and Ability Equipped(R)(handicap accessible). The Ability Equipped models have increased in volume by 25 percent since last year and growth of an additional 25 percent is anticipated in the coming year. Also, the Executive Suite will be introduced at the annual RV Trade Show this month in Louisville, Kentucky. This Rialta-based shell is customized as a mobile office for business purposes.

[PHOTO]
1998 WINNEBAGO-ITASCA
TRAVELERS' CLUB GRAND
NATIONAL RALLY

WIT

The Winnebago-Itasca Travelers (WIT) Club is comprised of owners of Winnebago Industries products. Membership is an excellent way for owners to stay active and in touch with their friends through participation in local, state and special interest clubs in addition to the international organization. The WIT Club also conducts caravans, rallies and tours throughout North America. Membership benefits include a monthly magazine, professional trip routing, purchasing and service discounts, mail forwarding, and the opportunity for Premium Road Service and various types of insurance.

WIT members have proven themselves to be loyal customers of Winnebago Industries' products and consequently repurchase our products at a much higher rate than the general population.

OEM

Winnebago Industries generated $30.2 million in revenue in fiscal 1998 from the sale of original equipment manufacturing (OEM) components, compared to revenues of $29 million in fiscal 1997. The sale of OEM components to a wide array of outside companies allows the Company to maximize use of Winnebago Industries' production capacity, while affording us the added benefit of low cost component parts. This in turn helps keep our motor home prices as competitive as possible.

Winnebago Industries' Creative Aluminum Products Company (CAPCO), which produces aluminum extrusion products for the Company as well as for a variety of outside companies, is our largest OEM facility. CAPCO accounts for approximately 88 percent of Winnebago Industries' current OEM business. OEM revenues are also generated from the sale of thermoformed and rotocast plastics, fiberglass components, panel lamination, electro-deposition painting of steel and sewn or upholstered items.

SERVICE

Winnebago Industries recognizes that good quality products are our most critical element. But along with that, it is the Company's long-standing strategy to provide quality support services that make us most effective at the dealer level and inevitably make our retail customers more satisfied. Because of that strategy, Winnebago Industries is an industry leader in customer satisfaction and has developed one of the most comprehensive warranty programs in the industry. This provides the Company with an important market advantage when selling our motor homes. With the purchase of any new Winnebago, Itasca, Vectra or Ultimate motor home, Winnebago Industries offers a comprehensive 12-month/15,000-mile bumper-to-bumper warranty, a 3-year/36,000-mile sidewall and slideout room assemblies warranty, and a 10-year fiberglass roof warranty. Rialta models have a 2-year/24,000-mile basic transferable warranty with a 5-year/50,000-mile drive-train warranty.

Every new owner also automatically receives a free one-year membership in Winnebago Industries' Premium Roadside Assistance program offering 24-hour customer and emergency service in addition to jump-starting engines, fuel delivery, lockout and tire changing services.

[PHOTO]
WINNEBAGO INDUSTRIES'
SERIVCE TRAINING
CLASSROOM

Experienced service advisors respond to inquiries from prospective customers, answer questions pertaining to Winnebago Industries produced vehicles and work with the owner and dealership personnel to expedite repairs.

Winnebago Industries now offers a parts program, making the Company's outstanding service and warranty programs even better. The "Trip Saver" program is designed to get customers back on the road quicker. With Trip Saver, a part needed to repair a condition that impairs the use or safety of the motor home during the new vehicle warranty period, will be shipped by air from the Company within 24 hours. A similar service called "Sale Saver" was extended to dealers in 1998. In order to save a sale, the dealer can request parts be shipped by air from the Company within 24 hours.

Winnebago Industries' dealers have many other market advantages such as access to a computerized network for filing warranty claims and parts ordering, the most extensive service literature in the RV industry, hands-on sales and service training, microfiche parts catalog and parts shipping advantages. The Company's dealers will soon be able to order replacement parts, as well as enter and access warranty claims online via the Internet. Scheduled to be up and running by January 1, 1999, the new Internet system replaces a dial-up network, is extremely user friendly and will provide Winnebago Industries' dealers with instant access to information.

Winnebago Industries has always been a leader in dealer communications, service and warranty. This capability represents yet another extension of Winnebago Industries' commitment to its dealer network. By

[PHOTO]
WINNEBAGO
INDUSTRIES' HOME
PAGE

providing access to our warranty and parts systems through the Internet, we will be able to provide more timely information, as well as demonstrate our commitment to their success.

In addition to the on-line warranty and parts ordering system, Winnebago Industries' website (www.winnebagoind.com) now provides a dealer locator system. This new system locates the two nearest dealers for any one or more motor home lines by entering a zip code or Canadian province.

The new dealer locator system is an additional dealer benefit and sales tool. After reviewing motor home information on the website, the new system allows interested customers to easily find their closest Winnebago Industries' dealers so that they can plan their next motor home shopping trip to actually kick the tires and experience the motor home for themselves.

EXCELLENCE IN QUALITY

Quality continues to be of vital importance to Winnebago Industries. The Company believes its employees to be critical to the total quality process. The Cost Savings Suggestion Program is designed to reward employees for suggesting improvements to the Company's motor home products or internal processes that result in cost and/or time savings. Since the program was initiated seven years ago, over 2,300 ideas have been implemented, resulting in an annualized cost savings of more than $4 million. This program had its most successful year ever in fiscal 1998, with over 450 employee suggestions implemented and a payout to employees of approximately $70,000.

This cost savings program is designed to help the Company control costs and thereby improve financial performance. It also means striving to build high quality products that represent the greatest value for the dollar to our customers.

"QUALITY IS A JOURNEY -- NOT A DESTINATION"

Winnebago Industries adopted the motto, "Quality is a Journey - Not a Destination" in 1997 and it continues to be important in the manufacturing process today. We continue to be pleased with the results of our quality efforts, however, we will never be completely satisfied. We will continue to look for ways to make our products and services better.

TECHNOLOGY

Technology has played a great part in the drive for quality and increased productivity. The high level of technology at Winnebago Industries provides employees with the tools necessary to do their jobs better and to maximize quality and efficiency. The Company's investment in advanced technology is on-going to assure our customers of top-quality products in the future.

An example of new technology making productivity and quality improvements during fiscal 1998 was the installation of a new laser cutting tool. This new laser tool increases accuracy and reduces labor by 25 percent, while enabling us to produce the same output on this one machine as is produced by both a metal stamping press and a cutting machine together. This laser cutting tool was purchased for additional capacity, while a second laser cutting tool will be added in December, 1998 that will actually replace a metal stamping press and cutting machine.

[PHOTO]
LASER
CUTTING TOOL

An additional computer numerically controlled (CNC) router was installed this year for the purpose of routing motor home back walls. Due to the productivity and quality benefits of CNC routers, this is the ninth CNC router to be installed within the last several years. Other new equipment includes a computerized milling machine that increases our tooling capacity for cutting wood patterns for molded parts, as well as a new full body paint system that allows us to paint full body paint schemes on motor homes such as the new Ultimate Advantage and Ultimate Freedom with high-quality base coat/clear coat finishes. In addition, a new rotational molding machine will be installed in December to meet the additional demands for rotational molded products.

We will continue to focus on new technologies that will translate into better quality due to improved accuracy, improved fit and finish; faster processes and an improved environment.

RVDA QUALITY CIRCLE AWARD

The technology improvements are an indication of Winnebago Industries' commitment to the total quality process needed to market Winnebago Industries' motor homes. That commitment to our dealers and retail customers was proven with the vote of confidence from our dealer body.

The Dealer Satisfaction Index (DSI) conducted by the Recreation Vehicle Dealer Association annually rates manufacturers' performance in five key categories: sales agreement quality, product competitiveness, sales support, aftermarket and management. RVDA recently announced that our dealers ranked Winnebago Industries as one of only six "Quality Circle Award" winners in the industry, and one of only three motor home manufacturers to win the award. Even more significant is that Winnebago Industries was one of only two motor home manufacturers to receive this honor in both 1996 and 1997.

[PHOTO]
RVDA QUALITY
CIRCLE AWARD

We feel very strongly about maintaining these high confidence levels, and will continue to strive for excellence in our dealer and retail customer relations.

CSI

Sales and aftermarket support are the backbone of Winnebago Industries' business philosophy. We also pay close attention to the Customer Satisfaction Index (CSI) data as it is collected from our retail customers. This information allows us to monitor what the end-user thinks about our Company, our dealers and the product itself. The CSI data is the same information we use to determine our "Circle of Excellence Award" winners. The data shows a continued growth in our customers' level of satisfaction with their Winnebago Industries' motor home. Results from the "satisfied" respondents (including "completely satisfied," "very satisfied," and "somewhat satisfied"), has risen consistently each year, with a new high last year of 95.2 percent. These are numbers we are extremely proud of because it means our strategy is working.

The 1998 CSI program had 149 dealers achieve the Circle of Excellence status, the largest number of winning dealers for any given year. Seven of those dealers have earned this prestigious award each year since its inception in 1986.

[GRAPHIC]
SINCE 1986
CIRCLE OF EXCELLENCE
[LOGO]
WINNEBAGO INDUSTRIES

MOTOR HOME PRODUCT CLASSIFICATION

[GRAPHIC: SILHOUETTE OF A CLASS A MOTOR HOME]
CLASS A MOTOR HOMES
These are conventional motor homes constructed directly on medium-duty truck chassis which include the engine and drivetrain components. The living area of the driver's compartments are designed and produced by Winnebago Industries, Inc. Class A motor homes from Winnebago Industries include: Winnebago Brave, Adventurer, and Chieftain; Itasca Sunrise, Suncruiser, and Sunflyer; Vectra Grand Tour; and Ultimate Advantage and Freedom.

[GRAPHIC: SILHOUETTE OF A VAN CAMPER]
CLASS B VAN CAMPERS
These are panel-type trucks to which sleeping, kitchen, and toilet facilities are added. These models also have a top extension to provide more headroom. Winnebago Industries converts the EuroVan Camper, which is distributed by Volkswagen of America and Volkswagen of Canada.

[GRAPHIC: SILHOUETTE OF A CLASS C MOTOR HOME]
CLASS C MOTOR HOMES (MINI)
These are mini motor homes built on a van-type chassis onto which Winnebago Industries constructs a living area with access to the driver's compartment. Class C motor homes from Winnebago Industries include: Winnebago Minnie and Minnie Winnie; Itasca Spirit and Sundancer; and Rialta.

WINNEBAGO INDUSTRIES
MOTOR HOME FAMILY TREE

Winnebago Industries manufactures five brands of Class A and C motor homes. Listed below are the brand names and model designations of the Company's 1999 product line.

[LOGO]	[LOGO]	[LOGO]	[LOGO]	[LOGO]
WINNEBAGO	ITASCA	RIALTA	VECTRA	ULTIMATE
- - Minnie	- Spirit		- Vectra Grand Tour	- Ultimate Advantage
- - Minnie Winnie	- Sundancer			- Ultimate Freedom
- - Brave	- Sunrise			
- - Adventurer	- Suncruiser			
- - Chieftain	- Sunflyer			

OTHER RELATED PRODUCTS:

WINNEBAGO CONVERSION VEHICLES -- Licensed truck and van conversions manufactured and marketed by Choo Choo Customs Group, Inc.

WINNEBAGO TRUCK CAMPERS -- Licensed hard and soft side truck campers manufactured and marketed by Sun-Lite, Inc.

WINNEBAGO PARK HOMES -- Licensed products manufactured and marketed by Chariot Eagle, Inc.

WINNEBAGO TENTS -- Licensed products manufactured and marketed by Avid Outdoor.

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

GENERAL

The primary use of recreation vehicles (RVs) for leisure travel and outdoor recreation has historically led to a peak retail selling season concentrated in the spring and summer months. The Company's sales of RVs are generally influenced by this pattern in retail sales, but can also be affected by the level of dealer inventory. The Company has generally manufactured RVs during the entire year, both for immediate delivery and for inventory to satisfy the peak selling season.

RESULTS OF OPERATIONS

FISCAL 1998 COMPARED TO FISCAL 1997

Net revenues for manufactured products were $523,018,000 for fiscal 1998, an increase of $86,306,000, or 19.8 percent, from fiscal 1997. Motor home shipments (Class A and C) during fiscal 1998 were 8,771 units, an increase of 1,213 units, or 16.0 percent, compared to fiscal 1997. Fiscal 1998 results represent the first full year that the Company's strategy of refocusing on its core business of manufacturing quality motor homes has been in place. Product development has been a top priority throughout the past two model years and the Company brought to the market in fiscal 1998 its most extensive new product lineup in its history. Over one half of the Company's 1998 products featured new or significantly redesigned models. The Recreation Vehicle Industry Association (RVIA) reported factory shipments (Class A and C) for the industry increased by 13.1 percent during the Company's 1998 fiscal year. In comparison, the Company's shipments increased by 16.0 percent. The Company continues to have a strong share in the Class C market with shipments at 21.7 percent of the total market during the 1998 fiscal year compared to 20.5 percent in fiscal 1997. Management believes that the Company's long-term prospects remain bright as the Company continues to develop products to meet the increasing demands of the "baby boom" market segment. As of August 29, 1998, the Company's backlog of orders was approximately 1,700 orders compared to approximately 1,300 orders at August 30, 1997. The Company's 1999 products were extremely well received by its dealers at the Company's annual Dealer Days event. As a result of this reception, outstanding orders for the Company's 1999 products have hit an all-time high of approximately 2,500 orders on hand as of November 10, 1998, compared to approximately 1,400 orders on hand at that date last year.

Cost of manufactured products, as a percent of manufactured product revenues, was 86.2 percent for fiscal 1998, compared to 88.3 percent for fiscal 1997. The Company's increased volume of production and sales of motor homes resulted in the improved margins as well as lower discount allowances during fiscal 1998.

Selling and delivery expenses decreased by $5,934,000 to $21,197,000 comparing fiscal 1998 to fiscal 1997 and decreased as a percentage of net revenues to 4.0 percent from 6.2 percent. The decreases in dollars and percentage can be attributed primarily to significant decreases in promotional costs during fiscal 1998 when compared to fiscal 1997. Increased sales volume during fiscal 1998, also contributed to the decrease in percentage. Due to the closing and sale of WIE in fiscal 1997, this former subsidiary had no impact on the Company's results during fiscal 1998.

General and administrative expenses decreased by $327,000 to $19,986,000 comparing fiscal 1998 to fiscal 1997 and decreased as a percentage of net revenues to 3.8 percent from 4.6 percent. Increases in the Company's employee bonus programs and reserves for product liability costs during fiscal 1998 partially offset the WIE effect when comparing the two fiscal years. Increased sales volume, during fiscal 1998, contributed to the decrease in percentage.

For fiscal 1998, the Company had net financial income of $2,950,000 compared to net financial income of $1,844,000 during fiscal 1997. During fiscal 1998, the Company recorded $2,892,000 of net interest and dividend income and gains of $58,000 in foreign currency transactions. During fiscal 1997, the Company recorded $2,258,000 of net interest and dividend income, $137,000 of realized and unrealized gains in its trading securities portfolio, and losses of $551,000 in foreign currency transactions, relating to transactions by the Company with WIE and by WIE with dealers located in foreign countries other than Germany.

For fiscal 1998, the Company had income from continuing operations before taxes of $35,927,000 compared to $6,992,000 for fiscal 1997. The 1998 effective tax rate was 32.1 percent, consistent with management's expectations. During fiscal 1997, a tax loss from the closing and sale of WIE resulted in a tax credit of approximately $3,700,000. This tax credit reduced the Company's effective tax rate on continuing operations to 5.9 percent for fiscal 1997.

During fiscal 1997, the Company completed the sale of its 80 percent owned subsidiary, Cycle-Sat, Inc., for approximately $57,000,000 which resulted in an after-tax gain of $16,472,000 or $.64 per diluted share (See Note 2 to the Company's 1998 Consolidated Financial Statements).

For fiscal 1998, the Company had net income of $24,384,000, or $1.00 per diluted share, compared to fiscal 1997's net income of $23,048,000, or $.90 per diluted share.

FISCAL 1997 COMPARED TO FISCAL 1996

Net revenues for manufactured products were $436,712,000 for fiscal 1997, a decrease of $46,686,000, or 9.7 percent, from fiscal 1996. Motor home shipments (Class A and C) during fiscal 1997 were 7,558 units, a decrease of 1,192 units, or 13.6 percent, compared to fiscal 1996. Fiscal 1997 revenues for manufactured products were negatively impacted by the performance of the Company's Class A motor home products in the marketplace. The Company's Class A motor home product shipments decreased by 18.0 percent during fiscal 1997 when compared to fiscal 1996 whereas the RVIA factory shipment numbers for the comparable period showed an increase of 8.2 percent. The Company's 1997 Class A products were not as well received in the marketplace as had been expected. Therefore, the Company, recognizing its weakness in the Class A market, concentrated on intensive product development.

Cost of manufactured products, as a percent of manufactured product revenues, was 88.3 percent for fiscal 1997 compared to 86.3 percent for fiscal 1996. This increase can be attributed primarily to reduced sales volume in Class A motor homes and an increase in sales discounts offered during fiscal 1997.

Selling and delivery expenses increased by $1,841,000 to $27,131,000 comparing fiscal 1997 to fiscal 1996 and increased as a percentage of net revenues to 6.2 percent from 5.2 percent. The increases in dollars and percentage were due to increases in product promotional expenses.

General and administrative expenses decreased by $1,261,000 to $20,313,000 comparing fiscal 1997 to fiscal 1996 but increased in fiscal 1997, as a percentage of net revenues, to 4.6 percent from 4.5 percent in fiscal 1996. The decrease in dollars was caused primarily by a decrease in the Company's product liability costs and by a reduction in the Company's overall compensation and bonus expenses during fiscal 1997. The increase in percentage was attributed primarily to the reduced sales volume.

For fiscal 1997, the Company had net financial income of $1,844,000, due to investment income from higher cash balances maintained by the Company, a result of the Cycle-Sat sale, compared to net financial income of $354,000 during fiscal 1996. During fiscal 1997, the Company recorded $2,258,000 of net interest and dividend income, $137,000 of realized and unrealized gains in its trading securities portfolio, and losses of $551,000 in foreign currency transactions, relating to transactions by the Company with WIE and by WIE with dealers located in foreign countries other than Germany. During fiscal 1996, the Company recorded $930,000 of net interest and dividend income, $350,000 of realized and unrealized losses in its trading securities portfolio, and losses of $226,000 in foreign currency transactions, relating to the Company's investment in European operations caused by the weakening of the U.S. dollar against European currencies.

For fiscal 1997, the Company had income from continuing operations before taxes of $6,992,000 compared to $21,063,000 for fiscal 1996. The tax loss from the closing and sale of the Company's European subsidiary, WIE, resulted in a tax credit of approximately $3,700,000. The tax credit reduced the effective tax rate on continuing operations to 5.9 percent for the year.

During fiscal 1997, the Company completed the sale of Cycle-Sat for approximately $57,000,000 which resulted in an after-tax gain of $16,472,000 or $.64 per diluted share (See Note 2 to the Company's 1998 Consolidated Financial Statements).

For fiscal 1997, the Company had net income of $23,048,000, or $.90 per diluted share, compared to fiscal 1996's net income of $12,385,000, or $.49 per diluted share.

ANALYSIS OF FINANCIAL CONDITION,
LIQUIDITY AND RESOURCES

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

At August 29, 1998, working capital was $91,919,000, a decrease of $8,016,000 from the amount at August 30, 1997. Cash provided by operations was $61,962,000, $5,215,000 and $17,258,000 during fiscal years ended August 29, 1998, August 30, 1997 and August 31, 1996, respectively. Operating cash flows were considerably higher in fiscal 1998, due primarily to an increase in income from continuing operations for the fiscal year, reductions in the Company's receivable balances and increases in the Company's current payables. Cash flows used by investing activities was $7,795,000 and $14,950,000 in fiscal 1998 and fiscal 1996, respectively, compared to cash flows provided by investing activities of $46,678,000 during fiscal 1997. Cash flows used by investing activities primarily include investments in dealer receivables, long-term notes receivable and capital expenditures. Capital expenditures were $5,567,000 in fiscal 1998, $4,438,000 in fiscal 1997 and $10,463,000 in fiscal 1996. Cash provided by investing activities for fiscal 1997 was due primarily to the proceeds the Company received from the sale of the Cycle-Sat subsidiary. Net cash used by financing activities was $32,438,000 in fiscal 1998, $20,560,000 in fiscal 1997 and $10,019,000 in fiscal 1996. The increase in cash used by financing activities in fiscal 1998 related to continuing operations was due primarily to the repurchase of shares of the Company's Common Stock at a cost of $28,358,000. (See Consolidated Statements of Cash Flows.)

The Company's sources of liquidity consisted principally of cash and cash equivalents in the amount of $53,859,000 at August 29, 1998 compared to $32,130,000 at August 30, 1997.

The Company also has available a line of credit for $30,000,000 (or 75 percent of eligible inventory, whatever is less) through a financing and security agreement with Nations Bank Specialty Lending Unit (formerly NationsCredit Corporation). The Company did not borrow under this line of credit during fiscal 1998 or fiscal 1997. (See Note 7 to the Company's 1998 Consolidated Financial Statements.)

Principal expected demands at August 29, 1998 on the Company's liquid assets for fiscal 1999 include approximately $8,500,000 of capital expenditures (primarily equipment replace-ments), approximately $8,000,000 (transactions completed in September, 1998) to repurchase outstanding shares of the Company's common stock, which completes the December 29, 1997 Board of Directors' authorization to repurchase up to $36,500,000 of the Company's common stock, and payments of cash dividends.

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.

ACCOUNTING CHANGES

EARNINGS PER SHARE

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share," was issued in February 1997 and was adopted by the Company in fiscal 1998. The adoption of SFAS No. 128 did not have a significant impact on the calculation of earnings per share. (See Note 17 to the Company's 1998 Consolidated Financial Statements.)

COMPREHENSIVE INCOME

SFAS No. 130, "Reporting Comprehensive Income" was issued in June 1997 and must be adopted by the Company no later than fiscal 1999. The statement requires companies to disclose comprehensive income and its components in their financial statements.

SEGMENT DISCLOSURES

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

PENSION AND OTHER POSTRETIREMENT BENEFITS DISCLOSURE

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

RECOGNITION OF DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

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

The Company has not completed the process of evaluating the effect of SFAS No. 130, "Reporting Comprehensive Income," SFAS No. 131, "Disclosures about Segments of and Enterprise and Related Information," SFAS No. 132, "Employer's Disclosure About Pensions and Other Postretirement Benefits," and SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." Since all these pronouncements except for SFAS No. 133, relate primarily to changes in disclosure requirements, the Company does not believe the new requirements will significantly affect its financial condition or operating results.

FORWARD LOOKING INFORMATION

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

IMPACT OF INFLATION

Historically, the impact of inflation on the Company's operations has not been significantly detrimental, as the Company has usually been able to adjust its prices to reflect the inflationary impact on the cost of manufacturing its products. The inability of the Company to successfully offset increases in manufacturing costs could have a material adverse effect on the Company's results of operations.

YEAR 2000 (Y2K) COMPLIANCE

INTRODUCTION
The term "year 2000 issue" is a general term used to describe the various problems that may result from the improper processing of dates and date-sensitive calculations by computers as the year 2000 is approached and reached. These problems generally arise from the fact that most computer hardware and software have historically used only two digits to identify the year in a date.

Y2K BACKGROUND
The Company's overall goal is to be Y2K ready. "Y2K ready" means that critical systems, devices, applications or business relationships have been evaluated and are expected to be suitable for continued use into and beyond the Y2K, or contingency plans are in place. The Company started its Y2K project in 1996.

Y2K PROJECT
The Company's Y2K project is divided into four major steps: 1) Strategy for compliance; 2) Inventory and assessment; 3) Remediation; and 4) System testing.

1. The Company decided to make the corrections for compliance by programming rather than through file conversion.
2. Using its chosen method of correction, management determined that approximately 25 percent of its current Information Systems Department's available time would be required to complete the Y2K project by mid-year 1998.
3. The Company's programs' corrections were completed in May 1998.
4. All programs were tested individually and are presently in the systems test mode. The testing is scheduled for completion by January 1999.

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

The Company's Purchasing and Information Systems Departments have contacted all of the Company's major suppliers to determine their readiness for their compliance with the Y2K issue.

The Company is not aware of any date sensitive chips in the component parts of its products that could cause a problem with the units in the field when the date of January 1, 2000 is reached.

COSTS
The total cost associated with the modifications are not expected to exceed $300,000 of which approximately $250,000 has been expensed as of August 29, 1998. Any remaining costs incurred by the Company for the Y2K project will be absorbed in existing budgets.

RISKS
The failure to correct a material Y2K problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's operations. Due to the general uncertainty inherent in the Y2K problem, resulting in part from the uncertainty of the Y2K readiness of the Company's third-party suppliers and customers, the Company is unable to determine at this time whether the consequences of Y2K failures will have a material impact on the Company's operations. The Company's Y2K project is expected to significantly reduce its level of uncertainty about the Y2K problem and in particular, about the Y2K compliance and readiness of its material external agents. The Company believes that, with the completion of its Y2K project as scheduled, the possibility of significant interruptions of normal operations should be reduced.

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

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

CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS)	AUGUST 29, 1998	AUGUST 30, 1997
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 53,859	$ 32,130
Receivables, less allowance for doubtful accounts ($1,582 and $1,429, respectively)	22,025	31,322
Dealer financing receivables, less allowance for doubtful accounts ($78 and $155, respectively)	12,782	13,336
Inventories	55,433	53,584
Prepaid expenses	3,516	5,872
Deferred income taxes	6,906	4,917
Total current assets	154,521	141,161
PROPERTY AND EQUIPMENT, at cost		
Land	1,158	1,167
Buildings	38,779	42,455
Machinery and equipment	69,095	66,142
Transportation equipment	5,047	5,004
	114,079	114,768
Less accumulated depreciation	81,167	81,175
Total property and equipment, net	32,912	33,593
LONG-TERM NOTES RECEIVABLE, less allowances ($973 and $1,465, respectively)	5,396	5,692
INVESTMENT IN LIFE INSURANCE	21,226	17,641
DEFERRED INCOME TAXES, NET	16,071	14,900
OTHER ASSETS	486	488
TOTAL ASSETS	$ 230,612	$ 213,475

See notes to consolidated financial statements.

(DOLLARS IN THOUSANDS)	AUGUST 29, 1998	AUGUST 30, 1997
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	$ --	$ 695
Accounts payable, trade	24,461	20,471
Income taxes payable	12,623	--
Accrued expenses:		
Insurance	3,566	2,687
Product warranties	5,260	3,329
Vacation liability	3,343	3,012
Promotional	2,236	2,508
Other	11,113	8,524
Total current liabilities	62,602	41,226
POSTRETIREMENT HEALTH CARE AND DEFERRED COMPENSATION BENEFITS	51,487	48,367
CONTINGENT LIABILITIES AND COMMITMENTS		
STOCKHOLDERS' EQUITY		
Capital stock common, par value $.50; authorized 60,000,000 shares, outstanding 25,865,000 and 25,854,000 shares, respectively	12,932	12,927
Additional paid-in capital	22,507	23,109
Reinvested earnings	111,665	92,179
	147,104	128,215
Less treasury stock, at cost	30,581	4,333
TOTAL STOCKHOLDERS' EQUITY	116,523	123,882
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 230,612	$ 213,475

CONSOLIDATED STATEMENTS OF EARNINGS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)	YEAR ENDED AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 31, 1996
Continuing operations			
Revenues			
Manufactured products	$ 523,018	$ 436,712	$ 483,398
Dealer financing	2,076	1,420	1,406
Total net revenues	525,094	438,132	484,804
Costs and expenses			
Cost of manufactured products	450,934	385,540	417,231
Selling and delivery	21,197	27,131	25,290
General and administrative	19,986	20,313	21,574
Total costs and expenses	492,117	432,984	464,095
Operating income	32,977	5,148	20,709
Financial income	2,950	1,844	354
Income from continuing operations before income taxes	35,927	6,992	21,063
Provision for taxes	11,543	416	6,639
Income from continuing operations	24,384	6,576	14,424
Discontinued operations			
Income from operations of discontinued Cycle-Sat subsidiary (net of applicable income tax provision of $261)	--	--	593
Gain on sale of Cycle-Sat subsidiary (net of applicable income tax provision of $13,339)	--	16,472	--
Loss from the disposal of discontinued operations (net of applicable income tax credit of $1,157)	--	--	(2,632)
Net income	$ 24,384	$ 23,048	$ 12,385
Earnings (loss) per share:			
Continuing operations:			
Basic	$ 1.01	$ .26	$ .57
Diluted	1.00	.26	.57
Discontinued operations:			
Basic	--	.65	(.08)
Diluted	--	.64	(.08)
Net earnings per share:			
Basic	$ 1.01	$ .91	$ .49
Diluted	1.00	.90	.49
Weighted average common shares outstanding (in thousands):			
Basic	24,106	25,435	25,349
Diluted	24,314	25,550	25,524

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)	YEAR ENDED AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 31, 1996
Cash flows from operating activities:			
Net income	$ 24,384	$ 23,048	$ 12,385
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	5,582	6,468	9,700
(Gain) loss on disposal of property, leases and other assets	(45)	577	503
Provision (credit) for doubtful receivables	692	1,238	(637)
Pre-tax gain on sale of Cycle-Sat subsidiary	--	(29,811)	--
Realized and unrealized (gains) and losses on trading securities, net	--	(137)	350
Purchases of trading securities	--	--	(10,789)
Proceeds from sale of trading securities	--	4,453	8,267
Provision for loss on disposal of electronic component assembly segment	--	(4,074)	4,074
Other	400	--	--
Change in assets and liabilities:			
Decrease (increase) in receivables and other assets	10,585	(4,027)	1,462
(Increase) decrease in inventories	(1,849)	9,519	(10,023)
Increase (decrease) in accounts payable and accrued expenses	9,448	(2,349)	459
Increase in income taxes payable	12,623	--	--
(Decrease) increase in deferred income taxes	(3,160)	1,074	(560)
Increase in postretirement benefits	3,302	1,430	1,845
Other	--	(2,194)	222
Net cash provided by operating activities	61,962	5,215	17,258
Cash flows from investing activities:			
Purchases of property and equipment	(5,567)	(4,438)	(10,463)
Proceeds from sale of property and equipment	313	4,498	591
Investments in dealer receivables	(54,268)	(38,228)	(41,003)
Collections of dealer receivables	54,828	36,543	38,915
Investments in long-term notes receivable and other assets	(5,708)	(4,131)	(3,883)
Proceeds from long-term notes receivable and other assets	2,607	2,889	893
Proceeds from sale of Cycle-Sat subsidiary	--	57,000	--
Payments to minority shareholder from sale of Cycle-Sat	--	(7,160)	--
Other	--	(295)	--
Net cash (used) provided by investing activities	(7,795)	46,678	(14,950)
Cash flows from financing activities and capital transactions:			
Payments for purchase of common stock	(28,358)	--	--
Payment of long-term debt of discontinued operations	(695)	(13,220)	--
Net proceeds from notes payable	--	--	215
Payments of cash dividends	(4,898)	(5,090)	(7,604)
Payments of long-term debt and capital leases	--	(2,863)	(4,596)
Proceeds from issuance of long-term debt	--	--	1,884
Proceeds from issuance of common and treasury stock	1,513	613	82
Net cash used by financing activities and capital transactions	(32,438)	(20,560)	(10,019)
Net increase (decrease) in cash and cash equivalents	21,729	31,333	(7,711)
Cash and cash equivalents at beginning of year	32,130	797	8,508
Cash and cash equivalents at end of year	$ 53,859	$ 32,130	$ 797

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF
CHANGES IN STOCKHOLDERS' EQUITY

(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)	COMMON SHARES NUMBER	COMMON SHARES AMOUNT	ADDITIONAL PAID-IN CAPITAL	REINVESTED EARNINGS	TREASURY STOCK NUMBER	TREASURY STOCK AMOUNT
Balance, August 26, 1995	25,829	$ 12,915	$ 23,658	$ 69,440	488	$ 5,565
Proceeds from the sale of common stock to employees	11	5	65	--	(1)	(12)
Cash dividends on common stock - $.30 per share	--	--	--	(7,604)	--	--
Net income	--	--	--	12,385	--	--
Balance, August 31, 1996	25,840	12,920	23,723	74,221	487	5,553
Proceeds from the sale of common stock to employees	14	7	(614)	--	(107)	(1,220)
Cash dividends on common stock - $.20 per share	--	--	--	(5,090)	--	--
Net income	--	--	--	23,048	--	--
Balance, August 30, 1997	25,854	12,927	23,109	92,179	380	4,333
Proceeds from the sale of common stock to employees	11	5	(602)	--	(225)	(2,110)
Payments for purchase of common stock	--	--	--	--	2,897	28,358
Cash dividends on common stock - $.20 per share	--	--	--	(4,898)	--	--
Net income	--	--	--	24,384	--	--
Balance, August 29, 1998	25,865	$ 12,932	$ 22,507	$ 111,665	3,052	$ 30,581

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS

NOTE 1: NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

In fiscal 1998, the Company's operations were conducted predominantly in two industry segments: the manufacture and sale of recreation vehicles and other manufactured products, and floor plan financing for selected Winnebago, Itasca, Vectra, Rialta, and Luxor dealers. The recreation vehicle market is highly competitive, both as to price and quality of the product. The Company believes its principal marketing advantages are the quality of its products, its dealer organization, its warranty and service capability and its marketing techniques. The Company also believes that its prices are competitive with the competitions' units of comparable size and quality.

PRINCIPLES OF CONSOLIDATION. The consolidated financial statements include the parent company and subsidiary companies. All material intercompany balances and transactions with subsidiaries have been eliminated.

For all fiscal years presented, except fiscal 1998, the Consolidated Financial Statements reflect the Company's Cycle-Sat and electronic component assembly segments as discontinued operations.

STATEMENTS OF CASH FLOWS. For purposes of these statements, cash equivalents primarily consisted of commercial paper, tax exempt money market preferreds and variable rate auction preferred stock with an original maturity of three months or less. For cash equivalents, the carrying amount is a reasonable estimate of fair value.

FISCAL PERIOD. The Company follows a 52/53 week fiscal year period. The financial statements for fiscal 1998 and 1997 are based on a 52-week period, fiscal 1996 is on a 53-week basis.

REVENUE RECOGNITION. Sales are recorded by the Company when products are shipped to independent dealers. Interest income from dealer floor plan receivables are recorded on the accrual basis in accordance with the terms of the loan agreements.

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

PROPERTY AND EQUIPMENT. Depreciation of property and equipment is computed using the straight-line method on the cost of the assets, less allowance for salvage value where appropriate, at rates based upon their estimated service lives. Accelerated depreciation methods are used for tax purposes whenever permitted.

Management periodically reviews the carrying values of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In performing the review for recoverability, management estimates the nondiscounted future cash flows expected to result from the use of the asset and its eventual disposition. The Company incurred an impairment charge of $400,000 to write down one of its buildings to estimated net realizable value during fiscal 1998 as a result of this review.

PROVISION FOR WARRANTY CLAIMS. Estimated warranty costs are provided at the time of sale of the warranted products. Estimates of future warranty costs are based on prior experience and known current events.

INCOME TAXES. The Company accounts for income taxes under SFAS No. 109, "Accounting for Income Taxes." This Statement requires recognition of deferred assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse.

ALLOWANCE FOR DOUBTFUL ACCOUNTS. Allowance for doubtful accounts are based on previous loss experience. Additional amounts are provided through charges to income as management believes necessary after evaluation of receivables and current economic conditions. Amounts which are considered to be uncollectible are charged off and recoveries of amounts previously charged off are credited to the allowance upon recovery.

RESEARCH AND DEVELOPMENT. Research and development expenditures are expensed as incurred. Development activities generally relate to creating new products and improving or creating variations of existing products, to meet new applications. During fiscal 1998, 1997 and 1996, the Company spent approximately $1,128,000, $1,695,000 and $801,000, respectively, on research and development activities.

EARNINGS PER COMMON SHARE. Basic earnings per common share is computed by dividing net income by the weighted average common shares outstanding during the period.

Diluted earnings per common share is computed by dividing net income by the weighted average common shares outstanding plus the incremental shares that would have been outstanding upon the assumed exercise of dilutive stock options (See Note 17).

FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS. All financial instruments are carried at amounts believed to approximate fair value.

USE OF ESTIMATES. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS. Certain prior year information has been reclassified to conform to the current year presentation.

NOTE 2: DISCONTINUED OPERATIONS - SALE OF CYCLE-SAT SUBSIDIARY

The Company owned an 80% interest in Cycle-Sat, Inc. (Cycle-Sat), a telecommunications service firm that was a leading distributor of television and radio commercials using satellite, fiber-optic and digital technologies. On August 5, 1996 (the measurement date), the Company adopted a formal plan to sell Cycle-Sat. Revenues applicable to Cycle-Sat for fiscal years 1997 and 1996 were $7,073,000 and $30,235,000, respectively. Accordingly, Cycle-Sat is accounted for as a discontinued operation in the accompanying consolidated financial statements. On November 19, 1996, the Company sold all of the assets of Cycle-Sat to Vyvx, Inc., a subsidiary of The Williams Companies, Inc., Tulsa, Oklahoma for approximately $57 million. The transaction resulted in an after-tax gain of $16.5 million or $.64 per diluted share.

NOTE 3: DISCONTINUED OPERATIONS - DISPOSAL OF ELECTRONIC COMPONENT ASSEMBLY SEGMENT

In August 1993, the Company agreed to sell certain assets and liabilities of its electronic component assembly business, North Iowa Electronics, Inc. (NIE) to an unaffiliated third party (the buyer) for $100,000 in cash and a $1.6 million promissory note. The transaction was accounted for as a transfer of net assets with recognition of the gain ($285,000) deferred due to uncertainty surrounding the buyer's ability to generate sufficient cash flows to retire the note.

During fiscal 1995, the Company guaranteed certain debt obligations of the buyer totaling $4,500,000. The buyer experienced significant financial difficulties and the Company decided, during fiscal 1996, to make no further financial accommodations and to exit ongoing involvement with this business.

In the fourth quarter of fiscal 1996, the Company provided $4,074,000 for the anticipated loss related to the net cost of resolution of this matter. Cash in an amount approximating the amount provided was paid related to the guarantee to fully resolve this matter during fiscal 1997.

NOTE 4: DEALER FINANCING RECEIVABLES

Dealer floor plan receivables are collateralized by recreation vehicles and are due upon the dealer's sale of the vehicle, with the entire balance generally due at the end of one year. At August 29, 1998, the Company had certain concentration of credit risks whereby $12,408,000 of dealer financing receivables were due from one dealer.

NOTE 5: INVENTORIES

Inventories consist of the following:

(DOLLARS IN THOUSANDS)	AUGUST 29, 1998	AUGUST 30, 1997
Finished goods	$ 24,147	$ 27,577
Work-in-process	15,328	13,842
Raw materials	33,384	29,907
	72,859	71,326
LIFO reserve	17,426	17,742
	$ 55,433	$ 53,584

The above value of inventories, before reduction for the LIFO reserve, approximates replacement cost at the respective dates.

NOTE 6: LONG-TERM NOTES RECEIVABLE

Long-term notes receivable of $5,396,000 and $5,692,000 at August 29, 1998 and August 30, 1997, respectively, are primarily collateralized by dealer inventories and real estate. The notes had weighted average interest rates of 8.2 percent per annum and 8.7 percent per annum at August 29, 1998 and August 30, 1997, respectively, and have various maturity dates ranging through January 2004.

NOTE 7: NOTES PAYABLE

Short-term lines of credit and related borrowings outstanding at fiscal year-end are as follows:

	AVAILABLE CREDIT LINES		OUTSTANDING		INTEREST RATE	
(DOLLARS IN THOUSANDS)	AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 29, 1998	AUGUST 30, 1997
Notes payable:						
Continuing operations	$ 30,000	$ 30,000	$---	$---	9.0%	9.0%

	MAXIMUM OUTSTANDING			AVERAGE OUTSTANDING			WEIGHTED AVERAGE INTEREST RATE DURING YEAR*		
(DOLLARS IN THOUSANDS)	1998	1997	1996	1998	1997	1996	1998	1997	1996
Notes payable:									
Discontinued operations	$---	$---	$4,500	$---	$---	$4,274	---	---	7.4%

*Based on the approximate average aggregate amount outstanding during the year and the interest rate.

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

NOTE 8: LONG-TERM DEBT

At August 29, 1998, the Company had no outstanding long-term debt. Long-term debt outstanding at August 30, 1997 was $695,000 with an interest rate of 7.5 percent per annum.

During fiscal year 1993, the Company and Winnebago Industries Europe, GmbH (WIE), a wholly owned subsidiary of the Company, entered into a financing arrangement with Volksbank Saarbrucken-St. Ingebert eG to finance the acquisition and renovation of a new facility in Kirkel, Saarland, Germany. The financing arrangement included four loans with interest rates ranging from 5.5 percent to 8.75 percent per annum. As of August 30, 1997, only one of the loans was outstanding which had an interest rate of 7.5 percent per annum. Borrowings under this agreement at August 30, 1997 were $695,000. The loan was guaranteed by the Company and was secured by real estate and improvements to the new facility. The Company sold the facility in August 1997. During fiscal 1998, the Company paid all amounts outstanding under this agreement.

NOTE 9: EMPLOYEE RETIREMENT PLANS

The Company has a qualified profit sharing and contributory 401(k) plan and a stock bonus retirement plan for eligible employees. The plans provide for contributions by the Company in such amounts as the Board of Directors may determine. Contributions to the plans in cash for fiscal years 1998, 1997 and 1996 were $1,985,000, $1,933,000 and $2,099,000, respectively.

The Company also has a non-qualified deferred compensation program which permits key employees to annually elect (via individual contracts) to defer a portion of their compensation until their retirement. The retirement benefit to be provided is fixed based upon the amount of compensation deferred and the age of the individual at the time of the contracted deferral. An individual generally vests at the later of age 55 and five years of service since the deferral was made. For deferrals prior to December 1992, vesting occurs at the later of age 55 and five years of service from first deferral or 20 years of service. Deferred compensation expense was $1,487,000, $1,558,000, and $1,556,000 in fiscal 1998, 1997 and 1996, respectively. Total deferred compensation liabilities were $22,024,000 and $21,164,000 at August 29, 1998 and August 30, 1997, respectively.

To assist in funding the deferred compensation liability, the Company has invested in corporate-owned life insurance policies. The cash surrender value of these policies (net of borrowings of $9,254,000 and $10,335,000 at August 29, 1998 and August 30, 1997, respectively) are presented as assets of the Company in the accompanying balance sheets.

The Company has adopted a Directors' Deferred Compensation Plan which permits non-employee directors to receive their fees and r etainers as members of the Board of Directors and committees of the Board in a form other than as direct payments.

The Company provides certain health care and other benefits for retired employees who have fulfilled eligibility requirements at 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. The Company's postretirement health care plan currently is not funded. The status of the plan is as follows:

Accumulated postretirement benefit obligation at August 29, 1998 and August 30, 1997.

(DOLLARS IN THOUSANDS)	AUGUST 29, 1998	AUGUST 30, 1997
Retirees	$ 4,088	$ 2,239
Fully eligible active plan participants	5,723	3,578
Other active plan participants	22,118	13,738
	31,929	19,555
Unrecognized prior service cost	460	509
Unrecognized net (loss) gain	(2,926)	7,139
Accrued postretirement benefit liability recognized in financial statements	$ 29,463	$ 27,203

Net postretirement benefit expense for the fiscal years ended August 29, 1998, August 30, 1997, and August 31, 1996 consisted of the following components:

(DOLLARS IN THOUSANDS)	AUG. 29, 1998	AUG. 30, 1997	AUG. 31, 1996
Service cost-benefits earned during the year	$1,225	$ 876	$ 947
Interest cost on accumulated postretirement obligation	1,535	1,153	1,133
Net amortization and deferral	(183)	(490)	(416)
	$2,577	$1,539	$1,664

The average assumed health care cost trend rate used in measuring the accumulated post-retirement benefit obligations as of August 29, 1998 was 8.9 percent, decreasing each successive year until it reaches 4.5 percent in 2016 after which it remains constant.

A one-percentage point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of August 29, 1998 by approximately $8,455,000. The effect of this change on the net postretirement health care cost for fiscal 1998 would be to increase it by approximately $784,000.

The discount rate used in determining the accumulated postretirement benefit obligation was 6.0 percent at August 29, 1998 and 7.0 percent at August 30, 1997. During fiscal 1996, the Company revised certain provisions of its postretirement health care plan to offer different medical plan options and revised the monthly contribution rate for retirees. The impact of these revisions resulted in a decrease in the accumulated postretirement benefit obligation of approximately $5,695,000 and a decrease in the previously estimated net postretirement benefit expense for fiscal year 1996 of approximately $1,249,000. The unrecognized net gain as of August 31, 1996 is being amortized over the average remaining service period of active plan participants, estimated to be 18 years. The unrecognized prior service cost is being amortized over the average remaining years to full eligibility for benefits of active plan participants, estimated to be 12 years.

NOTE 10: CONTINGENT LIABILITIES AND COMMITMENTS

It is customary practice for companies in the recreation vehicle industry to enter into repurchase agreements with lending institutions which have provided wholesale floor plan financing to dealers. Most dealers are financed on a "floor plan" basis under which a bank or finance company lends the dealer all, or substantially all, of the purchase price, collateralized by a lien upon, or title to, the merchandise purchased. Upon request of a lending institution financing a dealer's purchases of the Company's products, and after completion of a credit investigation of the dealer involved, the Company will execute a repurchase agreement. These agreements provide that, in the event of default by the dealer on the agreement to pay the lending institution, the Company will repurchase the financed merchandise. The agreements provide that the Company's 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. The Company's contingent obligations under these repurchase agreements are reduced by the proceeds received upon the sale of any repurchased unit. The Company's contingent liability on all repurchase agreements was approximately $132,540,000 and

$115,637,000 at August 29, 1998 and August 30, 1997, respectively. The Company's losses under repurchase agreements were approximately $153,000, $344,000 and $221,000 during fiscal years 1998, 1997 and 1996, respectively.

Included in these contingent liabilities are certain dealer receivables subject to full recourse to the Company with NationsCredit and Green Tree Financial. Contingent liabilities under these recourse agreements were $18,623,000 and $24,868,000 at August 29, 1998 and August 30, 1997, respectively. The Company incurred no actual losses under these recourse agreements during fiscal years 1998 and 1997 and approximately $85,000 during fiscal year 1996.

The Company self-insures for a portion of product liability claims. Self-insurance retention liability varies annually based on market conditions and for the past three fiscal years was at $2,500,000 per occurrence and ranged from $6,000,000 (fiscal 1998) to $8,500,000 in aggregate per policy year. Liabilities in excess of these amounts are the responsibility of the insurer.

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

NOTE 11: INCOME TAXES

The components of the provision for income taxes are as follows:

(DOLLARS IN THOUSANDS)	YEAR ENDED AUG. 29, 1998	AUG. 30, 1997	AUG. 31, 1996
Continuing operations			
Current	$ 14,703	$ 1,288	$ 5,707
Deferred	(3,160)	(872)	932
	11,543	416	6,639
Discontinued operations			
Current	---	11,393	596
Deferred	---	1,946	(1,492)
	---	13,339	(896)
Total provision	$ 11,543	$ 13,755	$ 5,743

The following is a reconciliation of the U.S. statutory tax rate to the effective income tax rates (benefit) provided:

	YEAR ENDED		
	AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 31, 1996
U.S. federal statutory rate	35.0%	35.0%	35.0%
Cash surrender value	(1.2)	(0.9)	(2.0)
Life insurance premiums	0.2	0.3	1.9
Tax credits	(1.0)	(1.1)	(2.2)
Net loss (income) of WIE not included in consolidated return	---	7.3	(1.4)
Loss on sale of WIE	---	(9.9)	---
State taxes, net of federal benefit	0.1	1.0	---
Foreign sales corporation commissions	(0.5)	0.7	---
Other	(0.5)	5.0	0.4
Total	32.1%	37.4%	31.7%
Whereof:			
Continuing operations	32.1%	5.9%	31.5%
Discontinued operations	---	44.7%	(30.5)%

The tax effect of significant items comprising the Company's net deferred tax assets are as follows:

	AUGUST 29, 1998			AUGUST 30, 1997
(DOLLARS IN THOUSANDS)	ASSETS	LIABILITIES	TOTAL	TOTAL
CURRENT				
Accrued vacation	$ 1,199	$ --	$ 1,199	$ 1,054
Legal reserves	740	--	740	318
Warranty reserves	1,841	--	1,841	1,140
Bad debt reserves	859	--	859	718
Self-insurance reserve	1,248	--	1,248	941
Miscellaneous reserves	1,357	(338)	1,019	746
Subtotal	7,244	(338)	6,906	4,917
NONCURRENT				
Postretirement health care benefits	10,312	--	10,312	9,521
Deferred compensation	8,247	--	8,247	7,857
Accelerated depreciation	--	(2,488)	(2,488)	(2,478)
Subtotal	18,559	(2,488)	16,071	14,900
Total	$ 25,803	$ (2,826)	$ 22,977	$ 19,817

In the fourth quarter of fiscal 1997, the Company recognized a tax benefit of approximately $3,700,000 due to the sale and closing of WIE.

NOTE 12: FINANCIAL INCOME AND EXPENSE

The following is a reconciliation of financial income (expense):

(DOLLARS IN THOUSANDS)	YEAR ENDED AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 31, 1996
Interest income from investments and receivables	$ 2,454	$ 2,534	$ 1,546
Dividend income	863	398	141
Interest expense	(425)	(674)	(757)
Net realized (losses) gains on sale of trading securities	--	(995)	218
Net unrealized gains (losses) on trading securities	--	1,132	(568)
Gains (losses) on foreign currency transactions	58	(551)	(226)
	$ 2,950	$ 1,844	$ 354

NOTE 13: DIVIDEND DECLARED

On October 15, 1998, the Board of Directors declared a cash dividend of $.10 per common share payable January 11, 1999, to shareholders of record on December 11, 1998.

NOTE 14: STOCK OPTION PLANS

The Company's 1987 stock option plan allowed the granting of non-qualified and incentive stock options to key employees at prices not less than 100 percent of fair market value, determined by the mean of the high and low prices, on the date of grant. The plan expired in fiscal 1997; however, exercisable options representing 347,907 shares remain outstanding at August 29, 1998.

The Company's 1997 stock option plan provides additional incentives to those officers, employees, directors, advisors and consultants of the Company whose substantial contributions are essential to the continued growth and success of the Company's business. A total of 2,000,000 shares of the Company's common stock may be issued or transferred or used as the basis of stock appreciation rights under the 1997 stock option plan. The plan allows the granting of non-qualified and incentive stock options as well as stock appreciation rights. The plan will be administered by the Company's Board of Directors or by a committee appointed by the Board. The option prices for these shares shall not be less than 85 percent of the fair market value of a share at the time of option granting for non-qualified stock options or less than 100 percent for incentive stock options. The term of each option expires and all rights to purchase shares thereunder cease ten years after the date such option is granted or on such date prior thereto as may be fixed by the Committee. Options granted under this plan become exercisable six months after the date the option is granted.

A summary of stock option activity for fiscal years 1998, 1997 and 1996 is as follows:

	1998			1997			1996		
	SHARES	PRICE PER SHARES	WTD. AVG. EXERCISE PRICE/SH	SHARES	PRICE PER SHARES	WTD. AVG. EXERCISE PRICE/SH	SHARES	PRICE PER SHARES	WTD. AVG. EXERCISE PRICE/SH
Outstanding at beginning of year	649,500	$4 - $10	$6.53	746,000	$4 - $12	$6.56	764,000	$4 - $12	$6.02
Options granted	231,000	9	8.56	242,000	7 - 8	7.68	---	---	---
Options exercised	(218,472)	4 - 10	6.22	(107,000)	4 - 6	4.87	(1,000)	6	5.69
Options canceled	(11,333)	8	7.75	(231,500)	8 - 12	10.40	(17,000)	9 - 12	10.03
Outstanding at end of year	650,695	$4 - $9	$7.34	649,500	$4 - $10	$6.53	746,000	$4 - $12	$6.56
Exercisable at end of year	444,352	$4 - $9	$6.87	422,500	$4 - $10	$5.92	698,400	$4 - $12	$6.99

The following table summarizes information about stock options outstanding at August 29, 1998:

RANGE OF EXERCISE PRICE	NUMBER OUTSTANDING AT AUGUST 29, 1998	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT AUGUST 29, 1998	WEIGHTED AVERAGE EXERCISE PRICE
$4.31 - $5.69	182,500	2	$ 5.03	182,500	$ 5.03
7.19 - 7.75	188,861	8	7.67	135,407	7.64
8.56 - 9.00	279,334	8	8.62	126,445	8.70
	650,695	7	$ 7.34	444,352	$ 6.87

In 1997, the Company adopted SFAS No. 123, "Accounting for Stock Based Compensation." The Company has elected to continue following the accounting guidance of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" for measurement and recognition of stock-based transactions with employees. No compensation cost has been recognized for options issued under the stock option plans because the exercise price of all options granted was not less than 100 percent of fair market value of the common stock on the date of grant. Had compensation cost for the stock options issued been determined based on the fair value at the grant date, consistent with provisions of SFAS No. 123, the Company's 1998 and 1997 income and earnings per share would have been changed to the pro forma amounts indicated below:

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)	1998	1997
Net earnings		
As reported	$ 24,384	$ 23,048
Pro forma	24,055	22,884
Earnings per share (basic)		
As reported	$ 1.01	$ .91
Pro forma	1.00	.90
Earnings per share (diluted)		
As reported	$ 1.00	$ .90
Pro forma	.99	.90

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	1998	1997
Dividend yield	2.28%	3.19%
Risk-free interest rate	4.59%	6.64%
Expected life	7 years	7 years
Expected volatility	32.29%	29.27%
Estimated fair value of options granted per share	$2.86	$2.40 - $2.58

There were no options granted during fiscal 1996.

NOTE 15: SUPPLEMENTAL CASH FLOW DISCLOSURE

Cash paid during the year for:

(DOLLARS IN THOUSANDS)	YEAR ENDED AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 31, 1996
Interest	$ 465	$ 656	$ 2,000
Income taxes	10,599	16,426	5,085

NOTE 16: BUSINESS SEGMENT INFORMATION

The Company defines its operations into two business segments: Recreation Vehicles and Other Manufactured Products, which includes all data relative to the manufacturing and selling of its recreational and other manufactured products; and Dealer Financing, which relates to the WAC subsidiary operation. Identifiable assets are those assets used in the operations of each industry segment. General Corporate assets consist of cash and cash equivalents, marketable securities, deferred income taxes and other corporate assets. General Corporate income and expenses include administrative costs. Inter-segment sales and expenses are not significant.

For the years ended August 29, 1998, August 30, 1997 and August 31, 1996, the Company's segment information is as follows:

(DOLLARS IN THOUSANDS)	RECREATION VEHICLES AND OTHER MANUFACTURED PRODUCTS	DEALER FINANCING	CENERAL CORPORATE	TOTAL
1998				
Net revenues	$ 523,018	$ 2,076	$ --	$ 525,094
Operating income (loss)	32,466	1,845	(1,334)	32,977
Identifiable assets	133,835	15,441	81,336	230,612
Depreciation and amortization	5,323	5	254	5,582
Capital expenditures	5,545	19	3	5,567
1997				
Net revenues from continuing operations	$ 436,712	$ 1,420	$ --	$ 438,132
Operating income (loss) from continuing operations	6,976	736	(2,564)	5,148
Identifiable assets	136,810	16,912	59,753	213,475
Depreciation and amortization	5,797	9	662	6,468
Capital expenditures	3,982	35	421	4,438

Summary information for WIE is as follows: Net revenues - $9,655, operating loss - - $(6,376). The Company sold WIE during August, 1997. As a result of the sale, the Company recorded a capital loss for tax purposes resulting in a tax credit of approximately $3,700,000 due to this loss. These amounts are included in the Recreation Vehicles and Other Manufactured Products segment above.

1996				
Net revenues from continuing operations	$ 483,398	$ 1,406	$ --	$ 484,804
Operating income (loss) from continuing operations	23,169	1,518	(3,978)	20,709
Identifiable assets	154,238	15,250	51,108	220,596
Depreciation and amortization	5,790	7	3,903	9,700
Capital expenditures	6,754	--	3,709	10,463

Summary information from WIE is as follows: Net revenues - $13,773. Operating loss - $(238). Identifiable assets - $10,388. These amounts are included in the Recreation Vehicles and Other Manufactured Products segment above.

NOTE 17: EARNINGS PER SHARE

Effective December 15, 1997, the Company adopted Statement of Financial Accounting Standards No. 128, "Earnings per Share" The following table reflects the calculation of basic and diluted earnings per share for the past three fiscal years.

(IN THOUSANDS. EXCEPT PER SHARE DATA)	AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 31, 1996
Earnings per share - basic			
Income from continuous operations	$ 24,384	$ 6,576	$ 14,424
Income (loss) from discontinued operations	--	16,472	(2,039)
Net income	$ 24,384	$ 23,048	$ 12,385
Weighted average shares outstanding	24,106	25,435	25,349
Income per share from continuing operations - basic	$ 1.01	$ .26	$ .57
Income (loss) per share from discontinued operations - basic	--	.65	(.08)
Net income per share	$ 1.01	$ .91	$ .49
Earnings per share - assuming dilution			
Income from continuous operations	$ 24,384	$ 6,576	$ 14,424
Income (loss) from discontinued operations	--	16,472	(2,039)
Net income	$ 24,384	$ 23,048	$ 12,385
Weighted average shares outstanding	24,106	25,435	25,349
Dilutive impact of options outstanding	208	115	175
Weighted average shares and potential dilutive shares outstanding	24,314	25,550	25,524
Income per share from continuing operations - assuming dilution	$ 1.00	$ .26	$ .57
Income (loss) per share from discontinued operations - assuming dilution	--	.64	(.08)
Net income per share - assuming dilution	$ 1.00	$ .90	$ .49

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated balance sheets of Winnebago Industries, Inc. and subsidiaries (the Company) as of August 29, 1998 and August 30, 1997 and the related consolidated statements of earnings, cash flows and changes in stockholders' equity for each of the three years in the period ended August 29, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Winnebago Industries, Inc. and subsidiaries as of August 29, 1998 and August 30, 1997, and the results of their operations and their cash flows for each of the three years in the period ended August 29, 1998 in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Minneapolis, Minnesota

October 21, 1998

NET REVENUES BY MAJOR PRODUCT CLASS (UNAUDITED)

(DOLLARS IN THOUSANDS)	FISCAL YEAR ENDED (1) AUGUST 29, 1998	AUGUST 30, 1997	AUGUST 31, 1996	AUGUST 26, 1995	AUGUST 27, 1994
Motor homes (Class A & C)	$468,004	$381,191	$432,212	$402,435	$385,319
	89.1%	87.0%	89.2%	87.5%	88.9%
Other recreation vehicle revenues (2)	18,014	19,771	17,166	19,513	21,903
	3.5%	4.5%	3.5%	4.2%	5.1%
Other manufactured products revenues (3)	37,000	35,750	34,020	36,961	25,184
	7.0%	8.2%	7.0%	8.0%	5.8%
Total manufactured products revenues	523,018	436,712	483,398	458,909	432,406
	99.6%	99.7%	99.7%	99.7%	99.8%
Finance revenues (4)	2,076	1,420	1,406	1,220	831
	.4%	.3%	.3%	.3%	.2%
Total net revenues	$525,094	$438,132	$484,804	$460,129	$433,237
	100.0%	100.0%	100.0%	100.0%	100.0%

(1) The fiscal year ended August 31, 1996 contained 53 weeks; all other fiscal years in the table contained 52 weeks. All years prior to fiscal 1998 are appropriately restated to exclude the Company's discontinued Cycle-Sat subsidiary's revenues from satellite courier and tape duplication services.
(2) Primarily EuroVan Campers, recreation vehicle related parts and recreation vehicle service revenue.
(3) Primarily sales of extruded aluminum, commercial vehicles, and component products for other manufacturers.
(4) WAC revenues from dealer financing.

INTERIM FINANCIAL INFORMATION (UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) FISCAL 1998	QUARTER ENDED NOVEMBER 29, 1997	FEBRUARY 28, 1998	MAY 30, 1998	AUGUST 29, 1998
Net revenues	$125,896	$118,709	$150,515	$129,974
Gross profit	18,423	14,355	20,905	20,477
Operating income	7,428	5,719	10,231	9,599
Net income	5,338	4,350	7,334	7,362
Net income per share (basic)	.21	.18	.31	.32
Net income per share (diluted)	.21	.18	.31	.32

The Company recorded an inventory write-up of approximately $1,962,000 during the fourth quarter of fiscal 1998 as a result of completing a physical count of work-in-process inventories. It was not possible to identify the adjustment to any specific period. The Company also recorded a reduction in its LIFO reserve due to favorable prices of inventory purchased during the fourth quarter of fiscal 1998 of approximately $1,516,000.

FISCAL 1997	QUARTER ENDED NOVEMBER 30, 1996	MARCH 1, 1997	MAY 31, 1997	AUGUST 30, 1997
Net revenues from continuing operations	$113,892	$105,702	$117,226	$101,312
Gross profit	15,079	10,199	16,180	11,134
Operating income (loss) from continuing operations	3,856	(3,330)	5,514	(892)
Income (loss) from continuing operations	2,706	(3,674)	3,720	3,824
Net income (loss)	19,178	(3,674)	3,720	3,824
Income (loss) per common share (basic):				
Continuing operations	.11	(.15)	.15	.15
Discontinued operations	.65	---	---	---
Net income (loss)	.76	(.15)	.15	.15
Income (loss) per common share (diluted):				
Continuing operations	.11	(.15)	.15	.15
Discontinued operations	.64	---	---	---
Net income (loss)	.75	(.15)	.15	.15

The Company recorded a net gain on the sale of the Cycle-Sat subsidiary of $16,472,000 during the first quarter of fiscal 1997. The Company recorded a tax credit of approximately $3,700,000 during the fourth quarter of fiscal 1997 due to the closing and sale of Winnebago Industries Europe GmbH.

SHAREHOLDER INFORMATION

PUBLICATIONS

A notice of Annual Meeting of Shareholders and Proxy Statement is furnished to shareholders in advance of the annual meeting.

Copies of the Company's quarterly financial news releases and the annual report on Form 10-K (without exhibits), required to be filed by the Company with the Securities and Exchange Commission, may be obtained without charge from the corporate offices as follows:

Public Relations Department
Winnebago Industries, Inc.
605 W. Crystal Lake Road
P.O. Box 152
Forest City, Iowa 50436-0152
Telephone: (515) 582-3535
Fax: (515) 582-6966
E-Mail: pr@winnebagoind.com

This annual report as well as corporate news releases may also be viewed online in the financial section of Winnebago Industries' website: http://www.winnebagoind.com

SHAREHOLDER ACCOUNT ASSISTANCE

Registration and Transfer Agent to contact for address changes, account certificates and stock holdings:

Norwest Bank Minnesota, N.A.
P.O. Box 64854
St. Paul, Minnesota 55164-0854
OR
161 North Concord Exchange
South St. Paul, Minnesota 55075-1139
Telephone: (800) 468-9716 or (612) 450-4064

ANNUAL MEETING

The Annual Meeting of shareholders will be held on Wednesday, January 20, 1999, at 7:30 p.m. (CST) in Friendship Hall, Highway 69 South, Forest City, Iowa.

AUDITOR

Deloitte & Touche LLP
400 One Financial Plaza
120 South Sixth Street
Minneapolis, Minnesota 55402-1844

COMMON STOCK DATA

The Company's common stock is listed on the New York, Chicago and Pacific Stock Exchanges.
Ticket symbol: WGO
Shareholders of record as of November 10, 1998: 10,855
Below are the New York Stock Exchange high, low and closing prices of Winnebago Industries, Inc. stock for each quarter of fiscal 1998 and fiscal 1997.

FISCAL 1998	HIGH	LOW	CLOSE	FISCAL 1997	HIGH	LOW	CLOSE
First Quarter	$ 8.50	$ 6.81	$ 7.6875	First Quarter	$ 8.50	$ 7.00	$ 7.50
Second Quarter	12.00	7.375	12.00	Second Quarter	7.875	6.875	7.125
Third Quarter	13.25	10.50	11.1875	Third Quarter	7.375	6.25	6.875
Fourth Quarter	15.1875	10.75	11.125	Fourth Quarter	9.625	6.625	8.375

CASH DIVIDENDS PER SHARE

FISCAL 1998		FISCAL 1997	
AMOUNT	DATE PAID	AMOUNT	DATE PAID
$ .10	January 5, 1998	$ .10	January 6, 1997
.10	July 6, 1998	.10	July 7, 1997

DIRECTORS AND OFFICERS

DIRECTORS

BRUCE D. HERTZKE
Chairman of the Board, Chief Executive
Officer and President
Winnebago Industries, Inc.

GERALD E. BOMAN
Former Senior Vice President
Winnebago Industries, Inc.

JERRY N. CURRIE
President and Chief Executive Officer
CURRIES Company and GRAHAM
Manufacturing

FRED G. DOHRMANN
Former Chairman of the Board and
Chief Executive Officer
Winnebago Industries, Inc.

JOHN V. HANSON
Former President and Deputy Chairman of
the Board
Winnebago Industries, Inc.

GERALD C. KITCH
Former Executive Vice President
Pentair, Inc.

RICHARD C. SCOTT
Vice President, University Development
Baylor University

JOSEPH M. SHUSTER
Chairman, Teltech

FREDERICK M. ZIMMERMAN
Professor of Manufacturing Systems
Engineering
The University of St. Thomas

FRANCIS L. ZROSTLIK
President, Stellar Industries

LUISE V. HANSON
Director Emeritus

OFFICERS

[PHOTO]
BRUCE D. HERTZKE
CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE
OFFICER AND PRESIDENT

[PHOTO]
EDWIN F. BARKER
VICE PRESIDENT, CHIEF FINANCIAL OFFICER

[PHOTO]
RAYMOND M. BEEBE
VICE PRESIDENT, GENERAL COUNSEL
AND SECRETARY

[PHOTO]
RONALD D. BUCKMEIER
VICE PRESIDENT, PRODUCT DEVELOPMENT

[PHOTO]
BRIAN J. HRUBES
CONTROLLER

[PHOTO]
JAMES P. JASKOVIAK
VICE PRESIDENT, SALES AND MARKETING

[PHOTO]
ROBERT J. OLSON
VICE PRESIDENT, MANUFACTURING

JOSEPH L. SOCZEK, JR.
TREASURER

WINNEBAGO INDUSTRIES, INC.

[PHOTOS: DESCRIBED ON INSIDE FRONT COVER]

EXHIBIT 21

List of Subsidiaries

NAME OF CORPORATION	JURISDICTION OF INCORPORATION	PERCENT OF OWNERSHIP
Winnebago Industries, Inc.	Iowa	Parent
Winnebago International Corporation	Iowa	100%
Winnebago Health Care Management Company	Iowa	100%
Winnebago Acceptance Corporation	Iowa	100%
Winnebago R.V., Inc.	Delaware	100%

EXHIBIT 23

INDEPENDENT ACCOUNTANTS' CONSENT

We consent to the incorporation by reference in Registration Statements No. 2-40316, No. 2-82109, No. 33-21757, No. 33-59930 and No. 333-31595 of Winnebago Industries, Inc. on Form S-8 of our reports dated October 21, 1998 appearing in and incorporated by reference in the Annual Report on Form 10-K for Winnebago Industries, Inc. for the year ended August 29, 1998.

/s/ Deloitte & Touche LLP
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Deloitte & Touche LLP
Minneapolis, Minnesota
November 19, 1998

YEAR
AUG-29-1998
AUG-29-1998
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