

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended August 25, 2012; or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from _____ to _____

Commission File Number 001-06403

WINNEBAGO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Iowa _____ (State or other jurisdiction of incorporation or organization)	42-0802678 _____ (I.R.S. Employer Identification No.)
P.O. Box 152, Forest City, Iowa _____ (Address of principal executive offices)	50436 _____ (Zip Code)
Registrant's telephone number, including area code: (641) 585-3535 Securities registered pursuant to Section 12(b) of the Act:	
Title of each class _____ Common Stock (\$.50 par value)	Name of each exchange on which registered _____ The New York Stock Exchange, Inc. Chicago Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web Site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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 Form 10-K or any amendment to this Form 10-K .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large Accelerated Filer Accelerated Filer Non-accelerated filer Smaller Reporting Company

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

Aggregate market value of the common stock held by non-affiliates of the registrant: \$265,927,566 (28,170,293 shares at the closing price on the New York Stock Exchange of \$9.44 on February 24, 2012).

Common stock outstanding on October 9, 2012: 28,339,894 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to the registrant's December 2012 Annual Meeting of Shareholders, scheduled to be held December 18, 2012, are incorporated by reference into Part II and Part III of this Annual Report on Form 10-K where indicated.

Winnebago Industries, Inc.
2012 Form 10-K Annual Report
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Glossary

The following terms and abbreviations appear in the text of this report and are defined as follows:

ARS	Auction Rate Securities
ASC	Accounting Standards Codification
ASP	Average Sales Price
ASU	Accounting Standards Update
CMMF	Charles City Manufacturing Facility
COLI	Company Owned Life Insurance
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest, Tax, Depreciation, and Amortization
EPS	Earnings Per Share
FASB	Financial Accounting Standards Board
FIFO	First In, First Out
GAAP	Generally Accepted Accounting Principles
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
LIFO	Last In, First Out
Loan Agreement	Loan and Security Agreement dated October 13, 2009 by and between Winnebago Industries, Inc. and Wells Fargo Bank, National Association, as successor to Burdale Capital Finance, Inc., as Agent
MVA	Motor Vehicle Act
NMF	Non-Meaningful Figure
NOL	Net Operating Loss
NYSE	New York Stock Exchange
OEM	Original Equipment Manufacturing
OSHA	Occupational Safety and Health Administration
ROE	Return on Equity
ROIC	Return on Invested Capital
RV	Recreation Vehicle
RVIA	Recreation Vehicle Industry Association
SEC	U.S. Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SIR	Self-Insured Retention
Stat Surveys	Statistical Surveys, Inc.
SunnyBrook	SunnyBrook RV, Inc.
Towables	Winnebago of Indiana, LLC, a wholly-owned subsidiary of Winnebago Industries, Inc.
US	United States of America
Wells Fargo	Wells Fargo Bank, National Association
XBRL	eXtensible Business Reporting Language

WINNEBAGO INDUSTRIES, INC.

FORM 10-K

Report for the Fiscal Year Ended August 25, 2012

Forward-Looking Information

Certain of the matters discussed in this Annual Report on Form 10-K are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve risks and uncertainties. A number of factors could cause actual results to differ materially from these statements, including, but not limited to, increases in interest rates, availability of credit, low consumer confidence, significant increase in repurchase obligations, inadequate liquidity or capital resources, availability and price of fuel, a slowdown in the economy, increased material and component costs, availability of chassis and other key component parts, sales order cancellations, slower than anticipated sales of new or existing products, new product introductions by competitors, the effect of global tensions, integration of operations relating to mergers and acquisitions activities and other factors which may be disclosed throughout this Annual Report on Form 10-K. Although we believe that the expectations reflected in the "forward-looking statements" are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Undue reliance should not be placed on these "forward-looking statements," which speak only as of the date of this report. We undertake no obligation to publicly update or revise any "forward-looking statements," whether as a result of new information, future events or otherwise, except as required by law or the rules of the NYSE. We advise you, however, to consult any further disclosures made on related subjects in future quarterly reports on Form 10-Q and current reports on Form 8-K that are filed or furnished with the SEC.

PART I

Item 1. Business

General

The "Company," "Winnebago Industries," "we," "our" and "us" are used interchangeably to refer to Winnebago Industries, Inc. and its subsidiary, Winnebago of Indiana, LLC, as appropriate in the context.

Winnebago Industries, Inc., headquartered in Forest City, Iowa, is a leading United States manufacturer of RVs used primarily in leisure travel and outdoor recreation activities. We sell motor homes through independent dealers under the Winnebago, Itasca and Era brand names.

On December 29, 2010 we purchased substantially all of the assets of SunnyBrook, a manufacturer of travel trailers and fifth wheel RVs. The aggregate consideration paid was \$4.7 million, net of cash acquired, including the repayment of \$3.3 million of SunnyBrook commercial and shareholder debt on the closing date. Also on December 29, 2010, we entered into a five-year operating lease agreement for the SunnyBrook facilities. The operations of Towables are included in our consolidated operating results from the date of its acquisition. Towables will continue to manufacture products under the SunnyBrook brands. In addition, Towables has begun to diversify its product line by including Winnebago brand trailer and fifth wheel products. The primary reason for the acquisition was diversification outside of the motorized market while utilizing the Winnebago brand strength in the towable market allowing for the potential of revenue and growth.

Other products manufactured by us consist primarily of OEM parts, including extruded aluminum and other component products for other manufacturers and commercial vehicles.

We were incorporated under the laws of the state of Iowa on February 12, 1958, and adopted our present name on February 28, 1961. Our executive offices are located at 605 West Crystal Lake Road in Forest City, Iowa. Our telephone number is (641) 585-3535.

Available Information

Our website, located at www.winnebagoind.com, provides additional information about us. On our website, you can obtain, free of charge, this and prior year Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all of our other filings with the SEC. Our recent press releases are also available on our website. Our website also contains important information regarding our corporate governance practices. Information contained on our website is not incorporated into this Annual Report on Form 10-K. You may also read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. You may obtain information on the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website that contains reports, proxy statements and other information that is filed electronically with the SEC. The website can be accessed at www.sec.gov.

Principal Products

Net revenues by major product classes were as follows:

(In thousands)	Year Ended ⁽¹⁾									
	August 25, 2012		August 27, 2011		August 28, 2010		August 29, 2009		August 30, 2008	
Motor homes ⁽²⁾	\$ 483,532	83.1%	\$ 443,232	89.3%	\$ 415,277	92.4%	\$ 178,619	84.5%	\$ 555,671	91.9%
Towables ⁽³⁾	56,784	9.8%	16,712	3.4%	—	—%	—	—%	—	—%
Motor home parts and services	12,661	2.2%	13,105	2.6%	13,655	3%	12,559	5.9%	16,923	2.8%
Other manufactured products	28,702	4.9%	23,369	4.7%	20,552	4.6%	20,341	9.6%	31,758	5.3%
Total net revenues	\$ 581,679	100.0%	\$ 496,418	100.0%	\$ 449,484	100.0%	\$ 211,519	100.0%	\$ 604,352	100.0%

⁽¹⁾ The fiscal year ended August 30, 2008 contained 53 weeks; all other fiscal years contained 52 weeks.

⁽²⁾ Motor home unit revenue less discounts, sales promotions and incentives, and accrued loss on repurchase adjustments.

⁽³⁾ Includes towable units and parts.

Motor Homes. A motor home is a self-propelled mobile dwelling used primarily as temporary living quarters during vacation and camping trips, or to support some other active lifestyle. The RVIA classifies motor homes into three types which are defined as follows:

- Class A models are conventional motor homes constructed directly on medium- and heavy-duty truck chassis, which include the engine and drivetrain components. The living area and driver's compartment are designed and produced by the motor home manufacturer. We manufacture Class A motor homes with gas and diesel engines.
- Class B models are panel-type vans to which sleeping, kitchen, and/or toilet facilities are added. These models may also have a top extension to provide more headroom. We manufacture Class B motor homes with diesel engines.
- Class C models are motor homes built on van-type chassis onto which the motor home manufacturer constructs a living area with access to the driver's compartment. We manufacture Class C motor homes with gas and diesel engines.

We manufacture and sell Class A and C motor homes under the Winnebago and Itasca brand names and Class B motor homes under the Era brand name. Our product offerings for the 2013 model year are as follows:

Type	Winnebago	Itasca	Era
Class A (gas)	Vista, Sightseer, Adventurer	Sunstar, Sunova, Suncruiser	
Class A (diesel)	Via, Journey, Tour	Reyo, Meridian, Ellipse	
Class B			Era
Class C	Access, Access Premier, Aspect, View, View Profile	Impulse, Impulse Silver, Cambria, Navion, Navion iQ	

Motor homes generally provide living accommodations for up to seven people and include kitchen, dining, sleeping and bath areas, and in some models, a lounge. Optional equipment accessories include, among other items, generators, home theater systems, king-size beds, and UltraLeather™ upholstery and a wide selection of interior equipment. With the purchase of any new motor home, we offer a comprehensive 12-month/15,000-mile warranty on the coach and, for Class A and C motor homes, a 3-year/36,000-mile structural warranty on sidewalls and floors.

Our Class A, B and C motor homes are sold by dealers in the retail market with manufacturer's suggested retail prices ranging from approximately \$70,000 to \$366,000, depending on size and model, plus optional equipment and delivery charges. Our motor homes range in length from 24 to 42 feet.

Unit sales of our motor homes for the last five fiscal years were as follows:

Units	Year Ended ⁽¹⁾									
	August 25, 2012		August 27, 2011		August 28, 2010		August 29, 2009		August 30, 2008	
Class A	2,579	55.6%	2,436	55.4%	2,452	55.3%	822	37.4%	3,029	47.3%
Class B	319	6.9%	103	2.3%	236	5.3%	149	6.8%	140	2.2%
Class C	1,744	37.6%	1,856	42.2%	1,745	39.4%	1,225	55.8%	3,238	50.5%
Total motor homes	4,642	100.0%	4,395	100.0%	4,433	100.0%	2,196	100.0%	6,407	100.0%

⁽¹⁾ The fiscal year ended August 30, 2008 contained 53 weeks; all other fiscal years contained 52 weeks.

Towable RVs. A towable is a non-motorized vehicle that connects to a ball hitch mounted on the tow vehicle and is used as temporary living quarters for recreational travel. We manufacture and sell conventional travel trailers which are towed by means of

a hitch attached to the frame of the towing vehicle and fifth wheel trailers which are constructed with a raised forward section that is connected to the vehicle with a special fifth wheel hitch.

Our towable product offerings for the 2013 model year are as follows:

Type	Sunnybrook	Winnebago
Travel trailer	Sunset Creek Sport, Raven, Remington	Winnebago One, Winnebago Minnie, Winnebago Ultra
Fifth wheel	Raven, Remington	Winnebago Lite Five

Our travel trailers and fifth wheels are sold by dealers in the retail market with manufacturer's suggested retail prices ranging from approximately \$16,000 to \$48,000, depending on size and model, plus optional equipment and delivery charges. Our towables range in length from 18 to 37 feet. All new units purchased receive a comprehensive 12-month warranty. Unit sales of our towables were 1,372 travel trailers and 966 fifth wheels for Fiscal 2012 and 575 travel trailers and 194 fifth wheels for Fiscal 2011.

Motor Home Parts and Services. Motor home parts and service activities represent revenues generated by service work we perform for retail customers at our Forest City, Iowa facility and parts we sell to our dealers. As of August 25, 2012, our parts inventory was approximately \$2.4 million and is located in a 450,000-square foot warehouse with what we believe to be the most sophisticated distribution and tracking system in the industry. Our competitive strategy is to provide proprietary manufactured parts through our dealer network, which we believe increases customer satisfaction and the value of our motor homes.

Other Manufactured Products. We manufacture aluminum extrusions which are sold to approximately 80 customers. To a limited extent, we manufacture other component parts sold to outside manufacturers. We also manufacture commercial vehicles which are motor home shells, primarily custom designed for the buyer's special needs and requirements, such as law enforcement command centers and mobile medical and dental clinics. These commercial vehicles are sold through our dealer network.

Production

We generally produce motor homes and towables to order from dealers. We have the ability to increase our capacity by scheduling overtime and/or hiring additional production employees or to decrease our capacity through the use of shortened workweeks and/or reducing head count. We have long been known as an industry leader in innovation as each year we introduce new or redesigned products. These changes generally include new floor plans and sizes as well as design and decor modifications.

Our motor homes are produced in the state of Iowa at two different campuses. Our Forest City facilities have been designed to provide vertically integrated production line manufacturing. We also operate an assembly plant and a cabinet products manufacturing facility in Charles City, Iowa. Our 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 our standards and requirements. We manufacture a number of components utilized in our motor homes, with the principal exceptions being chassis, engines, generators and appliances.

Most of our raw materials such as steel, aluminum, fiberglass and wood products are obtainable from numerous sources. Certain parts, especially motor home chassis, are available from a small group of suppliers. We are currently purchasing Class A and C chassis from Ford Motor Company, Mercedes-Benz USA (a Daimler company) and Mercedes-Benz Canada (a Daimler company) and Class A chassis from Freightliner Custom Chassis Corporation (a Daimler company). Class B chassis are purchased from Mercedes-Benz USA and Mercedes-Benz Canada. In Fiscal 2012, only three vendors, Ford Motor Company, Freightliner Custom Chassis Corporation and Mercedes-Benz (USA and Canada combined) individually accounted for more than 10% of our raw material purchases and approximating 42% in the aggregate.

Our towables are produced at an assembly plant located in Middlebury, Indiana. The majority of components are comprised of frames, appliances and furniture and are purchased from suppliers.

Backlog

As of August 25, 2012, we had a backlog for our motor homes of 1,473 units with an approximate revenue value of \$163.7 million. In comparison as of August 27, 2011, our backlog was 681 units with an approximate revenue value of \$74.7 million. As of August 25, 2012, we had a backlog for our towables of 411 units with an approximate revenue value of \$8.8 million. In comparison as of August 27, 2011, our backlog was 293 units with an approximate revenue value of \$6.7 million. A more detailed description of our motor home and towable order backlog is included in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Distribution and Financing

We market our RVs on a wholesale basis to a diversified independent dealer organization located throughout the US and, to a limited extent, in Canada. Foreign sales, including Canada, were 10% or less of net revenues during each of the past three fiscal years. See Note 15 to our Financial Statements of this Annual Report on Form 10-K.

As of August 25, 2012 and August 27, 2011, our motor home dealer organization in the US and Canada included approximately 235 and 225 dealer locations, respectively. We have a number of dealers that carry our Winnebago, Itasca and Era brands; we count each motor home dealer location only once regardless of how many of our brands are offered at each such dealer location. Our towable dealer organization consisted of 232 and 172 dealer locations as of August 25, 2012 and August 27, 2011, respectively, across the US and Canada. Many of our towable dealerships also carry more than one of the towable product lines, but each dealership is counted only once in the number of towable dealer locations. One of our dealer organizations, FreedomRoads, LLC, accounted for 26% of our net revenue for Fiscal 2012, as they sold our products in 62 of their dealership locations across 26 US states.

We have sales and service agreements with dealers which generally have a term of ten years but are subject to annual review. Many of the dealers are also engaged in other areas of business, including the sale of automobiles, trailers or boats, and many dealers carry one or more competitive lines of recreation vehicles. We continue to place high emphasis on the capability of our dealers to provide complete service for our recreation vehicles. Dealers are obligated to provide full service for owners of our recreation vehicles or, in lieu thereof, to secure such service from other authorized providers.

We advertise and promote our products through national RV magazines, the distribution of product brochures, the Go RVing national advertising campaign sponsored by RVIA, direct-mail advertising campaigns, various national promotional opportunities and on a local basis through trade shows, television, radio and newspapers, primarily in connection with area dealers.

Recreation vehicle sales to dealers are made on cash terms. Most dealers are financed on a "floorplan" basis under which a bank or finance company lends the dealer all, or substantially all, of the purchase price, collateralized by a security interest in the merchandise purchased. As is customary in the recreation vehicle industry, we typically enter into a repurchase agreement with a lending institution financing a dealer's purchase of our product upon the lending institution's request and after completion of a credit check of the dealer involved. Our repurchase agreements provide that for up to 18 months after a unit is financed, in the event of default by the dealer on the agreement to pay the lending institution and repossession of the unit(s) by the lending institution, we will repurchase the financed merchandise. Our maximum exposure for repurchases varies significantly from time to time, depending upon general economic conditions, seasonal shipments, competition, dealer organization, gasoline availability and access to and the cost of financing. See Note 11.

Competition

The RV market is highly competitive with many other manufacturers selling products which compete directly with our products. Some of our competitors are much larger than us most notably in the towable RV market, which may provide them additional purchasing power. Also, some of our competitors went through Chapter 11 bankruptcy protection during calendar 2009 and their assets were purchased without many of their liabilities (e.g. warranty, product liability, workers' compensation), which we believe reduced their cost structure as compared to ours. The competition in the RV industry is based upon design, price, quality and service of the products. We believe our principal competitive advantages are our brand strength, product quality and our service after the sale. We also believe that our motor home products have historically commanded a price premium as a result of these competitive advantages.

Seasonality

The primary use of RVs for leisure travel and outdoor recreation has historically led to a peak retail selling season concentrated in the spring and summer months. Our sales of RVs are generally influenced by this pattern in retail sales, but can also be affected by the level of dealer inventory. Our products are generally manufactured against orders from dealers.

Regulations, Trademarks and Patents

We are subject to a variety of federal, state and local laws and regulations, including the MVA, under which the National Highway Traffic Safety Administration may require manufacturers to recall recreation 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." We are also subject to regulations established by OSHA. Our facilities are periodically inspected by federal and state agencies, such as OSHA. We are a member of RVIA, a voluntary association of RV manufacturers which promulgates RV safety standards. We place an RVIA seal on each of RVs to certify that the RVIA standards have been met. We believe that our products and facilities comply in all material respects with the applicable vehicle safety, consumer protection, RVIA and OSHA regulations and standards.

Our operations are subject to a variety of federal and state environmental laws and regulations relating to the use, generation, storage, treatment, emission and disposal of hazardous materials and wastes and noise pollution. We believe that we currently are in compliance with applicable environmental laws and regulations in all material aspects.

We have several registered trademarks associated with our motor homes which include: Access, Adventurer, Aspect, Cambria, Chalet, Destination, Ellipse, Era, Impulse, Itasca, Journey, Latitude, Meridian, Navion, Outlook, Reyo, Rialta, Sightseer, Spirit, Suncruiser, Sundancer, Sunova, Sunrise, Sunstar, Tour, Vectra, Via, View, Vista, Voyage, and Winnebago. Winnebago of Indiana, LLC also has several registered trademarks associated with their towable products which include: Bristol Bay, Brookside, Sunnybrook, Sunset Creek, West Pointe, and Raven. We believe that our trademarks and trade names are significant to our

business and we will vigorously protect them against infringement. We are not dependent upon any patents or technology licenses of others for the conduct of our business.

Research and Development

Research and development expenditures are expensed as incurred. During Fiscal 2012, 2011 and 2010, we spent approximately \$3.4 million, \$3.3 million and \$3.2 million, respectively on research and development activities.

Human Resources

At the end of Fiscal 2012, 2011 and 2010, we employed approximately 2,380, 2,130 and 1,950 persons, respectively. None of our employees are covered under a collective bargaining agreement. We believe our relations with our employees are good.

Executive Officers of the Registrant

Name	Office (Year First Elected an Officer)	Age
Randy J. Potts ⁽¹⁾	Chairman of the Board, Chief Executive Officer and President (2006)	53
Steven Scott Degnan	Vice President, Sales and Product Management (2012)	47
Scott C. Folkers	Vice President, General Counsel & Secretary (2012)	50
Robert L. Gossett	Vice President, Administration (1998)	61
Daryl W. Krieger	Vice President, Manufacturing (2010)	49
Sarah N. Nielsen	Vice President, Chief Financial Officer (2005)	39
William J. O'Leary	Vice President, Product Development (2001)	63
Donald L. Heidemann	Treasurer and Director of Finance (2007)	40

⁽¹⁾ Director

Officers are elected annually by the Board of Directors. There are no family relationships between or among any of the Corporate Officers or Directors of the Company.

Mr. Potts has over 29 years of experience with Winnebago Industries. He has been Chairman of the Board since January 2012, Chief Executive Officer since June 2011, and President since January 2011. Prior to that time, he served as Senior Vice President, Strategic Planning from November 2009 to June 2011, Vice President, Manufacturing from October 2006 to November 2009, Director of Manufacturing from February 2006 to October 2006 and as General Manager of Manufacturing Services from November 2000 to February 2006.

Mr. Degnan joined Winnebago Industries in May 2012, as Vice President of Sales and Product Management. Prior to joining Winnebago Industries, Mr. Degnan served as vice president of sales for Riverside, California's MVP RV from 2010 to 2012. He also previously served in management and sales positions with Coachmen RV from 2008 to 2010, with National RV from 2007 to 2008, and Fleetwood Enterprises from 1987 to 2007.

Mr. Folkers joined Winnebago Industries in August 2010, as assistant general counsel. He was elected to the position of Vice President, General Counsel and Secretary in June 2012. Prior to joining Winnebago Industries, Mr. Folkers was employed as in-house counsel for John Morrell & Co., in Sioux Falls, SD from 1998 to 2010. Mr. Folkers is a member of the Iowa Bar Association.

Mr. Gossett has over 13 years of experience with Winnebago Industries. He has been Vice President, Administration since joining the Company in 1998.

Mr. Krieger has over 28 years of experience with Winnebago Industries. He has been Vice President, Manufacturing since May 2010. Prior to that time, he served as Director of Manufacturing from November 2009 to May 2010 and General Manager - Fabrication from February 2002 to November 2009.

Ms. Nielsen has seven years of experience with Winnebago Industries. She has been Vice President and Chief Financial Officer since November 2005. Ms. Nielsen joined the Company in August 2005 as Director of Special Projects and Training. Prior to joining Winnebago Industries, she was employed as a senior audit manager at Deloitte & Touche LLP, where she worked from 1995 to 2005. Ms. Nielsen is a Certified Public Accountant.

Mr. O'Leary has over 40 years of experience with Winnebago Industries. He has been Vice President, Product Development since 2001.

Mr. Heidemann has five years of experience with Winnebago Industries. He was elected to the position of Treasurer in August 2007 and added Director of Finance responsibilities in August 2011. Prior to joining Winnebago Industries, Mr. Heidemann served in various treasury positions for Select Comfort Corporation from 2003 to July 2007 and served in various treasury positions for Rent-A-Center Incorporated from 1998 to 2003.

Item 1A. Risk Factors

The following risk factors should be considered carefully in addition to the other information contained in this Annual Report on Form 10-K. The risks and uncertainties described below are not the only ones we face, but represent the most significant risk factors that we believe may adversely affect the RV industry and our business, operations or financial position. The risks and uncertainties discussed in this report are not exclusive and other risk factors that we may consider immaterial or do not anticipate may emerge as significant risks and uncertainties.

Risks Related to Our Business

Competition

The market for recreation vehicles is very competitive. Competition in this industry is based upon price, design, value, quality and service. There can be no assurance that existing or new competitors will not develop products that are superior to our recreation vehicles or that achieve better consumer acceptance, thereby adversely affecting market share, sales volume and profit margins. Some of our competitors are much larger than us, most notably in the towable recreation vehicle market, which may provide them additional purchasing power. Also, some of our competitors went through Chapter 11 bankruptcy proceedings and their assets were purchased without many of their liabilities (e.g. warranty, product liability, workers' compensation) which we believe lowered their cost structure as compared to ours. These competitive pressures may continue to have a material adverse effect on our results of operations.

General Economic Conditions and Certain Other External Factors

Companies within the recreation vehicle industry are subject to volatility in operating results due primarily to general economic conditions. Specific factors affecting the recreation vehicle industry include:

- overall consumer confidence and the level of discretionary consumer spending;
- employment trends;
- the adverse impact of global tensions on consumer spending and travel-related activities; and
- adverse impact on margins of increases in raw material costs which we are unable to pass on to customers without negatively affecting sales.

Credit Availability and Interest Rates to Dealers and Retail Purchasers

Our business is affected by the availability and terms of the financing to dealers. Generally, recreation vehicle dealers finance their purchases of inventory with financing provided by lending institutions. Two financial flooring institutions held 80% of our total financed dealer inventory dollars that were outstanding at August 25, 2012. In the event that either or both of these lending institutions limit or discontinue dealer financing, we could experience a material adverse effect on our results of operations. Our business is also affected by the availability and terms of financing to retail purchasers. Retail buyers purchasing a motor home or towable may elect to finance their purchase through the dealership or a financial institution of their choice. Substantial increases in interest rates or decreases in the general availability of credit for our dealers or for the retail purchaser may have an adverse impact upon our business and results of operations.

Maintaining Adequate Liquidity and Capital Resources

We have historically generated revenues from our operations to pay operating expenses, buy back stock and, prior to Fiscal 2009, pay cash dividends. We have taken a number of steps, as discussed in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Analysis of Financial Condition, Liquidity and Resources" below, to maintain our cash position and ensure liquidity. However, challenging market conditions that reduce demand for our products could weaken our liquidity position and materially adversely affect net revenues available for anticipated cash needs. To the extent the initiatives we undertake are not successful or we are unable to successfully implement alternative actions, our ability to cover both short-term and long-term operation requirements would be significantly adversely affected.

Cyclicality and Seasonality

The recreation vehicle industry has been characterized by cycles of growth and contraction in consumer demand, reflecting prevailing economic and demographic conditions, which affect disposable income for leisure-time activities. Consequently, the results for any prior period may not be indicative of results for any future period.

Seasonal factors, over which we have no control, also have an effect on the demand for our products. Demand in the recreation vehicle industry generally declines over the winter season, while sales are generally highest during the spring and summer months. Also, unusually severe weather conditions in some markets may impact demand.

Integration of Acquisitions

In Fiscal 2011 we made an acquisition of a towable manufacturer. The integration and introduction of new models of recreation vehicles is important to our future growth. We may incur unexpected expenses and the acceptance of a new product line is uncertain. We may not be able to obtain efficiencies of scale in back office processes or obtain expected purchasing efficiencies

via increased volume from mutual suppliers.

Potential Loss of a Large Dealer Organization

One of our dealer organizations, FreedomRoads, LLC, accounted for 26% of our net revenue for Fiscal 2012, as they sold our products in 62 of their dealership locations across 26 US states. The loss of this dealer organization could have a significant adverse effect on our business. In addition, deterioration in the liquidity or creditworthiness of FreedomRoads, LLC could negatively impact our sales and could trigger repurchase obligations under our repurchase agreements.

Potential Repurchase Liabilities

In accordance with customary practice in the RV industry, upon request we enter into formal repurchase agreements with lending institutions financing a dealer's purchase of our products. In these repurchase agreements we agree, in the event of a default by an independent dealer in its obligation to a lender and repossession of the unit(s) by the lending institution, to repurchase units at declining prices over the term of the agreements, which can last up to 18 months. The difference between the gross repurchase price and the price at which the repurchased product can then be resold, which is typically at a discount to the gross repurchase price, represents a potential expense to us. In certain instances, we also repurchase inventory from our dealers due to state law or regulatory requirements that govern voluntary or involuntary terminations. If we are obligated to repurchase a substantially larger number of RVs in the future, this would increase our costs and could have a material adverse effect on our results of operations.

Fuel Availability and Price Volatility

Gasoline or diesel fuel is required for the operation of motorized recreation vehicles. There can be no assurance that the supply of these petroleum products will continue uninterrupted or that the price or tax on these petroleum products will not significantly increase in the future. Fuel shortages and substantial increases in fuel prices have had a material adverse effect on the recreation vehicle industry as a whole in the past and could have a material adverse effect on us in the future.

Dependence on Suppliers

Most of our RV components are readily available from numerous sources. However, a few of our components are produced by a small group of quality suppliers. In the case of motor home chassis, Ford Motor Company, Freightliner Custom Chassis Corporation and Mercedes-Benz (USA and Canada) are our major suppliers. Our relationship with our chassis suppliers is similar to our other supplier relationships in that no special contractual commitments are engaged in by either party. Historically, chassis suppliers resort to an industry-wide allocation system during periods when supply is restricted. These allocations have been based on the volume of chassis previously purchased. Sales of motor homes rely on chassis and are affected accordingly. Decisions by our suppliers to decrease production, production delays, or work stoppages by the employees of such suppliers could have a material adverse effect on our ability to produce motor homes and ultimately, on the results of operations.

Warranty Claims

We receive warranty claims from our dealers in the ordinary course of our business. Although we maintain reserves for such claims, which to date have been adequate, there can be no assurance that warranty expense levels will remain at current levels or that such reserves will continue to be adequate. A significant increase in warranty claims exceeding our current warranty expense levels could have a material adverse effect on our results of operations, financial condition and cash flows.

In addition to the costs associated with the contractual warranty coverage provided on our products, we also occasionally incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. Although we estimate and reserve for the cost of these service actions, there can be no assurance that expense levels will remain at current levels or such reserves will continue to be adequate.

Product Liability

We are subject, in the ordinary course of business, to litigation including a variety of warranty, "Lemon Law" and product liability claims typical in the recreation vehicle industry. We have an insurance policy covering product liability, however, we are self-insured for a portion of product liability claims. We cannot be certain that our insurance coverage will be sufficient to cover all future claims against us, which may have a material adverse effect on our results of operations and financial condition. Any increase in the frequency and size of these claims, as compared to our experience in prior years, may cause the premium that we are required to pay for insurance to rise significantly. It may also increase the amounts we pay in punitive damages, not all of which are covered by our insurance. In addition, if these claims rise to a level of frequency or size that are significantly higher than similar claims made against our competitors, our reputation and business may be harmed.

Information Systems and Web Applications

We rely on our information systems and web applications to support our business operations, including but not limited to procurement, supply chain, manufacturing, distribution, warranty administration, invoicing and collection of payments. We use information systems to report and audit our operational results. Additionally, we rely upon information systems in our sales,

marketing, human resources and communication efforts. Due to our reliance on our information systems, our business processes may be negatively impacted in the event of substantial disruption of service. Further, misuse, leakage or falsification of information could result in a violation of privacy laws and damage our reputation which could, in turn, have a negative impact on our results.

Government Regulation

We are subject to numerous federal, state and local regulations governing the manufacture and sale of our products, including the provisions of the MVA, and the safety standards for recreation vehicles and components which have been established under the Motor Vehicle Act by the Department of Transportation. The MVA authorizes the National Highway Traffic Safety Administration to require a manufacturer to recall and repair vehicles which contain certain hazards or defects. Any major recalls of our vehicles, voluntary or involuntary, could have a material adverse effect on our results of operations, financial condition and cash flows. While we believe we are substantially in compliance with the foregoing laws and regulations as they currently exist, amendments to any of these regulations or the implementation of new regulations could significantly increase the cost of manufacturing, purchasing, operating or selling our products and could have a material adverse effect on our results of operations. In addition, our failure to comply with present or future regulations could result in fines being imposed on us, potential civil and criminal liability, suspension of sales or production or cessation of operations.

We are also subject to federal and numerous state consumer protection and unfair trade practice laws and regulations relating to the sale, transportation and marketing of motor vehicles, including so-called "Lemon Laws." Federal and state laws and regulations also impose upon vehicle operators various restrictions on the weight, length and width of motor vehicles, including motor homes that may be operated in certain jurisdictions or on certain roadways. Certain jurisdictions also prohibit the sale of vehicles exceeding length restrictions.

Finally, federal and state authorities also have various environmental control standards relating to air, water, noise pollution and hazardous waste generation and disposal which affect us and our operations. Failure by us to comply with present or future laws and regulations could result in fines being imposed on us, potential civil and criminal liability, suspension of production or operations, alterations to the manufacturing process, or costly cleanup or capital expenditures, any or all of which could have a material adverse effect on our results of operations.

Risks Related to Our Company

Anti-takeover Effect

Provisions of our articles of incorporation, by-laws, the Iowa Business Corporation Act and provisions in our credit facilities that we may enter into from time to time could make it more difficult for a third party to acquire us, even if doing so would be perceived to be beneficial by our shareholders. The combination of these provisions effectively inhibits a non-negotiated merger or other business combination, which, in turn, could adversely affect the market price of our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal manufacturing, maintenance and service operations are conducted in multi-building complexes owned or leased by us. The following sets forth our material facilities as of August 25, 2012:

Location	Facility Type/Use	# of Buildings	Owned or Leased	Square Footage
Forest City, Iowa	Manufacturing, maintenance, service and office	30	Owned	1,558,000
Forest City, Iowa	Warehouse	4	Owned	702,000
Charles City, Iowa	Manufacturing	2	Owned	161,000
Hampton, Iowa	Assets Held for Sale (Manufacturing)	2	Owned	135,000
Middlebury, Indiana	Manufacturing and office	4	Leased	277,000
		42		2,833,000

The facilities that we own in Forest City, Charles City and Hampton are located on approximately 500 acres of land. We lease 244,000 square feet of our warehouse facilities in Forest City to others. Most of our 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. We believe that our facilities and equipment are well maintained, in excellent condition and suitable for the purposes for which they are intended.

Subsequent to August 25, 2012, on August 30, 2012, the Hampton facility held for sale was sold, as further described in Note 6.

In January 2011, we entered into a five-year lease agreement with FFT Land Management for real property consisting of four buildings and approximately 30 acres of land located in Middlebury, Indiana. The buildings are being utilized to manufacture

towable trailers. See further discussion in Note 19.

Under terms of our credit facility, as further described in Note 8, we have encumbered substantially all of our real property for the benefit of the lender under such facility.

Item 3. Legal Proceedings

We are involved in various legal proceedings which are ordinary routine litigation incidental to our business, some of which are covered in whole or in part by insurance. We believe, while the final resolution of any such litigation may have an impact on our results for a particular reporting period, the ultimate disposition of such litigation will not have any material adverse effect on our financial position, results of operations or liquidity.

Item 4. Mine Safety Disclosure

Not Applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is listed on the New York and Chicago Stock Exchanges with the ticker symbol of WGO.

Below are the New York Stock Exchange high, low and closing prices of Winnebago Industries, Inc. common stock for each quarter of Fiscal 2012 and Fiscal 2011:

Fiscal 2012	High	Low	Close	Fiscal 2011	High	Low	Close
First Quarter	\$ 8.95	\$ 6.02	\$ 6.07	First Quarter	\$ 12.25	\$ 8.35	\$ 10.54
Second Quarter	10.51	6.15	9.44	Second Quarter	16.60	10.20	14.22
Third Quarter	10.65	8.14	9.08	Third Quarter	15.77	11.25	11.52
Fourth Quarter	11.46	8.50	11.01	Fourth Quarter	11.74	6.31	7.14

Holdings

Shareholders of record as of October 9, 2012: 3,343

Dividends Paid Per Share

On October 15, 2008, our Board of Directors suspended future cash dividend payments in order to conserve capital and to maintain liquidity. No dividends have been paid since the first quarter of Fiscal 2009.

Our credit facility, as further described in Note 8, also contained covenants that limited our ability, among other things, to pay cash dividends without the consent of Wells Fargo, as Agent and the lenders thereunder, in their sole discretion.

Issuer Purchases of Equity Securities

Our credit facility, as further described in Note 8, contained covenants that limited our ability, among other things, except for limited purchases of our common stock from employees, to make distributions or payments with respect to or purchases of our common stock without consent. On July 2, 2012, we obtained a letter of consent from our former lender Wells Fargo, waiving the restriction on repurchasing common stock and allowing repurchases up to \$35.0 million.

On December 19, 2007, the Board of Directors authorized the repurchase of outstanding shares of our common stock, depending on market conditions, for an aggregate consideration of up to \$60 million. There is no time restriction on this authorization. During Fiscal 2012, approximately 628,000 shares were repurchased under the authorization, at an aggregate cost of approximately \$6.6 million. Approximately 38,000 of these shares were repurchased from employees who vested in Winnebago Industries shares during the fiscal year and elected to pay their payroll tax via shares as opposed to cash. As of August 25, 2012, there was approximately \$52.6 million remaining under this authorization.

This table provides information with respect to purchases by us of shares of our common stock during each fiscal month of the fourth quarter of Fiscal 2012:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
5/27/12 - 06/30/12	1,623	\$ 8.63	1,623 ⁽¹⁾	\$ 58,888,000
07/01/12 - 07/28/12	279,418	\$ 10.40	279,418	\$ 55,983,000
07/29/12 - 08/25/12	311,143	\$ 10.74	311,143	\$ 52,640,000
Total	592,184	\$ 10.57	592,184 ⁽¹⁾	\$ 52,640,000

Equity Compensation Plan Information

The following table provides information as of August 25, 2012 with respect to shares of our common stock that may be issued under our existing equity compensation plans:

(Adjusted for the 2-for-1 Stock Split on March 5, 2004) Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in (a))
Equity compensation plans approved by shareholders	727,664 ⁽¹⁾	\$ 29.08	3,008,232 ⁽²⁾
Equity compensation plans not approved by shareholders ⁽³⁾	117,535 ⁽⁴⁾	12.38	— ⁽⁵⁾
Total	845,199	\$ 26.75	3,008,232

⁽¹⁾ This number includes 568,126 stock options granted under the 2004 Incentive Compensation Plan, as amended (the "Plan"). Also included are 159,538 options granted under the 1997 Stock Option Plan.

⁽²⁾ This number represents stock options available for grant under the Plan as of August 25, 2012. The Plan replaced the 1997 Stock Option Plan effective January 1, 2004. No new grants may be made under the 1997 Stock Option Plan. Any stock options previously granted under the 1997 Stock Option Plan will continue to be exercisable in accordance with their original terms and conditions.

⁽³⁾ Our sole equity compensation plan not previously submitted to our shareholders for approval is the Directors' Deferred Compensation Plan. The Board of Directors may terminate the Directors' Deferred Compensation Plan at any time. If not terminated earlier, the Directors' Deferred Compensation Plan will automatically terminate on June 30, 2013. For a description of the key provisions of the Directors' Deferred Compensation Plan, see the information in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 18, 2012 under the caption "Director Compensation," which information is incorporated by reference herein.

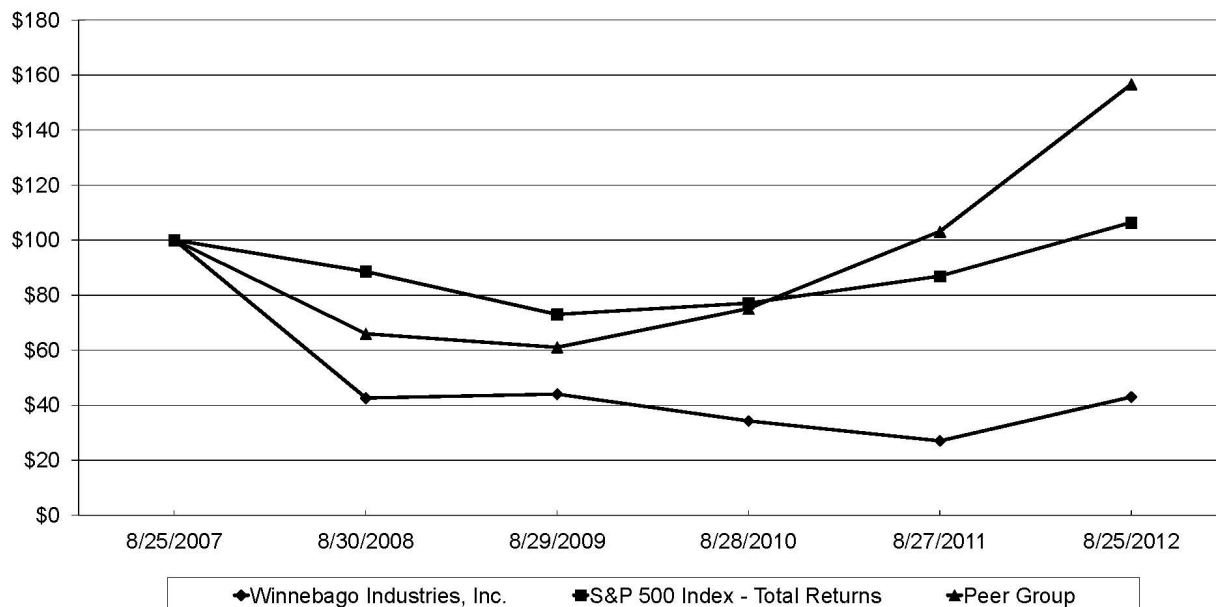
⁽⁴⁾ Represents shares of common stock issued to a trust which underlie stock units, payable on a one-for-one basis, credited to stock unit accounts as of August 25, 2012 under the Directors' Deferred Compensation Plan.

⁽⁵⁾ The table does not reflect a specific number of stock units which may be distributed pursuant to the Directors' Deferred Compensation Plan. The Directors' Deferred Compensation Plan does not limit the number of stock units issuable thereunder. The number of stock units to be distributed pursuant to the Directors' Deferred Compensation Plan will be based on the amount of the director's compensation deferred and the per share price of our common stock at the time of deferral.

Performance Graph

The following graph compares our five-year cumulative total shareholder return (including reinvestment of dividends) with the cumulative total return on the Standard & Poor's 500 Index and a peer group. The peer group companies consisting of Thor Industries, Inc., Polaris Industries, Inc. and Brunswick Corporation were selected by us as they also manufacture recreation products. It is assumed in the graph that \$100 was invested in our common stock, in the Standard & Poor's 500 Index and in the stocks of the peer group companies on August 26, 2006 and that all dividends received within a quarter were reinvested in that quarter. In accordance with the guidelines of the SEC, the shareholder return for each entity in the peer group index has been weighted on the basis of market capitalization as of each annual measurement date set forth in the graph.

**Comparison of 5 Year Cumulative Total Return
Assumes Initial Investment of \$100**



Company/Index	Base Period					
	8/25/07	8/30/08	8/29/09	8/28/10	8/27/11	8/25/12
Winnebago Industries, Inc.	100.00	42.57	44.03	34.29	27.06	43.01
S&P 500 Index	100.00	88.57	72.99	77.05	86.86	106.38
Peer Group	100.00	65.93	61.03	75.09	103.08	156.62

Item 6. Selected Financial Data (See pages 63 and 64)

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

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. Our MD&A is presented in eight sections:

- [Executive Overview](#)
- [Industry Outlook](#)
- [Company Outlook](#)
- [Results of Operations](#)
- [Analysis of Financial Condition, Liquidity and Capital Resources](#)
- [Contractual Obligations and Commercial Commitments](#)
- [Critical Accounting Policies](#)
- [New Accounting Pronouncements](#)

Our MD&A should be read in conjunction with the Financial Statements and related Notes included in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

Executive Overview

Winnebago Industries, Inc. is a leading US manufacturer of RVs with a proud history of manufacturing RV products for more than 50 years. We produce all of our motor homes in vertically integrated manufacturing facilities in Iowa and we produce all travel trailer and fifth wheels ("towables") in Indiana. We distribute our products primarily through independent dealers throughout the US and Canada, who then retail the products to the end consumer.

Our retail unit market share, as reported by Stat Surveys, is as follows:

	Through August 31		Calendar Year		
	2012	2011	2011	2010	2009
US Retail Motorized:					
Class A gas	22.9%	22.3%	22.2%	23.7%	22.9%
Class A diesel	20.0%	17.2%	17.6%	15.2%	11.4%
Total Class A	21.7%	20.1%	20.2%	19.5%	16.6%
Class C	17.5%	16.6%	17.5%	17.9%	22.7%
Total Class A and C	19.7%	18.5%	19.0%	18.8%	19.1%
Class B	16.0%	4.7%	7.7%	15.6%	18.1%

	Through July 31		Calendar Year		
	2012	2011	2011	2010	2009
Canadian Retail Motorized:					
Class A gas	14.6%	16.3%	16.5%	14.9%	13.8%
Class A diesel	16.0%	19.3%	18.0%	9.9%	7.0%
Total Class A	15.1%	17.5%	17.1%	12.6%	10.0%
Class C	13.1%	17.0%	15.9%	13.8%	9.5%
Total Class A and C	14.0%	17.2%	16.5%	13.2%	9.8%
Class B	11.5%	3.0%	7.1%	4.8%	2.3%

	Through July 31		Calendar Year
	2012	2011	2011
US Retail Towables:			
Travel trailer	0.8%	0.6%	0.6%
Fifth wheel	1.0%	0.4%	0.5%
Total towables	0.8%	0.6%	0.6%

	Through July 31		Calendar Year
	2012	2011	2011
Canadian Retail Towables:			
Travel trailer	0.4%	0.3%	0.4%
Fifth wheel	1.0%	0.5%	0.5%
Total towables	0.5%	0.3%	0.4%

Presented in fiscal quarters, certain key metrics are shown below:

(In units)	Class A, B & C Motor Homes				Travel Trailers & Fifth Wheels			
	Wholesale Deliveries	Retail Registrations	As of Quarter End		Wholesale Deliveries	Retail Registrations	As of Quarter End	
			Dealer Inventory	Order Backlog			Dealer Inventory	Order Backlog
Q1	1,115	1,093	2,066	698	—	—	—	—
Q2	909	796	2,179	957	85	100	905	151
Q3	1,283	1,394	2,068	642	326	203	1,028	164
Q4	1,088	1,198	1,958	681	358	420	966	293
Fiscal 2011	4,395	4,481			769	723		
Q1	1,040	1,053	1,945	618	435	255	1,146	460
Q2	1,001	872	2,074	1,004	562	332	1,376	417
Q3	1,280	1,414	1,940	1,237	646	652	1,370	505
Q4	1,321	1,334	1,927	1,473	695	700	1,365	411
Fiscal 2012	4,642	4,673			2,338	1,939		

Highlights of Fiscal 2012:

Revenues were higher for Fiscal 2012 as compared to Fiscal 2011 with increased motor home and towable deliveries and increased average selling prices for all RV products due to the mix of higher priced products delivered. Operating income for Fiscal 2012 was lower as compared to the prior period most notably due to increased inflationary pressures and higher discounts incurred during the first half of Fiscal 2012 and the fact that Fiscal 2011 results included a \$3.5 million pre-tax benefit from the results of an annual physical inventory of work-in-process, due to lower actual inventory scrap and production loss. Quarterly results for the past two fiscal years are illustrated as follows:

(In thousands)	Revenues		Gross Profit		Gross Margin		Operating Income (Loss)		Operating Margin	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Q1	\$ 131,837	\$ 123,711	\$ 8,496	\$ 11,199	6.4%	9.1%	\$ 627	\$ 4,925	0.5 %	4.0%
Q2	131,600	106,593	6,846	11,324	5.2%	10.6%	(1,164)	4,050	(0.9)%	3.8%
Q3	155,709	135,568	12,071	8,703	7.8%	6.4%	3,527	538	2.3 %	0.4%
Q4	162,533	130,546	16,267	8,528	10.0%	6.5%	6,536	1,766	4.0 %	1.4%
Total	\$ 581,679	\$ 496,418	\$ 43,680	\$ 39,754	7.5%	8.0%	\$ 9,526	\$ 11,279	1.6 %	2.3%

Overall business started off weak in the first two quarters of Fiscal 2012, similar to the last two quarters of Fiscal 2011. As a result, our first quarter operating margin was negatively impacted by lower plant utilization due to shortened work weeks and our second quarter was negatively impacted by a higher level of discounts and sales incentives incurred. However, we saw marked improvement in motor home product demand in the second half of Fiscal 2012, through increased sales orders and retail registration activity, thus we began to increase our weekly production rate in the third and fourth quarters in response. The growth in motor home unit shipments of 5.6% in Fiscal 2012 occurred primarily as a result of increased deliveries in our fourth fiscal quarter. This overall growth is supported by increased retail demand experienced in Fiscal 2012.

For Fiscal 2012, Towables generated operating loss of \$744,000 compared to an operating loss of \$1.5 million in Fiscal 2011. Notably, we encountered operational challenges with this subsidiary in the fourth quarter of 2012 after reporting its first operationally profitable quarter for the third fiscal quarter. We are working to correct the operational headwinds through personnel and process changes and still believe this subsidiary can provide significant growth opportunity in future years.

Industry Outlook

Key statistics for the motor home industry are as follows:

US and Canada Industry Class A, B & C Motor Homes								
(In units)	Wholesale Shipments ⁽¹⁾				Retail Registrations ⁽²⁾			
	Calendar Year				Calendar Year			
	2011	2010	Increase (Decrease)	Change	2011	2010	Increase (Decrease)	Change
Q1	6,900	5,700	1,200	21.1 %	5,100	5,000	100	2.0 %
Q2	7,800	7,800	—	— %	8,200	8,400	(200)	(2.4)%
Q3	5,300	6,200	(900)	(14.5)%	6,100	6,100	—	— %
Q4	4,800	5,500	(700)	(12.7)%	4,600	4,600	—	— %
Total	24,800	25,200	(400)	(1.6)%	24,000	24,100	(100)	(0.4)%
(In units)	2012	2011	Increase (Decrease)	Change	2012	2011	Increase (Decrease)	Change
Q1	6,900	6,900	—	— %	5,700	5,100	600	11.8 %
Q2	7,600	7,800	(200)	(2.6)%	8,100	8,200	(100)	(1.2)%
July	2,000	1,700	300	17.6 %	2,500	2,100	400	19.0 %
August	2,500	1,900	600	31.6 %	1,900 ⁽⁴⁾	2,000		
September	1,900 ⁽³⁾	1,700	200	11.8 %	2,000 ⁽⁵⁾	2,000		
Q3	6,400 ⁽³⁾	5,300	1,100	20.8 %	6,100 ⁽⁵⁾	6,100		
Q4	5,100 ⁽³⁾	4,800	300	6.3 %	4,600 ⁽⁵⁾	4,600		
Total	26,000 ⁽³⁾	24,800	1,200	4.8 %	24,000	24,000		

⁽¹⁾ Class A, B and C wholesale shipments as reported by RVIA, rounded to the nearest hundred.

⁽²⁾ Class A, B and C retail registrations as reported by Stat Surveys for the US and Canada combined, rounded to the nearest hundred.

⁽³⁾ Monthly and quarterly 2012 Class A, B and C wholesale shipments for September and the third and fourth calendar quarters are based upon the forecast prepared by Dr. Richard Curtin of the University of Michigan Consumer Survey Research Center for RVIA and reported in the RoadSigns RV Fall 2012 Industry Forecast Issue. The revised RVIA annual 2012 wholesale shipment forecast is 25,100 and the annual forecast for 2013 is 25,500.

⁽⁴⁾ U.S. retail registrations for Class A, B and C for August, 2012. Canadian retail registrations are not yet available.

⁽⁵⁾ Stat Surveys has not issued a projection for 2012 retail demand for this period.

The size of the motorized retail market for each of the past three calendar years has been less than half of what the industry norms had been prior to the recession that began in December 2007.

Key statistics for the towable industry are as follows:

US and Canada Travel Trailer & Fifth Wheel Industry								
(In units)	Wholesale Shipments ⁽¹⁾				Retail Registrations ⁽²⁾			
	Calendar Year				Calendar Year			
	2011	2010	Increase (Decrease)	Change	2011	2010	Increase	Change
Q1	54,200	49,300	4,900	9.9 %	33,400	31,100	2,300	7.4%
Q2	66,000	62,300	3,700	5.9 %	75,000	69,400	5,600	8.1%
Q3	47,500	48,600	(1,100)	(2.3)%	59,400	57,200	2,200	3.8%
Q4	45,200	39,000	6,200	15.9 %	29,500	28,300	1,200	4.2%
Total	212,900	199,200	13,700	6.9 %	197,300	186,000	11,300	6.1%
(In units)	2012	2011	Increase	Change	2012	2011	Increase	Change
Q1	60,400	54,200	6,200	11.4 %	38,600	33,400	5,200	15.6%
Q2	71,100	66,000	5,100	7.7 %	79,000	75,000	4,000	5.3%
July	19,600	15,100	4,500	29.8 %	22,900	22,500	400	1.8%
August	21,000	18,100	2,900	16.0 %	20,900 ⁽⁴⁾	20,900		
September	16,500 ⁽³⁾	14,300	2,200	15.4 %	16,000 ⁽⁴⁾	16,000		
Q3	57,100 ⁽³⁾	47,500	9,600	20.2 %	59,400 ⁽⁴⁾	59,400		
Q4	48,200 ⁽³⁾	45,200	3,000	6.6 %	29,500 ⁽⁴⁾	29,500		
Total	236,800 ⁽³⁾	212,900	23,900	11.2 %	197,300	197,300		

⁽¹⁾ Towable wholesale shipments as reported by RVIA, rounded to the nearest hundred.

⁽²⁾ Towable retail registrations as reported by Stat Surveys for the US and Canada combined, rounded to the nearest hundred.

- ⁽³⁾ Monthly and quarterly 2012 towable wholesale shipments for September and the third and fourth calendar quarters are based upon the forecast prepared by Dr. Richard Curtin of the University of Michigan Consumer Survey Research Center for RVIA and reported in the RoadSigns RV Fall 2012 Industry Forecast Issue. The revised annual 2012 wholesale shipment forecast is 234,700 and the annual forecast for 2013 is 238,400.
- ⁽⁴⁾ Statistical Surveys has not issued a projection for 2012 retail demand for this period.

The towable retail market has not been as negatively impacted in recent years as the motorized market. The size of the towable market was nearly nine times larger than the motorized market on a unit basis in Calendar 2011. This is primarily due to the fact that average price of a towable unit is considerably less than a motor home.

Company Outlook

Based on our profitable operating results in Fiscal 2012 and Fiscal 2011, we believe that we have demonstrated our ability to maintain our liquidity, cover operations costs, recover fixed assets, and maintain physical capacity at present levels. Now that we have entered into the towable market, we have the potential to grow revenues and earnings in a market significantly larger than the motorized market.

As evidenced in the table below, our sales order backlog at the end of Fiscal 2012 significantly increased as compared to the end of Fiscal 2011. It has also increased sequentially from the end of our Fiscal 2012 third quarter, as previously illustrated. We believe the increase is a result of the positive dealer response to our new 2013 model year products introduced in late spring and increased retail registration activity of our products this past summer. As a result of the improved demand, we ramped up production throughout the fourth quarter of Fiscal 2012. We will continue to increase production during Fiscal 2013 to meet the growing demand for our products, while managing constraints as they present themselves in relation to labor and component parts.

We believe that the level of our dealer inventory at the end of Fiscal 2012 is lower than what it should be given the improved retail demand and increased sales order backlog of our product.

Our unit order backlog was as follows:

(In units)	As Of				Increase (Decrease)	% Change
	August 25, 2012		August 27, 2011			
Class A gas	642	43.6%	230	33.8%	412	179.1 %
Class A diesel	333	22.6%	177	26.0%	156	88.1 %
Total Class A	975	66.2%	407	59.8%	568	139.6 %
Class B	118	8.0%	71	10.4%	47	66.2 %
Class C	380	25.8%	203	29.8%	177	87.2 %
Total motor home backlog⁽¹⁾	1,473	100.0%	681	100.0%	792	116.3 %
Travel trailer	306	74.5%	187	63.8%	119	63.6 %
Fifth wheel	105	25.5%	106	36.2%	(1)	(0.9)%
Total towable backlog⁽¹⁾	411	100.0%	293	100.0%	118	40.3 %

Approximate backlog revenue in thousands

Motor home	\$ 163,725	\$ 74,704	\$ 89,021	119.2 %
Towable	\$ 8,776	\$ 6,669	\$ 2,107	31.6 %

⁽¹⁾ We include in our backlog all accepted purchase orders from dealers to be shipped within the next six months. Orders in backlog can be canceled or postponed at the option of the dealer at any time without penalty and, therefore, backlog may not necessarily be an accurate measure of future sales.

Impact of Inflation

Materials cost is the primary component in the cost of our products. Historically, the impact of inflation on our operations has not been significantly detrimental, as we have usually been able to adjust our prices to reflect the inflationary impact on the cost of manufacturing our products. While we have historically been able to pass on these increased costs, in the event we are unable to continue to do so due to market conditions, future increases in manufacturing costs could have a material adverse effect on our results of operations.

Results of Operations
Fiscal 2012 Compared to Fiscal 2011

The following is an analysis of changes in key items included in the statements of operations for the fiscal year ended August 25, 2012 compared to the fiscal year ended August 27, 2011:

(In thousands, except percent and per share data)	Year Ended					
	August 25, 2012	% of Revenues ⁽¹⁾	August 27, 2011	% of Revenues ⁽¹⁾	Increase (Decrease)	% Change
Net revenues	\$ 581,679	100.0 %	\$ 496,418	100.0 %	\$ 85,261	17.8 %
Cost of goods sold	537,999	92.5 %	456,664	92.0 %	81,335	17.8 %
Gross profit	43,680	7.5 %	39,754	8.0 %	3,926	9.9 %
Selling	16,837	2.9 %	14,251	2.9 %	2,586	18.1 %
General and administrative	17,267	3.0 %	14,263	3.0 %	3,004	21.1 %
Assets held for sale impairment and (gain), net	50	— %	(39)	— %	89	NMF
Operating expenses	34,154	5.9 %	28,475	5.7 %	5,679	19.9 %
Operating income	9,526	1.6 %	11,279	2.3 %	(1,753)	— %
Non-operating income	581	0.1 %	658	0.1 %	(77)	(11.7)%
Income before income taxes	10,107	1.7 %	11,937	2.4 %	(1,830)	(15.3)%
(Benefit) provision for taxes	(34,865)	(6.0)%	94	— %	(34,959)	NMF
Net income	\$ 44,972	7.7 %	\$ 11,843	2.4 %	\$ 33,129	279.7 %
Diluted income per share	\$ 1.54		\$ 0.41		\$ 1.13	275.6 %
Diluted average shares outstanding	29,207		29,148			

⁽¹⁾ Percentages may not add due to rounding differences.

Unit deliveries and ASP, net of discounts, consisted of the following:

(In units)	Year Ended					
	August 25, 2012	Product Mix % ⁽¹⁾	August 27, 2011	Product Mix % ⁽¹⁾	Increase (Decrease)	% Change
Motor homes:						
Class A gas	1,648	35.5%	1,518	34.5%	130	8.6 %
Class A diesel	931	20.1%	918	20.9%	13	1.4 %
Total Class A	2,579	55.6%	2,436	55.4%	143	5.9 %
Class B ⁽²⁾	319	6.9%	103	2.3%	216	209.7 %
Class C	1,744	37.6%	1,856	42.2%	(112)	(6.0)%
Total motor home deliveries	4,642	100.0%	4,395	100.0%	247	5.6 %
ASP (in thousands)	\$ 105		\$ 102		\$ 4	3.4 %
Towables:						
Travel trailer	1,372	58.7%	575	74.8%	797	397.9 %
Fifth wheel	966	41.3%	194	25.2%	772	138.6 %
Total towable deliveries	2,338	100.0%	769	100.0%	1,569	204.0 %
ASP (in thousands)	\$ 24		\$ 21		\$ 3	12.6 %

⁽¹⁾ Percentages may not add due to rounding differences.

⁽²⁾ Increase in Class B deliveries in Fiscal 2012 is due to the fact that we did not produce this product during model year 2011 but resumed production for model year 2012 in the last quarter of Fiscal 2011.

Net revenues consisted of the following:

(In thousands)	Year Ended								
	August 25, 2012		August 27, 2011		Increase (Decrease)		% Change		
Motor homes ⁽¹⁾	\$	483,532	83.1%	\$	443,232	89.3%	\$	40,300	9.1 %
Towables ⁽²⁾		56,784	9.8%		16,712	3.4%		40,072	100.0 %
Motor home parts and services		12,661	2.2%		13,105	2.6%		(444)	(3.4)%
Other manufactured products		28,702	4.9%		23,369	4.7%		5,333	22.8 %
Total net revenues	\$	581,679	100.0%	\$	496,418	100.0%	\$	85,261	17.2 %

⁽¹⁾ Motor home unit revenue less discounts, sales promotions and incentives, and accrued loss on repurchase adjustments.

⁽²⁾ Includes towable units and parts.

The increase in motor home net revenues of \$40.3 million or 9.1% was attributed to both an increase in motor home ASP of 3.4% and a 5.6% increase in unit deliveries when compared to Fiscal 2011. The increase in motor home ASP was primarily a result of more higher-priced Class A diesel units sold in Fiscal 2012.

Towables revenues were \$56.8 million in Fiscal 2012. SunnyBrook, which was acquired in the second quarter of Fiscal 2011, had revenues of \$16.7 million in Fiscal 2011.

Cost of goods sold was \$538.0 million, or 92.5% of net revenues for Fiscal 2012 compared to \$456.7 million, or 92.0% of net revenues for Fiscal 2011 due to the following:

- Total variable costs (materials, direct labor, variable overhead, delivery expense and warranty), as a percent of net revenues, increased to 85.3% this year from 84.0% last year which was due to inflationary commodity pressures experienced in the first half of the fiscal year that were not passed on. Also impacting our variable costs were the following two significant items:
 - In Fiscal 2011, our variable costs were positively impacted by a \$3.5 million favorable inventory adjustment as a result of the annual physical inventory. This adjustment in the aggregate favorably impacted our material, labor, variable overhead and fixed overhead costs by 0.7% as a percentage of net revenues in Fiscal 2011.
 - Our variable costs were favorably impacted by \$613,000, or 0.1%, of net revenues for Fiscal 2012 due to a LIFO inventory gain as a result of deflation, as compared to LIFO inventory expense of \$2.1 million, or 0.4%, of net revenues for Fiscal 2011.
- Fixed overhead (manufacturing support labor, depreciation and facility costs) and research and development-related costs decreased to 7.1% of net revenues compared to 8.0% for Fiscal 2011. With similar spending levels, the difference was due primarily to increased revenues in Fiscal 2012.
- All factors considered, gross profit decreased from 8.0% to 7.5% of net revenues.

Selling expenses increased \$2.6 million, or 18.1%, in Fiscal 2012. The expense increase was primarily due to selling expenses associated with Towables and increases in advertising expenses. As a percent of net revenues, selling expenses were 2.9% in both Fiscal 2012 and Fiscal 2011.

General and administrative expenses increased \$3.0 million, or 21.1%, in Fiscal 2012. This increase was due primarily to increases of \$2.1 million in incentives and increases in Towable operating expenses, partially offset by a reduction of legal expenses. As a percent of net revenues, general and administrative expenses were 3.0% and 2.9% in Fiscal 2012 and Fiscal 2011, respectively.

During Fiscal 2011 we realized a gain of \$644,000 on the sale of an idled assembly facility (CCMF) and recorded an impairment of \$605,000 on our Hampton facility, both assets held for sale. In the fourth quarter of Fiscal 2012 we recorded an additional impairment of \$50,000 on the Hampton facility. See Note 6.

Non-operating income decreased \$77,000 or 11.7%, in Fiscal 2012. This difference is primarily due to lower investment income. We also received proceeds from COLI policies in both Fiscal 2012 and Fiscal 2011. See Note 13.

The overall effective income tax rate for this year was a benefit of (345.0)% compared to an expense of 0.8% last year. The following table breaks down the two aforementioned tax rates:

(In thousands)	Year Ended			
	August 25, 2012		August 27, 2011	
	Amount	Effective Rate	Amount	Effective Rate
Tax expense on current operations	\$ 2,914	28.8 %	\$ 2,597	21.7 %
Valuation allowance decrease	(37,681)	(372.8)%	(2,013)	(16.8)%
Uncertain tax positions settlements and adjustments	(159)	(1.6)%	(490)	(4.1)%
Amended tax returns	61	0.6 %	—	— %
Total (benefit) provision for taxes	\$ (34,865)	(345.0)%	\$ 94	0.8 %

Tax expense on current operations

The primary reason for the increase in the overall effective tax expense rate on current operations is lower income tax credits and an increase in state taxes for this year compared to last year. Significant permanent deductions are income tax credits and tax-free income from COLI and student loan-related tax exempt securities. For further discussion of income taxes (which includes a reconciliation of the US statutory income tax rate to our effective tax rate), see Note 12.

Valuation allowance decrease

At the end of the fourth quarter of Fiscal 2012, we re-established almost all remaining deferred tax assets due to the fact that we are now in a three-year historical cumulative income position as opposed to a three-year historical loss position and that we have a positive future outlook. This resulted in a non-cash tax benefit of \$37.7 million through the reduction of our valuation allowance. For further discussion of deferred tax assets (which includes a table of all types of deferred tax assets), see Note 12.

During the fourth quarter of Fiscal 2011, we re-established a portion of our deferred tax assets due to the taxable earnings achieved in Fiscal 2011 which increased the likelihood of realizing a portion of gross deferred tax assets in the future. This resulted in a tax benefit of \$649,000 through the reduction of our valuation allowance. Also, the sale of CCMF resulted in a tax loss even though we incurred a gain for accounting purposes and we were able to utilize the associated deferred tax assets of \$685,000 as a current tax deduction and reduce the related valuation allowance accordingly. We were also able to utilize NOLs and tax credit deferred tax assets established in the prior year of \$479,000 due to taxable income earned in Fiscal 2011 and reduce the related valuation allowance accordingly.

Uncertain tax positions settlements and adjustments

During Fiscal 2012, benefits of \$159,000 were recorded as a result of adjustments to uncertain tax positions. During Fiscal 2011, benefits of \$490,000 were recorded as a result of adjustments to uncertain tax positions. For further discussion of income taxes, see Note 12.

Net income and diluted income per share were \$45.0 million and \$1.54 per share, respectively, for Fiscal 2012. In Fiscal 2011, the net income was \$11.8 million and diluted income was \$0.41 per share.

Fiscal 2011 Compared to Fiscal 2010

The following is an analysis of changes in key items included in the statements of operations for the fiscal year ended August 27, 2011 compared to the fiscal year ended August 28, 2010:

(In thousands, except percent and per share data)	Year Ended					
	August 27, 2011	% of Revenues ⁽¹⁾	August 28, 2010	% of Revenues ⁽¹⁾	Increase (Decrease)	% Change
Net revenues	\$ 496,418	100.0 %	\$ 449,484	100.0 %	\$ 46,934	10.4%
Cost of goods sold	456,664	92.0 %	423,217	94.2 %	33,447	7.9%
Gross profit	39,754	8.0 %	26,267	5.8 %	13,487	51.3%
Selling	14,251	2.9 %	12,724	2.8 %	1,527	12.0%
General and administrative	14,263	2.9 %	13,023	2.9 %	1,240	9.5%
Assets held for sale impairment and gain, net	(39)	— %	—	— %	(39)	NMF
Operating expenses	28,475	5.7 %	25,747	5.7 %	2,728	10.6%
Operating income	11,279	2.3 %	520	0.1 %	10,759	NMF
Non-operating income	658	0.1 %	222	— %	436	196.4%
Income before income taxes	11,937	2.4 %	742	0.2 %	11,195	NMF
Provision (benefit) for taxes	94	— %	(9,505)	(2.1)%	9,599	101.0%
Net income	\$ 11,843	2.4 %	\$ 10,247	2.3 %	\$ 1,596	15.6%
Diluted income per share	\$ 0.41		\$ 0.35		\$ 0.06	17.1%
Diluted average shares outstanding	29,148		29,101			

⁽¹⁾ Percentages may not add due to rounding differences.

Unit deliveries and ASP, net of discounts, consisted of the following:

(In units)	Year Ended					
	August 27, 2011	Product Mix % ⁽¹⁾	August 28, 2010	Product Mix % ⁽¹⁾	Increase (Decrease)	% Change
Motor homes:						
Class A gas	1,518	34.5%	1,483	33.4%	35	2.4 %
Class A diesel	918	20.9%	969	21.9%	(51)	(5.3)%
Total Class A	2,436	55.4%	2,452	55.3%	(16)	(0.7)%
Class B	103	2.3%	236	5.3%	(133)	(56.4)%
Class C	1,856	42.2%	1,745	39.4%	111	6.4 %
Total motor home deliveries	4,395	100.0%	4,433	100.0%	(38)	(0.9)%

ASP (in thousands)	\$ 102	\$ 96	\$ 6	6.3 %
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Towables:				
Travel trailer	575	74.8%		
Fifth wheel	194	25.2%		
Total towable deliveries	769	100.0%		

ASP (in thousands)	\$ 21
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⁽¹⁾ Percentages may not add due to rounding differences.

Net revenues consisted of the following:

(In thousands)	Year Ended								
	August 27, 2011		August 28, 2010		Increase (Decrease)	% Change			
Motor homes ⁽¹⁾	\$	443,232	89.3%	\$	415,277	92.4%	\$	27,955	6.7 %
Towables ⁽²⁾		16,712	3.4%		—	—%		16,712	100.0 %
Motor home parts and services		13,105	2.6%		13,655	3.0%		(550)	(4.0)%
Other manufactured products		23,369	4.7%		20,552	4.6%		2,817	13.7 %
Total net revenues	\$	496,418	100.0%	\$	449,484	100.0%	\$	46,934	10.4 %

⁽¹⁾ Motor home unit revenue less discounts, sales promotions and incentives, and accrued loss on repurchase adjustments.

⁽²⁾ Includes towable units and parts.

The increase in motor home net revenues of \$28.0 million or 6.7% in Fiscal 2011 was entirely attributed to an increase in motor home ASP, which was also 6.7%, as unit deliveries were essentially flat compared to Fiscal 2010. The increase in motor home ASP was primarily a result of more higher-priced Class A diesel units sold in Fiscal 2011.

Towables revenues of \$16.7 million were incremental in Fiscal 2011 and represented revenue since the SunnyBrook acquisition date of December 29, 2010.

Cost of goods sold was \$456.7 million, or 92.0% of net revenues for Fiscal 2011 compared to \$423.2 million, or 94.2% of net revenues for Fiscal 2010 due to the following:

- Total variable costs (materials, direct labor, variable overhead, delivery expense and warranty), as a percent of net revenues, decreased to 84.0% in Fiscal 2011 from 85.2% in Fiscal 2010 which was primarily a result of increased sales volume. Also impacting our variable costs were the following two significant items:
 - Our variable costs were positively impacted by an inventory adjustment as a result of the annual physical inventory performed in the second quarter of Fiscal 2011. The favorable adjustment was the result of lower actual inventory scrap and production material loss than recent historical experience, which had the effect of increasing gross profit and inventories by \$3.5 million. Conversely, a negative inventory adjustment of \$600,000 was recorded in the fourth quarter of Fiscal 2011 as a result of a Towables physical inventory. These adjustments in the aggregate favorably impacted our material, labor, variable overhead and fixed overhead costs by 0.6% as a percentage of net revenues.
 - Our variable costs were unfavorably impacted by \$2.1 million, or 0.4%, of net revenues in Fiscal 2011 due to LIFO inventory expense, as compared to a LIFO inventory gain on liquidation of \$783,000, or 0.2%, of net revenues in Fiscal 2010. This increase was due to inflation and higher inventory levels in Fiscal 2011.
- Fixed overhead (manufacturing support labor, depreciation and facility costs) and research and development-related costs decreased to 8.0% of net revenues compared to 8.9% in Fiscal 2010. With similar spending levels, the difference was due primarily to increased revenues in Fiscal 2011.
- All factors considered, gross profit increased to 8.0% of net revenues in Fiscal 2011 from 5.8% of net revenues in Fiscal 2010.

Selling expenses increased \$1.5 million, or 12.0%, in Fiscal 2011. The expense increase was primarily due to operating expenses associated with Towables and increases in advertising and wage-related expenses. As a percent of net revenues, selling expenses were 2.9% and 2.8% in Fiscal 2011 and Fiscal 2010, respectively.

General and administrative expenses increased \$1.2 million, or 9.5%, in Fiscal 2011. This increase was due primarily to increases in wage-related expenses of \$1.4 million and legal expenses of \$1.1 million, partially offset by a decrease in product liability expenses of \$830,000. As a percent of net revenues, general and administrative expenses were flat year over year at 2.9%.

In the first quarter of Fiscal 2011 we realized a gain of \$644,000 on the sale of CCMF, an idled assembly facility in Charles City, Iowa, one of our assets held for sale. Conversely, an impairment of \$605,000 was recorded in the third quarter of Fiscal 2011 on our Hampton facility. See Note 6.

Non-operating income increased \$436,000 or 196.4%, in Fiscal 2011. This difference is primarily the result of incurring a one-time expense of \$375,000 in Fiscal 2010 to terminate a credit and security agreement with Wells Fargo. We also received proceeds from COLI policies during Fiscal 2011, partially offset by lower investment income. See Note 13.

The overall effective income tax rate for Fiscal 2011 was an expense of 0.8% compared to a benefit of 1,281.0% for Fiscal 2010. The following table breaks down the two aforementioned tax rates:

(In thousands)	Year Ended			
	August 27, 2011		August 28, 2010	
	Amount	Effective Rate	Amount	Effective Rate
Tax expense on current operations	\$ 2,597	21.7 %	\$ 667	89.9 %
Valuation allowance decrease	(2,013)	(16.8)%	(5,456)	(735.3)%
Uncertain tax positions settlements and adjustments	(490)	(4.1)%	(3,195)	(430.6)%
Amended state returns and other items	—	— %	(1,521)	(205.0)%
Total provision (benefit) for taxes	\$ 94	0.8 %	\$ (9,505)	(1,281.0)%

Tax expense on current operations

The primary reason for the decrease in the overall effective tax expense rate on current operations was the relationship between our higher pre-tax income in Fiscal 2011 relative to the permanent financial accounting to taxable income (loss) adjustments for Fiscal 2011 compared to Fiscal 2010. Significant permanent deductions were income tax credits and tax-free income from COLI and student loan-related tax exempt securities. For further discussion of income taxes (which includes a reconciliation of the US statutory income tax rate to our effective tax rate), see Note 12.

Valuation allowance decrease

During the fourth quarter of Fiscal 2011, we re-established a portion of our deferred tax assets due to the taxable earnings achieved in Fiscal 2011 which increased the likelihood of realizing a portion of gross deferred tax assets in the future. This resulted in a tax benefit of \$649,000 through the reduction of our valuation allowance. Also, the sale of CCMF resulted in a tax loss even though we incurred a gain for accounting purposes and we were able to utilize the associated deferred tax assets of \$685,000 as a current tax deduction and reduce the related valuation allowance accordingly. We were also able to utilize NOLs and tax credit deferred tax assets established in the prior year of \$479,000 due to taxable income earned in Fiscal 2011 and reduce the related valuation allowance accordingly.

At the end of Fiscal 2009, we had established a valuation allowance on all deferred tax assets and NOL carryforward assets associated with Fiscal 2009. In Fiscal 2010, the President of the United States signed into law the Worker, Homeownership, and Business Assistance Act of 2009, which expanded the carryback period from two to five years, allowing us to carryback all Fiscal 2009 NOL. As a result, we recorded a total tax benefit of \$5.8 million in Fiscal 2010 and reduced the associated valuation allowance due to this beneficial tax law change. The remaining change in valuation allowance was a result of increases in other deferred tax assets, such as additional NOLs and tax credit carryforward deferred tax assets established during the year.

Uncertain tax positions settlements and adjustments

During Fiscal 2011, benefits of \$490,000 were recorded as a result of adjustments to uncertain tax positions. During Fiscal 2010, benefits of \$3.2 million were recorded as a result of favorable settlements with various taxing jurisdictions and other adjustments to uncertain tax positions. Of this amount, \$1.7 million resulted from the reduction of reserves associated with unrecognized tax benefits as a result of a positive resolution of the federal IRS tax audit on our income tax returns for Fiscal 2006 through Fiscal 2008. Benefits of \$1.5 million were recorded a result of tax planning initiatives recognized during Fiscal 2010. For further discussion of income taxes, see Note 12.

Net income and diluted income per share were \$11.8 million and \$0.41 per share, respectively, for Fiscal 2011. In Fiscal 2010, net income was \$10.2 million and diluted income was \$0.35 per share.

Analysis of Financial Condition, Liquidity and Resources

Cash and cash equivalents decreased \$6.6 million during Fiscal 2012 and totaled \$62.7 million as of August 25, 2012. The significant liquidity events that occurred during Fiscal 2012 were:

- Generated income before tax of \$10.1 million.
- Increase in inventory of \$17.3 million: The increase was primarily a result of increased work-in-process and raw material inventory due to increased production levels, and higher average cost per unit due to the mix of product ordered by our dealers.
- Stock repurchases of approximately \$6.6 million.

In Fiscal 2012, we had in place a \$20 million revolving credit facility, as described in further detail in Note 8, that allowed us to borrow up to \$12.5 million without financial covenant restrictions if there was adequate asset coverage. We had sufficient asset coverage in accounts receivable and inventory at the end of Fiscal 2012 to access the entire \$12.5 million without financial covenant restrictions. The facility also included a framework to expand the size of the facility up to \$50 million, based on mutually agreeable covenants to be determined at the time of expansion. The credit facility expired in October 2012. We are evaluating other alternatives and expect to have a new credit facility in place before the end of calendar 2012.

We filed a Registration Statement on Form S-3, which was declared effective by the SEC on March 31, 2010. Subject to market

conditions, we have the ability to offer and sell up to \$35 million of our common stock in one or more offerings pursuant to the Registration Statement. The Registration Statement will be available for use for three years from its effective date. We currently have no plans to offer and sell the common stock registered under the Registration Statement; however, it does provide another potential source of liquidity in addition to the alternatives already in place.

Working capital at August 25, 2012 and August 27, 2011 was \$126.1 million and \$113.5 million, respectively, an increase of \$12.5 million. We currently expect cash on hand, funds generated from operations and the availability under a credit facility to be sufficient to cover both short-term and long-term operating requirements. We anticipate capital expenditures in Fiscal 2013 of approximately \$6.1 million, primarily for manufacturing equipment and facilities.

In addition to the \$6.6 million of share repurchases in Fiscal 2012, we have purchased an additional 396,000 shares for \$4.7 million as of October 12, 2012 in accordance with our Board's repurchase authorization described above and a stock repurchase plan under SEC Rule 10b5-1. We believe our common stock has been an attractive value at recent trading levels. If we continue to believe the common stock is trading at attractive levels we may purchase additional shares in Fiscal 2013.

Operating Activities

Cash provided by operating activities was \$115,000 for the fiscal year ended August 25, 2012 compared to cash used in operating activities of \$10.1 million for the fiscal year ended August 27, 2011, and cash provided by operating activities of \$33.0 million for the fiscal year ended August 28, 2010. The combination of net income of \$45.0 million in Fiscal 2012 and changes in non-cash charges (e.g., depreciation, LIFO, stock-based compensation, deferred income taxes) provided \$15.9 million of operating cash compared to \$21.0 million in Fiscal 2011 and \$16.6 million in Fiscal 2010. In Fiscal 2012, changes in assets and liabilities (primarily inventory increases) used an additional \$15.8 million of operating cash. In Fiscal 2011, changes in assets and liabilities (primarily inventory increases) used an additional \$31.1 million of operating cash. In Fiscal 2010, changes in assets and liabilities (primarily income tax refunds) provided an additional \$16.4 million of operating cash.

Investing Activities

Cash used in investing activities of \$118,000 in Fiscal 2012 was due primarily to capital spending of \$2.2 million and was offset by proceeds of \$1.7 million from COLI policies and ARS redemptions of \$1.1 million. In Fiscal 2011, cash provided by investing activities of \$4.2 million was primarily due to ARS redemptions of \$7.2 million, partially offset by the acquisition of Towables for \$4.7 million and capital spending of \$2.1 million. During Fiscal 2010, cash provided by investing activities of \$14.3 million was primarily due to ARS redemptions of \$15.9 million, partially offset by capital spending of \$1.9 million.

Financing Activities

Cash used in financing activities of \$6.6 million for the fiscal year ended August 25, 2012 was primarily due to \$6.6 million in repurchases of our stock. Cash provided by financing activities for the fiscal year ended August 27, 2011 was \$500,000. Cash used in financing activities for the fiscal year ended August 28, 2010 was \$9.2 million, primarily consisting of \$9.1 million for repayments on borrowings from our ARS portfolio,

Contractual Obligations and Commercial Commitments

Our principal contractual obligations and commercial commitments as of August 25, 2012 were as follows:

(In thousands)	Payments Due By Period				
	Total	Fiscal 2013	Fiscal 2014-2015	Fiscal 2016-2017	More than 5 Years
Postretirement health care obligations ⁽¹⁾	\$ 45,132	\$ 1,249	\$ 3,102	\$ 3,772	\$ 37,009
Deferred compensation obligations ⁽¹⁾	23,732	2,752	5,166	4,471	11,343
Executive share option obligations ⁽¹⁾	7,798	410	2,043	2,629	2,716
Supplemental executive retirement plan benefit obligations ⁽¹⁾	3,342	480	407	356	2,099
Operating leases ⁽²⁾	1,866	958	908	—	—
Contracted services	15	15	—	—	—
Unrecognized tax benefits ⁽³⁾	5,228	—	—	—	—
Total contractual cash obligations	\$ 87,113	\$ 5,864	\$ 11,626	\$ 11,228	\$ 53,167

(In thousands)	Expiration By Period				
	Total	Fiscal 2013	Fiscal 2014-2015	Fiscal 2016-2017	More than 5 Years
Contingent repurchase obligations ⁽²⁾	\$ 165,360	\$ 60,806	\$ 104,554	\$ —	\$ —

⁽¹⁾ See Note 10.

⁽²⁾ See Note 11.

⁽³⁾ We are not able to reasonably estimate in which future periods these amounts will ultimately be settled.

Critical Accounting Policies

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

Our significant accounting policies are discussed in Note 1. We believe that the following accounting estimates and policies are the most critical to aid in fully understanding and evaluating our reported financial results and they require our most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. We have reviewed these critical accounting estimates and related disclosures with the Audit Committee of our Board of Directors.

Revenue Recognition

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

Revenues from the sales of our OEM and recreation vehicles related parts are recorded as the products are shipped from our location. The title of ownership transfers on these products as they leave our location due to the freight terms of F.O.B. - Shipper.

Sales Promotions and Incentives

We accrue for sales promotions and incentive expenses, which are recognized as a reduction to revenues, at the time of sale to the dealer or when the sales incentive is offered to the dealer or retail customer. Examples of sales promotions and incentive programs include dealer and consumer rebates, volume discounts, retail financing programs and dealer sales associate incentives. Sales promotion and incentive expenses are estimated based upon current program parameters, such as unit or retail volume, and historical rates. Actual results may differ from these estimates if market conditions dictate the need to enhance or reduce sales promotion and incentive programs or if the retail customer usage rate varies from historical trends. Historically, sales promotion and incentive expenses have been within our expectations and differences have not been material.

Repurchase Commitments

It is customary practice for manufacturers in the RV industry to enter into repurchase agreements with financing institutions that provide financing to their dealers, upon their request. Our repurchase agreements generally provide that, in the event of a default by a dealer in its obligation to these lenders, we will repurchase vehicles sold to the dealer that have not been resold to retail customers. The terms of these agreements, which can last up to 18 months, provide that our liability will be the lesser of remaining principal owed by the dealer or dealer invoice less periodic reductions based on the time since the date of the original invoice. Our liability cannot exceed 100% of the dealer invoice. In certain instances, we also repurchase inventory from our dealers due to state law or regulatory requirements that govern voluntary or involuntary relationship terminations.

Based on these repurchase agreements, we establish an associated loss reserve which is disclosed separately in the balance sheets. Repurchased sales are not recorded as a revenue transaction, but the net difference between the original repurchase price and the resale price are recorded against the loss reserve, which is a deduction from gross revenue. Our loss reserve for repurchase commitments contains uncertainties because the calculation requires management to make assumptions and apply judgment regarding a number of factors. There are two significant assumptions associated with establishing our loss reserve for repurchase commitments: (1) the percentage of dealer inventory that we will be required to repurchase as a result of defaults by the dealer, and (2) the loss that will be incurred, if any, when repurchased inventory is resold. These key assumptions are affected by a number of factors, such as macro-market conditions, current retail demand for our product, age of product in dealer inventory, physical condition of the product, location of the dealer, financing source and independent third party credit rating of our dealers. To the extent that dealers are increasing or decreasing their inventories, our overall exposure under repurchase agreements is likewise impacted. The percentage of dealer inventory we estimate we will repurchase (which has ranged in recent years from 4 to 11% on a weighted average basis) and the associated estimated loss (which has ranged in recent years from 7 to 16% on a weighted average basis) is based on historical information, current trends and an analysis of dealer inventory aging for all dealers with inventory subject to this obligation. In periods where there is increasing retail demand for our product at our dealerships, the lower end of our estimated range of assumptions will be more appropriate and in periods of decreasing retail demand, the opposite will be true.

We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to calculate our loss reserve for repurchase commitments. A hypothetical change of a 10% increase or decrease in our significant repurchase commitment assumptions as of August 25, 2012 would have affected net income by approximately \$255,000.

Warranty

We provide, with the purchase of any new motor home, a comprehensive 12-month/15,000-mile warranty on Class A, B and C motor homes and a 3-year/36,000-mile warranty on Class A and C sidewalls and floors. We provide a comprehensive 12-month warranty on all towable products. Estimated costs related to product warranty are accrued at the time of sale and are based upon past warranty claims and unit sales history and are adjusted as required to reflect actual costs incurred, as information becomes available. A significant increase in dealership labor rates, the cost of parts or the frequency of claims could have a material adverse impact on our operating results for the period or periods in which such claims or additional costs materialize. We also incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. Estimated costs are accrued at the time the service action is implemented and are based upon past claim rate experiences and the estimated cost of the repairs. Further discussion of our warranty costs and associated accruals is included in Note 9.

Unrecognized Tax Benefits

We only recognize tax benefits for filing positions that are considered more likely than not of being sustained under audit by the relevant taxing authority, without regard to the likelihood of such an audit occurring. We record a liability for uncertain tax positions when it is more likely than not that our filed tax positions will not be sustained. We record deferred tax assets related to reserves for filing positions in a particular jurisdiction that would result in tax deductions in another tax jurisdiction if we were unable to sustain our filing position in an audit. Our income tax returns are periodically audited by various taxing authorities. These audits include questions regarding our tax filing positions, including the timing and the amount of deductions and the allocation of income among various tax jurisdictions. At any one time, multiple years are subject to audit by the various taxing authorities. We continually assess our tax positions for all periods that are open to examination or have not been effectively settled based on the most current available information. We adjust our liability for unrecognized tax benefits and income tax provision in the period in which an uncertain tax position is effectively settled, the statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available.

Our liability for unrecognized tax benefits contains uncertainties because we are required to make assumptions and apply judgment to estimate the exposure associated with our various filing positions. Our effective tax rate is also affected by changes in tax laws, the level of our earnings or losses and the results of tax audits.

Although we believe that the judgments and estimates discussed herein are reasonable, actual results could differ, and we may be exposed to losses or realize gains that could be material. To the extent that we prevail in matters for which a liability has been established or are required to pay amounts in excess of our established liability, our effective income tax rate in a given financial statement period could be materially affected. An unfavorable tax settlement generally would require use of our cash and may result in an increase in our effective tax rate in the period of resolution. A favorable tax settlement may be recognized as a reduction in our effective tax rate in the period of resolution.

Income Taxes

We account for income taxes in accordance with ASC 740, *Income Taxes*. As part of the process of preparing our financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. Significant judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our deferred tax assets. Valuation allowances arise due to the uncertainty of realizing deferred tax assets. ASC 740 requires that companies assess whether valuation allowances should be established against their deferred tax assets based on the consideration of all available evidence, using a "more likely than not" standard. In making such assessments, significant weight is to be given to evidence that can be objectively verified. A company's current or previous losses are given more weight than its future outlook. We have evaluated the sustainability of our deferred tax assets on our balance sheet which includes the assessment of cumulative income or losses over recent prior periods. Based on ASC 740 guidelines, we determined a valuation allowance of \$1.6 million was appropriate as of August 25, 2012. We will continue to assess the likelihood that our deferred tax assets will be realizable at each reporting period and our valuation allowance will be adjusted accordingly, which could materially impact our financial position and results of operations.

Postretirement Benefits, Obligations and Costs

We provide certain health care and other benefits for retired employees hired before April 1, 2001, who have fulfilled eligibility requirements at age 55 with 15 years of continuous service. Postretirement benefit liabilities are determined by actuaries using assumptions about the discount rate and health care cost-trend rates. Assumed health care cost trend rates do not have a significant effect on the amounts reported for retiree health care benefits due to the fact that we have established maximum amounts ("dollar caps") on the amount we will pay for postretirement health care benefits per retiree on an annual basis. However, a significant increase or decrease in interest rates could have a significant impact on our operating results. Further discussion of our postretirement benefit plan and related assumptions is included in Note 10.

Inventory Valuation

Our inventory loss reserve represents anticipated physical work-in-process inventory losses (e.g. scrap, production loss or over-usage) that have occurred since the last physical inventory date. Physical inventory counts of work-in-process are taken on an annual basis to ensure the inventory reported in our consolidated financial statements is properly stated. During the interim period between physical inventory counts, we reserve for anticipated physical inventory losses based upon materials consumed. Our

inventory loss reserve contains uncertainties because the calculation requires management to make assumptions and to apply judgment regarding a number of factors, including historical results and current inventory loss trends.

Other

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

New Accounting Pronouncements

See Note 1 for a summary of new accounting pronouncements which summary is incorporated by reference herein.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We have market risk exposure to our ARS, which is described in further detail in Note 4. Also, the assets we maintain to fund deferred compensation have market risk, but we maintain a corresponding liability for these assets. The market risk is therefore borne by the participants in the deferred compensation program.

Item 8. Financial Statements and Supplementary Data

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Winnebago Industries, Inc. (the "Company") is responsible for establishing and maintaining effective internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. The Company's internal control over financial reporting is a process designed, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting is supported by written policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

In addition, the Audit Committee of the Board of Directors, consisting solely of independent directors, meets periodically with Management, the internal auditors and the independent registered public accounting firm to review internal accounting controls, audit results and accounting principles and practices and annually selects the independent registered public accounting firm.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of the Company's annual financial statements, management of the Company has undertaken an assessment of the effectiveness of the Company's internal control over financial reporting based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management's assessment included an evaluation of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of the Company's internal control over financial reporting.

Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of August 25, 2012.

Deloitte & Touche LLP, the independent registered public accounting firm that audited the Company's financial statements included in this Annual Report on Form 10-K, has issued a report included herein, which expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Randy J. Potts

Randy J. Potts
Chief Executive Officer, President
and Chairman of the Board

October 23, 2012

/s/ Sarah N. Nielsen

Sarah N. Nielsen
Vice President, Chief Financial Officer

October 23, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the internal control over financial reporting of Winnebago Industries, Inc. (the "Company") as of August 25, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 25, 2012, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended August 25, 2012 of the Company and our report dated October 23, 2012 expressed an unqualified opinion on those financial statements.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
October 23, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Winnebago Industries, Inc. (the "Company") as of August 25, 2012 and August 27, 2011, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended August 25, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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, such consolidated financial statements present fairly, in all material respects, the financial position of the Company at August 25, 2012 and August 27, 2011, and the results of their operations and their cash flows for each of the three years in the period ended August 25, 2012, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of August 25, 2012, based on the criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated October 23, 2012 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
October 23, 2012

Winnebago Industries, Inc.
Consolidated Statements of Operations

(In thousands, except per share data)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
Net revenues	\$ 581,679	\$ 496,418	\$ 449,484
Cost of goods sold	537,999	456,664	423,217
Gross profit	43,680	39,754	26,267
Operating expenses:			
Selling	16,837	14,251	12,724
General and administrative	17,267	14,263	13,023
Assets held for sale impairment and (gain), net	50	(39)	—
Total operating expenses	34,154	28,475	25,747
Operating income	9,526	11,279	520
Non-operating income	581	658	222
Income before income taxes	10,107	11,937	742
(Benefit) provision for taxes	(34,865)	94	(9,505)
Net income	\$ 44,972	\$ 11,843	\$ 10,247
Income per common share:			
Basic	\$ 1.54	\$ 0.41	\$ 0.35
Diluted	\$ 1.54	\$ 0.41	\$ 0.35
Weighted average common shares outstanding:			
Basic	29,145	29,121	29,091
Diluted	29,207	29,148	29,101

See notes to consolidated financial statements.

Winnebago Industries, Inc. Consolidated Balance Sheets

(In thousands, except per share data)	August 25, 2012	August 27, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 62,683	\$ 69,307
Receivables, less allowance for doubtful accounts (\$175 and \$76, respectively)	22,726	19,981
Inventories	87,094	69,165
Prepaid expenses and other assets	4,509	4,227
Income taxes receivable	1,603	1,525
Deferred income taxes	8,453	649
Total current assets	187,068	164,854
Property, plant and equipment, net	19,978	22,589
Assets held for sale	550	600
Long-term investments	9,074	10,627
Investment in life insurance	23,127	23,669
Deferred income taxes	30,520	—
Goodwill	1,228	1,228
Amortizable intangible assets	641	720
Other assets	13,886	15,640
Total assets	\$ 286,072	\$ 239,927
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 24,920	\$ 21,610
Income taxes payable	348	104
Accrued expenses:		
Accrued compensation	16,038	10,841
Product warranties	6,990	7,335
Self-insurance	4,137	3,203
Accrued loss on repurchases	627	1,174
Promotional	2,661	2,177
Other	5,297	4,874
Total current liabilities	61,018	51,318
Total long-term liabilities:		
Unrecognized tax benefits	5,228	5,387
Postretirement health care and deferred compensations benefits	75,135	74,492
Total long-term liabilities	80,363	79,879
Contingent liabilities and commitments		
Stockholders' equity:		
Capital stock common, par value \$0.50; authorized 60,000 shares, issued 51,776 shares	25,888	25,888
Additional paid-in capital	28,496	30,131
Retained earnings	477,490	432,518
Accumulated other comprehensive income	(3,686)	(454)
Treasury stock, at cost (23,122 and 22,641 shares, respectively)	(383,497)	(379,353)
Total stockholders' equity	144,691	108,730
Total liabilities and stockholders' equity	\$ 286,072	\$ 239,927

See notes to consolidated financial statements.

Winnebago Industries, Inc. Consolidated Statements of Changes in Stockholders' Equity

(In thousands, except per share data)	Common Shares		Additional Paid-In Capital (APIC)	Retained Earnings	Accum- ulated Other Compre- hensive Income	Treasury Stock		Total Stock- holders' Equity
	Number	Amount				Number	Amount	
Balance, August 29, 2009	51,776	\$ 25,888	\$ 29,726	\$ 410,428	\$ 6,540	(22,690)	\$ (380,251)	\$ 92,331
Stock option exercises	—	—	(171)	—	—	31	511	340
Utilization of APIC pool due to stock award	—	—	(327)	—	—	—	—	(327)
Issuance of stock to directors	—	—	(75)	—	—	15	251	176
Forfeitures	—	—	(58)	—	—	—	(3)	(61)
Stock-based compensation	—	—	369	—	—	—	—	369
Payments for the purchase of common stock	—	—	—	—	—	(17)	(250)	(250)
Prior service cost and actuarial loss, net of \$1,260 tax	—	—	—	—	(5,511)	—	—	(5,511)
Unrealized appreciation of investments, net of \$128 tax	—	—	—	—	213	—	—	213
Net loss	—	—	—	10,247	—	—	—	10,247
Balance, August 28, 2010	51,776	\$ 25,888	\$ 29,464	\$ 420,675	\$ 1,242	(22,661)	\$ (379,742)	\$ 97,527
Stock option exercises	—	—	(48)	—	—	9	151	103
Utilization of APIC pool due to stock award	—	—	(189)	—	—	—	—	(189)
Issuance of restricted stock	—	—	(42)	—	—	2	42	—
Issuance of stock to directors	—	—	(97)	—	—	17	286	189
Forfeitures	—	—	(83)	—	—	—	—	(83)
Stock-based compensation	—	—	1,126	—	—	—	—	1,126
Payments for the purchase of common stock	—	—	—	—	—	(8)	(90)	(90)
Prior service cost and actuarial loss, net of \$1,166 tax	—	—	—	—	(1,691)	—	—	(1,691)
Unrealized depreciation of investments, net of \$3 tax	—	—	—	—	(5)	—	—	(5)
Net income	—	—	—	11,843	—	—	—	11,843
Balance, August 27, 2011	51,776	\$ 25,888	\$ 30,131	\$ 432,518	\$ (454)	(22,641)	\$ (379,353)	\$ 108,730
Stock option exercises	—	—	—	—	—	—	—	—
Utilization of APIC pool due to stock award	—	—	(119)	—	—	—	—	(119)
Issuance of restricted stock	—	—	(2,011)	—	—	120	2,011	—
Issuance of stock to directors	—	—	(214)	—	—	27	449	235
Forfeitures	—	—	(95)	—	—	—	—	(95)
Stock-based compensation	—	—	804	—	—	—	—	804
Payments for the purchase of common stock	—	—	—	—	—	(628)	(6,604)	(6,604)
Prior service cost and actuarial loss, net of \$5,298 tax	—	—	—	—	(5,787)	—	—	(5,787)
Plan amendment, net of \$1,729 tax	—	—	—	—	2,869	—	—	2,869
Unrealized depreciation of investments, net of \$189 tax	—	—	—	—	(314)	—	—	(314)
Net income	—	—	—	44,972	—	—	—	44,972
Balance, August 25, 2012	51,776	\$ 25,888	\$ 28,496	\$ 477,490	\$ (3,686)	(23,122)	\$ (383,497)	\$ 144,691

See notes to consolidated financial statements.

Winnebago Industries, Inc.
Consolidated Statements of Cash Flows

(In thousands)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
Operating activities:			
Net income	\$ 44,972	\$ 11,843	\$ 10,247
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	4,872	5,492	6,340
LIFO (income) expense	(613)	2,075	(783)
Asset impairment	50	605	—
Stock-based compensation	1,918	1,315	546
Deferred income taxes including valuation allowance	(34,749)	517	—
Postretirement benefit income and deferred compensation expense	570	1,378	1,275
Provision (reduction) for doubtful accounts	125	11	(37)
Loss (gain) on disposal of property	28	(994)	25
Gain on life insurance	(529)	(372)	—
Other	—	90	111
Increase in cash surrender value of life insurance policies	(732)	(969)	(1,090)
Change in assets and liabilities:			
Inventories	(17,316)	(23,792)	4,107
Receivables, prepaid and other assets	(2,085)	101	(8,550)
Income taxes and unrecognized tax benefits	7	(2,127)	14,692
Accounts payable and accrued expenses	7,627	(1,551)	9,756
Postretirement and deferred compensation benefits	(4,030)	(3,741)	(3,600)
Net cash provided by (used in) operating activities	115	(10,119)	33,039
Investing activities:			
Proceeds from the sale of investments, at par	1,050	7,150	15,850
Proceeds from life insurance	1,652	659	—
Purchases of property and equipment	(2,213)	(2,109)	(1,874)
Proceeds from the sale of property	17	4,143	96
Cash paid for acquisition, net of cash acquired	—	(4,694)	—
Other	(624)	(914)	262
Net cash (used in) provided by investing activities	(118)	4,235	14,334
Financing activities:			
Payments for purchases of common stock	(6,604)	(89)	(250)
Payments of ARS portfolio	—	—	(9,100)
Proceeds from exercise of stock options	—	83	280
Other	(17)	506	(178)
Net cash (used in) provided by financing activities	(6,621)	500	(9,248)
Net (decrease) increase in cash and cash equivalents	(6,624)	(5,384)	38,125
Cash and cash equivalents at beginning of year	69,307	74,691	36,566
Cash and cash equivalents at end of year	\$ 62,683	\$ 69,307	\$ 74,691
Supplement cash flow disclosure:			
Income taxes (refunded) paid, net	\$ (134)	\$ 1,703	\$ (24,356)

See notes to consolidated financial statements.

Winnebago Industries, Inc.
Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies**Nature of Operations**

Winnebago Industries, Inc., founded in 1958 and headquartered in Forest City, Iowa, is one of the leading United States manufacturers of recreation vehicles. We sell motor homes through independent dealers, primarily throughout the United States and Canada, under the Winnebago, Itasca and Era brand names. We also sell travel trailer and fifth wheel towable products primarily throughout the United States and Canada under the SunnyBrook and Winnebago brand names. Other products manufactured by us consist primarily of original equipment manufacturing parts, including extruded aluminum and other component products for other manufacturers and commercial vehicles.

Principles of Consolidation

The consolidated financial statements for Fiscal 2012 include the parent company and our wholly-owned subsidiary, Winnebago of Indiana, LLC. See Note 2. All material intercompany balances and transactions with our subsidiary have been eliminated.

Fiscal Period

We follow a 52-/53-week fiscal year, ending the last Saturday in August. The financial statements presented are all 52-week periods.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the US 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 periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of highly liquid investments with an original maturity of three months or less. The carrying amount approximates fair value due to the short maturity of the investments.

Fair Value Disclosures of Financial Instruments

All financial instruments are carried at amounts believed to approximate fair value.

Derivative Instruments and Hedging Activities

All contracts that contain provisions meeting the definition of a derivative also meet the requirements of, and have been designated as, normal purchases or sales. Our policy is to not enter into contracts with terms that cannot be designated as normal purchases or sales.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is based on historical loss experience and any specific customer collection issues identified. Additional amounts are provided through charges to income as we believe necessary after evaluation of receivables and current economic conditions. Amounts which are considered to be uncollectible are written off and recoveries of amounts previously written off are credited to the allowance upon recovery.

Inventories

Substantially, all inventories are stated at the lower of cost or market, determined on the LIFO basis. Manufacturing cost includes materials, labor and manufacturing overhead. Unallocated overhead and abnormal costs are expensed as incurred.

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 as follows:

Asset Class	Asset Life
Buildings	10-30 years
Machinery and equipment	3-10 years
Transportation equipment	4-6 years

We review our long-lived depreciable assets for impairment annually or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable from future cash flows. If the carrying value of a long-lived asset is impaired, an impairment charge is recorded for the amount by which the carrying value of the long-lived asset exceeds its fair value. We assess the potential impairment of long-lived assets in accordance with ASC 360 *Property, Plant and Equipment*. We assessed the fair value of certain properties which were idled and are listed for sale (see Note 6). We also reviewed all other long-lived depreciable assets for impairment, noting no impairment.

Goodwill and Amortizable Intangible Assets

Goodwill represents costs in excess of the fair value of net tangible and identifiable net intangible assets acquired in a business combination. Amortizable intangible assets consist of dealer network, trademarks and non-compete agreements and are amortized using the straight-line method over seven to ten years. Goodwill assets are reviewed for impairment by applying a fair-value based test on an annual basis, or more frequently if circumstances indicate a potential impairment. Amortizable intangible assets are also subject to impairment test annually or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable from future cash flows.

Self-Insurance

Generally, we self-insure for a portion of product liability claims and workers' compensation. Under these plans, liabilities are recognized for claims incurred, including those incurred but not reported. We determined the liability for product liability and workers' compensation claims with the assistance of a third party administrator and actuary using various state statutes and historical claims experience. We have an SIR for product liability which varies annually based on market conditions and for at least the last five fiscal years was at \$2.5 million per occurrence and \$6.0 million in aggregate per policy year. In the event that the annual aggregate of the SIR is exhausted by payment of claims and defense expenses, an SIR of \$1.0 million, excluding defense expenses, is applicable to each claim covered under this policy. We maintain excess liability insurance with outside insurance carriers to minimize our risks related to catastrophic claims in excess of our self-insured positions for product liability and personal injury matters. Any material change in the aforementioned factors could have an adverse impact on our operating results. Our product liability and workers' compensation accrual is included within accrued self-insurance on our balance sheet.

Income Taxes

We account for income taxes in accordance with ASC 740, *Income Taxes*. As part of the process of preparing our financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included within our balance sheet. We then assess the likelihood that our deferred tax assets will be realized based on future taxable income and, to the extent we believe that recovery is not likely, we establish a valuation allowance. To the extent we establish a valuation allowance or change this allowance in a period, we include an expense or a benefit within the tax provision in our Statements of Operations.

Legal

Our accounting policy regarding litigation expense is to accrue for probable exposure including estimated defense costs if we are able to estimate the financial impact.

Revenue Recognition

Generally, revenues for our recreation vehicles are recorded when the following conditions are met: an order for a product has been received from a dealer, written or verbal approval for payment has been received from the dealer's floorplan financing institution, and the product is delivered to the dealer who placed the order. Most sales are financed by our dealers under floorplan financing arrangements with banks or finance companies.

Revenues of our OEM components and recreation vehicle related parts are recorded as the products are shipped from our location. The title of ownership transfers on these products as they leave our location due to the freight terms of F.O.B. - Shipper.

Concentration of Risk

One of our dealer organizations, FreedomRoads, LLC, accounted for 26%, 18%, and 15% of our consolidated net revenue in Fiscal 2012, 2011 and 2010, respectively. In Fiscal 2012 they sold our products in 62 of their dealership locations across 26 US states. The loss of this dealer organization could have a significant adverse effect on our business. In addition, deterioration in the liquidity or creditworthiness of FreedomRoads, LLC could negatively impact our sales and could trigger repurchase obligations under our repurchase agreements.

Sales Promotions and Incentives

We accrue for sales promotions and incentive expenses, which are recognized as a reduction to revenues, at the time of sale to the dealer or when the sales incentive is offered to the dealer or retail customer. Examples of sales promotions and incentive programs include dealer and consumer rebates, volume discounts, retail financing programs and dealer sales associate incentives. Sales promotion and incentive expenses are estimated based upon then current program parameters, such as unit or retail volume and historical rates. Actual results may differ from these estimates if market conditions dictate the need to enhance or reduce sales promotion and incentive programs or if the retail customer usage rate varies from historical trends. Historically, sales promotion and incentive expenses have been within our expectations and differences have not been material.

Repurchase Commitments

It is customary practice for manufacturers in the recreation vehicle industry to enter into repurchase agreements with financing institutions that provide financing to their dealers. Our repurchase agreements generally provide that, in the event of a default by a dealer in its obligation to these lenders, we will repurchase vehicles sold to the dealer that have not been resold to retail customers. The terms of these agreements, which can last up to 18 months, provide that our liability will be the lesser of remaining principal owed by the dealer or dealer invoice less periodic reductions based on the time since the date of the original invoice. Our liability cannot exceed 100% of the dealer invoice. In certain instances, we also repurchase inventory from our dealers due to state law or

regulatory requirements that govern voluntary or involuntary relationship terminations.

Based on these repurchase agreements, we establish an associated loss reserve which is disclosed separately as "Accrued loss of repurchases" in the consolidated balance sheets. Repurchased sales are not recorded as a revenue transaction, but the net difference between the original repurchase price and the resale price are recorded against the loss reserve, which is a deduction from gross revenue. Our loss reserve for repurchase commitments contains uncertainties because the calculation requires management to make assumptions and apply judgment regarding a number of factors. See Note 11.

Shipping Revenues and Expenses

Shipping revenues for products shipped are included within net sales, while shipping expenses are included within cost of goods sold.

Reporting Segment

We have two operating segments, motorhomes and Towables, which aggregate into one reportable segment, the recreation vehicle market. We design, develop, manufacture and market motorized and towable recreation products along with supporting products and services. The Chief Executive Officer has been identified as the Chief Operating Decision Maker as defined by ASC No. 280, *Disclosures about Segments Reporting*.

Research and Development

Research and development expenditures are included within cost of goods sold and are expensed as incurred. A portion of these expenditures qualify for state and federal tax benefits. Development activities generally relate to creating new products and improving or creating variations of existing products to meet new applications. During Fiscal 2012, 2011 and 2010, we spent approximately \$3.4 million, \$3.3 million and \$3.2 million, respectively, on research and development activities.

Advertising

Advertising costs, which consist primarily of literature and trade shows, were \$4.3 million, \$3.4 million, and \$3.3 million in Fiscal 2012, 2011 and 2010, respectively. Advertising costs are included in selling expense and are expensed as incurred with the exception of trade shows which are expensed in the period in which the show occurs.

Earnings Per Common Share

Basic income per common share is computed by dividing net income by the weighted average common shares outstanding during the period.

Diluted income 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 awards and options (see Note 16).

Reclassifications

Certain amounts reported in prior years in deferred tax assets have been reclassified to conform to the current year footnote presentation. The reclassifications had no impact on total deferred tax assets (see Note 12).

Subsequent Events

We evaluated events occurring between the end of our most recent fiscal year and the date the financial statements were issued. There were no material subsequent events, except those described in Note 6, Note 8, and Note 14.

New Accounting Pronouncements

On May 12, 2011, the FASB issued ASU 2011-04, *Fair Value Measurement*, which requires measurement uncertainty disclosure in the form of a sensitivity analysis of unobservable inputs to reasonable alternative amounts for all Level 3 recurring fair value measurements. ASU 2011-04 became effective for interim and annual periods beginning on or after December 15, 2011. The Company adopted this guidance in the third quarter of Fiscal 2012. The adoption of this guidance required additional disclosures, but did not have any impact on our consolidated results of operations, financial position, or cash flows.

On June 16, 2011, the FASB issued ASU 2011-05, *Presentation of Comprehensive Income*, which revised the manner in which entities present comprehensive income in their financial statements. ASU 2011-05 is effective for fiscal years beginning after December 15, 2011 (our Fiscal 2013). We do not believe that the adoption of this will have a significant impact on our consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, *Testing Goodwill for Impairment*, which simplified the manner in which entities test goodwill for impairment. After assessment of certain qualitative factors, if it is determined to be more likely than not that the fair value of a reporting unit is less than its carrying amount, entities must perform a quantitative analysis of the goodwill impairment test. Otherwise, the quantitative test becomes optional. ASU 2011-08 is effective for fiscal years beginning after December 15, 2011 (our Fiscal 2013). We do not believe that the adoption of this will have a significant impact on our consolidated financial statements.

Note 2: Acquisition

On December 29, 2010 we purchased, through Towables, substantially all of the assets of SunnyBrook, a manufacturer of travel trailer and fifth wheel RVs. The aggregate consideration paid was \$4.7 million in cash, net of cash acquired, including the repayment of \$3.3 million of SunnyBrook commercial and shareholder debt on the closing date. The assets acquired include inventory, equipment and other tangible and intangible property and are being used in connection with the operation of manufacturing towable recreation vehicles. Also on December 29, 2010, we entered into a five-year operating lease agreement for the SunnyBrook facilities. See Note 19. The operations of Towables are included in our consolidated operating results from the date of its acquisition. Towables has continued to manufacture products under the SunnyBrook brands. In addition, in the first quarter of Fiscal 2012, Towables began diversifying its product line by including Winnebago brand trailer and fifth wheel products. The primary reason for the acquisition was diversification outside of the motorized market while utilizing the Winnebago brand strength in the towable market allowing for the potential of revenue and earnings growth.

The following table summarizes the approximate fair value of the net assets acquired at the date of the closing:

(In thousands)	December 29, 2010
Current assets	\$ 5,773
Property, plant and equipment	337
Goodwill	1,228
Dealer network	535
Trademarks	196
Non-compete agreement	40
Current liabilities	(2,513)
Total fair value of net assets acquired	5,596
Less cash acquired	(902)
Total cash paid for acquisition less cash acquired	\$ 4,694

At December 29, 2010, the amortizable intangible assets had a weighted average useful life of 9.8 years. The dealer network was valued based on the Discounted Cash Flow Method and is being amortized on a straight line basis over 10 years. The trademarks were valued based on the Relief from Royalty Method and are being amortized on a straight line basis over 10 years. The non-compete agreement is being amortized on a straight line basis over 7 years. Goodwill is not subject to amortization and is tax deductible. Pro forma financial information has not been presented due to its insignificance.

Note 3: Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy contains three levels as follows:

Level 1 - Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date.

Level 2 - Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in nonactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis. We account for fair value measurements in accordance with ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measurement and expands disclosure about fair value measurement. The fair value hierarchy requires the use of observable market data when available. In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

The following tables set forth by level within the fair value hierarchy our financial assets that were accounted for at fair value on a recurring basis at August 25, 2012 and August 27, 2011 according to the valuation techniques we used to determine their fair values:

(In thousands)	Fair Value at August 25, 2012	Fair Value Measurements Using Inputs Considered As		
		Level 1	Level 2	Level 3
Long-term investments:				
Student loan ARS	\$ 9,074	\$ —	\$ —	\$ 9,074
Assets that fund deferred compensation:				
Domestic equity funds	7,924	7,924	—	—
International equity funds	957	957	—	—
Fixed income funds	487	487	—	—
Total assets at fair value	\$ 18,442	\$ 9,368	\$ —	\$ 9,074

(In thousands)	Fair Value at August 27, 2011	Fair Value Measurements Using Inputs Considered As		
		Level 1	Level 2	Level 3
Long-term investments:				
Student loan ARS	\$ 10,627	\$ —	\$ —	\$ 10,627
Assets that fund deferred compensation:				
Domestic equity funds	9,362	9,362	—	—
International equity funds	1,441	1,441	—	—
Fixed income funds	649	649	—	—
Total assets at fair value	\$ 22,079	\$ 11,452	\$ —	\$ 10,627

The following table provides a reconciliation between the beginning and ending balances of items measured at fair value on a recurring basis in the table above that used significant unobservable inputs (Level 3):

(In thousands)	August 25, 2012	August 27, 2011
Balance at beginning of year	\$ 10,627	\$ 17,785
Net change included in other comprehensive income	(503)	(8)
Sales	(1,050)	(7,150)
Balance at the end of year	\$ 9,074	\$ 10,627

The following table presents quantitative information regarding unobservable inputs that were significant to the valuation of assets measured at fair value on a recurring basis at August 25, 2012 using Level 3 inputs:

(In thousands)	Fair Value	Valuation Technique	Unobservable Input	Range	
				Low	High
Student loan ARS	\$ 9,074	Discounted Cash Flow	Projected ARS Yield	2.02%	2.16%
			Discount for lack of marketability	2.95%	3.45%

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Long-term investments. Our long-term investments are comprised of our ARS as described in Note 4. Our ARS investments are classified as Level 3, as quoted prices were unavailable due to events described in Note 4. Due to limited market information, we utilized a DCF model to derive an estimate of fair value for the ARS at August 25, 2012. The assumptions used in preparing the DCF model included estimates with respect to the amount and timing of future interest and principal payments, forward projections of the interest rate benchmarks, the probability of full repayment of the principal considering the credit quality and guarantees in place and the rate of return required by investors to own such securities given the current liquidity risk associated with ARS.

Assets that fund deferred compensation. Our assets that fund deferred compensation are marketable equity securities measured at fair value using quoted market prices and primarily consist of equity-based mutual funds. They are classified as Level 1 as they are traded in an active market for which closing stock prices are readily available. These securities fund the Executive Share Option Plan (see Note 10), a deferred compensation program, and are presented as other assets in the accompanying balance sheets.

Assets and Liabilities that are measured at Fair Value on a Nonrecurring Basis. Our non-financial assets, which include goodwill, intangible assets and property and equipment, are not required to be measured at fair value on a recurring basis. However, if

certain triggering events occur, or if an annual impairment test is required, we must evaluate the non-financial asset for impairment. If an impairment did occur, the asset is required to be recorded at the estimated fair value. Using Level 2 inputs, we recorded an impairment of \$50,000 for our idled fiberglass facility in Hampton, Iowa during the fiscal year ended August 25, 2012, as compared to a \$605,000 impairment of this facility recorded in Fiscal 2011 (see Note 6).

Note 4: Investments

We own investments in marketable securities that have been designated as "available for sale" in accordance with ASC 320, *Investments - Debt and Equity Securities*. Available for sale securities are carried at fair value with the unrealized gains and losses reported in "Accumulated Other Comprehensive Income," a component of stockholders' equity.

At August 25, 2012, we held \$9.7 million (par value) of tax-exempt ARS, which are variable-rate debt securities and have a long-term maturity with the interest rate being reset through Dutch auctions that are typically held every 7, 28 or 35 days. Prior to February 2008, these securities traded at par and are callable at par at the option of the issuer. Interest is typically paid at the end of each auction period or semiannually. The ARS we hold are rated AAA by Standard & Poor's Ratings Services and AAA to A by Fitch Ratings, and are collateralized by student loans guaranteed by the US Government under the Federal Family Education Loan Program.

Since February 2008, most ARS auctions have failed and there is no assurance that future auctions for our ARS will succeed and, as a result, our ability to liquidate our investment and fully recover the par value in the near term may be limited or nonexistent. We have no reason to believe that any of the underlying issuers of our ARS are presently at risk of default. We have continued to receive interest payments on the ARS in accordance with their terms. We believe we will ultimately be able to liquidate our ARS related investments without significant loss primarily due to the collateral securing the ARS, but also due to the partial redemptions we have received over the last three fiscal years at par value. However, redemption could take until final maturity of the ARS (up to 29 years) to realize the par value of our investments. Due to the changes and uncertainty in the ARS market, we believe the recovery period for these investments is likely to be longer than 12 months and as a result, we have classified these investments as long-term as of August 25, 2012.

In November 2008, we elected to participate in a rights offering by UBS AG ("UBS"), one of our brokers, which provided us with rights (the "Put Rights") to sell to them \$13.5 million at par value of our ARS portfolio, purchased through UBS, at any time during a two-year sale period beginning June 30, 2010. The terms of the legal settlement agreement also allowed us to borrow on a portion of our portfolio at "no net cost" and as a result, we borrowed \$9.1 million under this arrangement in Fiscal 2009. We had the ability to maintain the no net cost loans until the securities were liquidated or they reached the June 2010 put date. During Fiscal 2010 in advance of the put date, UBS elected to redeem securities that had a par value of \$12.6 million. Terms of the settlement agreement required us to repay a portion of the outstanding borrowings of \$8.5 million. On June 30, 2010, we elected to exercise our Put Rights thereby liquidating our remaining UBS portfolio of \$900,000 and in accordance of the terms repaid the remaining \$610,000 of short-term ARS borrowings.

At August 25, 2012, there was insufficient observable ARS market information available to determine the fair value of our ARS investments. Therefore, we estimated fair value by incorporating assumptions that market participants would use in their estimates of fair value. Some of these assumptions included credit quality, final stated maturities, estimates on the probability of the issue being called prior to final maturity, impact due to extended periods of maximum auction rates and broker quotes from independent evaluators. Based on this analysis, we recorded an unrealized temporary impairment of \$576,000 in accumulated other comprehensive income before tax considerations related to our long-term ARS investments of \$9.7 million (par value) at August 25, 2012.

Note 5: Inventories

Inventories consist of the following:

(In thousands)	August 25, 2012	August 27, 2011
Finished goods	\$ 30,054	\$ 29,656
Work-in-process	45,240	31,966
Raw materials	42,824	39,180
Total	118,118	100,802
LIFO reserve	(31,024)	(31,637)
Total inventories	\$ 87,094	\$ 69,165

The above value of inventories, before reduction for the LIFO reserve, approximates replacement cost at the respective dates. Of the \$118.1 million inventory at August 25, 2012, \$110.1 million is valued on a LIFO basis and the Towables inventory of \$8.0 million is valued on a FIFO basis. Of the \$100.8 million inventory at August 27, 2011, \$94.3 million is valued on a LIFO basis and the Towables inventory of \$6.5 million is valued on a FIFO basis.

Based on decreases in inflation rates partially offset by an increase in inventories during Fiscal 2012, we recorded a reduction to LIFO reserves of \$613,000.

Note 6: Property, Plant and Equipment and Assets Held for Sale

Property, plant and equipment is stated at cost, net of accumulated depreciation and consists of the following:

(In thousands)	August 25, 2012		August 27, 2011	
Land	\$	757	\$	767
Buildings and building improvements		49,641		49,226
Machinery and equipment		90,775		90,380
Transportation		8,858		8,837
Total property, plant and equipment, gross		150,031		149,210
Less accumulated depreciation		(130,053)		(126,621)
Total property, plant and equipment, net	\$	19,978	\$	22,589

Assets Held for Sale

During the first quarter of Fiscal 2011, the CCMF facility was sold. The sale was finalized on November 1, 2010 and generated \$4.0 million in gross proceeds, selling costs of \$256,000 and a gain of \$644,000.

At August 25, 2012, assets held for sale consist of an idled fiberglass facility in Hampton, Iowa valued at \$550,000.

We recorded an impairment of \$855,000 for the Hampton facility in the fourth quarter of Fiscal 2009 when the decision to close the facility was made. Additional impairment of \$605,000 was recorded during the third quarter of Fiscal 2011 as a result of deteriorating real estate market conditions and an additional impairment of \$50,000 was recorded during the fourth quarter of Fiscal 2012 based upon the sale of the asset that occurred shortly after Fiscal 2012. On August 30, 2012 (our Fiscal 2013), it was sold to New South Central Properties, LLC. The sale generated \$550,000 in gross proceeds.

Note 7: Goodwill and Amortizable Intangible Assets

Goodwill and intangible assets are the result of the acquisition of SunnyBrook during the second quarter of Fiscal 2011, as more fully described in Note 2. Goodwill of \$1.2 million is not subject to amortization for financial statement purposes, but is amortizable for tax return purposes. Amortizable intangible assets are amortized on a straight-line basis. The weighted average remaining amortization period at August 25, 2012 is 8.2 years.

Amortizable intangible assets consist of the following:

(In thousands)	August 25, 2012		August 27, 2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Dealer network	534	88	534	34
Trademarks	196	32	196	13
Non-compete agreement	40	10	40	4
Total	\$ 770	\$ 130	\$ 770	\$ 51

Amortization expense was \$79,000 for Fiscal 2012. Estimated amortization expense of intangible assets for next five fiscal years is as follows:

(In thousands)	Amount
Year Ended: 2013	\$ 79
2014	79
2015	79
2016	79
2017	79

Note 8: Credit Facilities

On October 13, 2009, we entered into a Loan and Security Agreement (the "Loan Agreement") with Burdale Capital Finance, Inc., as Agent (the "Agent"). The Loan Agreement provided for an initial \$20.0 million revolving credit facility, based on the Company's eligible accounts receivable and eligible inventory. The facility expired on October 13, 2012. The Loan Agreement contained no financial covenant restrictions for borrowings up to \$12.5 million; provided that borrowings cannot exceed the Asset Coverage Amount (as defined in the Loan Agreement) divided by 2.25. The Loan Agreement required us to comply with certain financial covenants not yet established if we borrowed more than \$12.5 million up to \$20.0 million. These covenants to be established included minimum EBITDA and minimum liquidity measurements, as defined in the agreement and limitations on capital

expenditures. The Loan Agreement also included a framework to expand the size of the facility up to \$50.0 million, based on mutually agreeable covenants to be determined at the time of the expansion. Interest on loans made under the credit facility would have been based on the greater of LIBOR or 2.0% plus a margin of 4.0% or the greater of prime rate or 4.25% plus a margin of 3.0%. The unused line fee associated with this Loan Agreement was 1.25% per annum. No borrowings were made under the Loan Agreement in Fiscal 2012.

The Loan Agreement contained typical affirmative representations and covenants for a credit agreement of this size and nature. Additionally, the Loan Agreement contained negative covenants limiting our ability, among other things, to incur debt, grant liens, make acquisitions, make certain investments, pay certain dividends and distributions (including stock repurchases), engage in mergers, consolidations or acquisitions and sell certain assets. The Loan Agreement expressly prohibited the payment of cash dividends without the consent of the Agent and the lenders thereunder in their sole discretion. Our obligations under the Loan Agreement were secured by a security interest in all of our accounts and other receivables, chattel paper, documents, deposit accounts, instruments, equipment, inventory, investment property, leasehold interest, cash and cash equivalents, letter-of-credit rights, most real property and fixtures and certain other business assets.

On February 1, 2012 Wells Fargo Bank, National Association purchased the loan portfolio of Burdale Capital Finance, Inc., which included the Loan Agreement. No modifications were made to the Loan Agreement as a result of this transaction.

The Loan Agreement expired on October 13, 2012. We are reviewing other financing alternatives and expect to enter into a similar facility before the end of calendar 2012.

Note 9: Warranty

We provide our motor home customers a comprehensive 12-month/15,000-mile warranty on our Class A, B and C motor homes, and a 3-year/36,000-mile structural warranty on Class A and C sidewalls and floors. We provide a comprehensive 12-month warranty on all towable products. We have also incurred costs for certain warranty-type expenses which occurred after the normal warranty period. We have voluntarily agreed to pay such costs to help protect the reputation of our products and the goodwill of our customers. Estimated costs related to product warranty are accrued at the time of sale and are based upon past warranty claims and unit sales history and adjusted as required to reflect actual costs incurred, as information becomes available. A significant increase in dealership labor rates, the cost of parts or the frequency of claims could have a material adverse impact on our operating results for the period or periods in which such claims or additional costs materialize. We also incur costs as a result of additional service actions not covered by our warranties, including product recalls and customer satisfaction actions. Estimated costs are accrued at the time the service action is implemented and are based upon past claim rate experiences and the estimated cost of the repairs.

Changes in our product warranty liability during Fiscal 2012, Fiscal 2011 and Fiscal 2010 are as follows:

(In thousands)	August 25, 2012	August 27, 2011	August 28, 2010
Balance at beginning of year	\$ 7,335	\$ 7,634	\$ 6,408
Provision	5,756	5,566	6,209
Claims paid	(6,101)	(5,865)	(4,983)
Balance at end of year	<u>\$ 6,990</u>	<u>\$ 7,335</u>	<u>\$ 7,634</u>

Note 10: Employee and Retiree Benefits

Postretirement health care and deferred compensation benefits are as follows:

(In thousands)	August 25, 2012	August 27, 2011
Postretirement health care benefit cost	\$ 45,132	\$ 41,370
Non-qualified deferred compensation	23,630	24,622
Executive share option plan liability	7,798	9,286
SERP benefit liability	3,342	3,086
Executive deferred compensation	102	93
Total postretirement health care and deferred compensation benefits	<u>80,004</u>	<u>78,457</u>
Less current portion	<u>(4,869)</u>	<u>(3,965)</u>
Long-term postretirement health care and deferred compensation benefits	<u>\$ 75,135</u>	<u>\$ 74,492</u>

Postretirement Health Care Benefits

We provide certain health care and other benefits for retired employees hired before April 1, 2001, who have fulfilled eligibility requirements at age 55 with 15 years of continuous service. We use a September 1 measurement date for this plan and our postretirement health care plan currently is not funded. In Fiscal 2005, we established dollar caps on the amount that we will pay for postretirement health care benefits per retiree on an annual basis so that we were not exposed to continued medical inflation.

Retirees are required to pay a monthly premium in excess of the employer dollar caps for medical coverage based on years of service and age at retirement. In January 2012 the employer established dollar caps were reduced by 10% through a plan amendment which reduced our liability for postretirement health care by \$4.6 million, as presented in the table below.

The discount rate used in determining the accumulated postretirement benefit obligation was 3.6% at August 25, 2012 and 4.9% at August 27, 2011. In Fiscal 2012, the decrease in the discount rate resulted in an increase to the benefit obligation of \$7.2 million, presented as an actuarial loss in the following table. Assumed health care cost trend rates do not have a significant effect in determining the accumulated postretirement benefit obligation due to employer caps established.

Changes in our postretirement health care liability are as follows:

(In thousands)	August 25, 2012	August 27, 2011
Balance at beginning of year	\$ 41,370	\$ 40,327
Interest cost	1,849	1,905
Service cost	539	608
Net benefits paid	(1,213)	(1,228)
Actuarial loss	7,185	(242)
Plan amendment	(4,598)	—
Balance at end of year	<u>\$ 45,132</u>	<u>\$ 41,370</u>

Net periodic postretirement benefit income for the past three fiscal years consisted of the following components:

(In thousands)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
Interest cost	\$ 1,849	\$ 1,905	\$ 1,979
Service cost	539	608	555
Amortization of prior service benefit	(4,592)	(4,199)	(4,199)
Amortization of net actuarial loss	1,029	1,095	875
Net periodic postretirement benefit income	<u>\$ (1,175)</u>	<u>\$ (591)</u>	<u>\$ (790)</u>

For accounting purposes, we recognized net periodic postretirement income as presented in the table above, due to the amortization of prior service benefit associated with the establishment of caps on the employer portion of benefits in Fiscal 2005 and the 10% cap reduction in Fiscal 2012.

Amounts not yet recognized in net periodic benefit cost and included in accumulated other comprehensive income (before taxes) are as follows:

(In thousands)	August 25, 2012	August 27, 2011
Prior service credit	\$ (17,808)	\$ (17,801)
Net actuarial loss	22,075	15,918
Accumulated other comprehensive income	<u>\$ 4,267</u>	<u>\$ (1,883)</u>

The estimated amounts that will be will be amortized from accumulated other comprehensive income to net periodic benefit cost in Fiscal 2013 include a prior service credit of \$4.8 million and an actuarial net loss of \$1.6 million.

Expected future benefit payments for postretirement health care for the next ten years are as follows:

(In thousands)	Amount
Year: 2013	\$ 1,249
2014	1,457
2015	1,645
2016	1,806
2017	1,967
2018 - 2022	11,936
Total	<u>\$ 20,060</u>

The expected future benefit payments have been estimated based on the same assumptions used to measure our benefit obligation as of August 25, 2012 and include benefits attached to estimated current employees' future services.

Deferred Compensation Benefits**Non-Qualified Deferred Compensation Program (1981)**

We have a Non-Qualified Deferred Compensation Program which permitted key employees to annually elect to defer a portion of their compensation until their retirement. The plan has been closed to any additional deferrals since January 2001. The retirement benefit to be provided is 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 age 55 and 5 years of participation under the plan. For deferrals prior to December 1992, vesting occurs at the later of age 55 and 5 years of service from first deferral or 20 years of service. Deferred compensation expense was \$1.6 million, \$1.8 million and \$1.9 million in Fiscal 2012, 2011 and 2010, respectively. Total deferred compensation liabilities were \$23.6 million and \$24.6 million at August 25, 2012 and August 27, 2011, respectively.

Supplemental Executive Retirement Plan (SERP)

The primary purpose of this plan was to provide our officers and managers with supplemental retirement income for a period of 15 years after retirement. We have not offered this plan on a continuing basis to members of management since 1998. The plan was funded with individual whole life insurance policies (Split Dollar Program) owned by the named insured officer or manager. We initially paid the life insurance premiums on the life of the individual and the individual would receive life insurance and supplemental cash payment during the 15 years following retirement. In October 2008, the plan was amended as a result of changes in the tax and accounting regulations and rising administrative costs. Under the redesigned SERP, the underlying life insurance policies previously owned by the insured individual became COLI by a release of all interests by the participant and assignment to us as a prerequisite to participation in the SERP and transition from the Split Dollar Program. Total SERP liabilities were \$3.3 million and \$3.1 million at August 25, 2012 and August 27, 2011, respectively. This program remains closed to new employee participation.

To assist in funding the deferred compensation and SERP liabilities, we have invested in COLI policies. The cash surrender value of these policies is presented as investment in life insurance in the accompanying balance sheets and consists of the following:

(In thousands)	August 25, 2012	August 27, 2011
Cash value	\$ 53,948	\$ 53,650
Borrowings	(30,821)	(29,981)
Investment in life insurance	<u>\$ 23,127</u>	<u>\$ 23,669</u>

Non-Qualified Share Option Program (2001)

The Non-Qualified Share Option Program permitted participants in the Executive Share Option Plan (the "Executive Plan") to choose to defer a portion of their salary or other eligible compensation in the form of options to purchase selected securities, primarily equity-based mutual funds. These assets are treated as trading securities and are recorded at fair value. The Executive Plan has been closed to any additional deferrals since January 2005. Total Executive Plan assets are included in other assets in the accompanying balance sheets. Such assets on August 25, 2012 and August 27, 2011 were \$9.4 million and \$11.5 million, respectively, and the liabilities were \$7.8 million and \$9.3 million, respectively. The difference between the asset and liability balances represents the additional 25% we contributed at the time of the initial deferrals to aid in potential additional earnings to the participant. This contribution is required to be paid back to us when the option is exercised. A participant may exercise his or her options per the plan document, but there is a requirement that after these dollars have been invested for 15 years the participant is required to exercise such option.

Executive Deferred Compensation Plan (2007)

In December 2006, we adopted the Winnebago Industries, Inc. Executive Deferred Compensation Plan (the "Executive Deferred Compensation Plan"). Under the Executive Deferred Compensation Plan, corporate officers and certain key employees may annually choose to defer up to 50% of their salary and up to 100% of their cash incentive awards. The assets are presented as other assets and the liabilities are presented as postretirement health care and deferred compensation benefits in the accompanying balance sheets. Such assets on August 25, 2012 and August 27, 2011 were \$102,000 and \$93,000, respectively, and liabilities were \$102,000 and \$93,000, respectively.

Profit Sharing Plan

We have a qualified profit sharing and contributory 401(k) plan for eligible employees. The plan provides quarterly discretionary matching cash contributions as approved by our Board of Directors. Contributions to the plan for Fiscal 2012, 2011 and 2010 were \$676,000, \$676,000 and \$685,000, respectively.

Note 11: Contingent Liabilities and Commitments**Repurchase Commitments**

Generally, manufacturers in the RV industry enter into repurchase agreements with lending institutions which have provided wholesale floorplan financing to dealers. Most dealers' RVs are financed on a "floorplan" basis under which a bank or finance company lends the dealer all, or substantially all, of the purchase price, collateralized by a security interest in the recreation vehicles purchased.

Our repurchase agreements provide that, in the event of default by the dealer on the agreement to pay the lending institution, we

will repurchase the financed merchandise. The terms of these agreements, which generally can last up to 18 months, provide that our liability will be the lesser of remaining principal owed by the dealer or dealer invoice less periodic reductions based on the time since the date of the original invoice. Our contingent liability on these repurchase agreements was approximately \$165.4 million and \$155.5 million at August 25, 2012 and August 27, 2011, respectively.

In certain instances, we also repurchase inventory from our dealers due to state law or regulatory requirements that govern voluntary or involuntary relationship terminations. Although laws vary from state to state, some states have laws in place that require manufacturers of recreation vehicles to repurchase current inventory if a dealership exits the business. Incremental repurchase exposure beyond existing repurchase agreements, related to dealer inventory in states that we have had historical experience of repurchasing inventory, totaled \$5.0 million and \$5.7 million at August 25, 2012 and August 27, 2011, respectively.

Our risk of loss related to these repurchase commitments is significantly reduced by the potential resale value of any products that are subject to repurchase and is spread over numerous dealers and lenders. The aggregate contingent liability related to our repurchase agreements represents all financed dealer inventory at the period reporting date subject to a repurchase agreement, net of the greater of periodic reductions per the agreement or dealer principal payments. Based on the repurchase exposure as previously described, we established an associated loss reserve. Our accrued losses on repurchases were \$627,000 as of August 25, 2012 and \$1.2 million as of August 27, 2011.

A summary of the activity for the fiscal years stated for repurchased units is as follows:

(Dollars in thousands)	Fiscal 2012	Fiscal 2011	Fiscal 2010
Inventory repurchased:			
Units	18	25	4
Dollars	\$ 1,264	\$ 2,431	\$ 300
Inventory resold:			
Units	18	25	5
Cash collected	\$ 1,113	\$ 2,144	\$ 328
Loss recognized	\$ 151	\$ 287	\$ 44
Units in ending inventory	—	—	—

Litigation

We are involved in various legal proceedings which are ordinary routine litigation incidental to our business, some of which are covered in whole or in part by insurance. We believe while the final resolution of any such litigation may have an impact on our results for a particular reporting period, the ultimate disposition of such litigation will not have any material adverse effect on our financial position, results of operations or liquidity.

Lease Commitments

We have operating leases for certain land, buildings and equipment. Lease expense was \$864,000 for Fiscal 2012 (see Note 19), \$642,000 for Fiscal 2011 and \$220,000 for Fiscal 2010. Minimum future lease commitments under noncancelable lease agreements in excess of one year as of August 25, 2012 are as follows:

(In thousands)	Amount
Year Ended: 2013	\$ 958
2014	685
2015	223
2016	—
2017	—
Total	<u>\$ 1,866</u>

Note 12: Income Taxes

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

(In thousands)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
Current			
Federal	\$ 468	\$ 588	\$ (7,694)
State	(584)	(564)	(3,255)
Total current tax provision (benefit)	(116)	24	(10,949)
Deferred			
Federal	(33,218)	62	1,260
State	(1,531)	8	184
Total deferred tax (benefit) provision	(34,749)	70	1,444
Total tax (benefit) provision	\$ (34,865)	\$ 94	\$ (9,505)

Current Tax (Benefit) Provision

The amount of current federal tax provision noted in the table above for Fiscal 2012 and 2011 represents primarily the estimated federal tax (benefit) payable for those fiscal years in addition to the tax effect of tax planning initiatives recorded during the year. Of the current federal benefit of \$7.7 million for Fiscal 2010 reflected in the table above, \$5.8 million relates to the carryback of our Fiscal 2009 losses and the remaining benefit relates to settlements of uncertain tax positions as a result of our federal audit. On November 6, 2009, the President of the United States signed into law the Worker, Homeownership, and Business Assistance Act of 2009, which expanded the NOL carryback period from two to five years, allowing us to carryback all Fiscal 2009 NOLs. As a result, we recorded a total tax benefit of \$5.8 million in Fiscal 2010 related to the portion of the 2009 NOL that was previously not able to be carried back and reduced the associated valuation allowance.

The state benefit recorded in Fiscal 2012, Fiscal 2011 and Fiscal 2010 is primarily a result of tax planning initiatives recorded during those years.

Deferred Tax (Benefit) Provision

The deferred federal and state tax benefit recorded during Fiscal 2012 is associated with the reduction in valuation allowance on deferred tax assets. During the year, the Company made the determination that a full valuation on the deferred tax assets is no longer required as a result of our analysis that illustrates our ability to utilize the assets in the future. The deferred federal tax expense recorded during Fiscal 2010 is primarily the result of tax planning initiatives and changes in the valuation allowance recorded during that year.

The following is a reconciliation of the US statutory income tax rate to our effective tax rate:

(A percentage)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
US federal statutory rate	34.0 %	34.0 %	35.0 %
State taxes, net of federal benefit	2.5 %	2.1 %	4.2 %
Tax-free and dividend income	(9.7)%	(8.4)%	(136.5)%
Income tax credits	(1.7)%	(4.6)%	— %
Domestic production activities deduction	(1.1)%	(1.3)%	— %
Other permanent items	4.8 %	(0.1)%	187.2 %
Valuation allowance	(372.8)%	(16.8)%	(735.3)%
Uncertain tax positions settlements and adjustments	(1.6)%	(4.1)%	(430.6)%
Amended state returns	0.6 %	— %	(193.4)%
Other	— %	— %	(11.6)%
Effective tax (benefit) provision rate	(345.0)%	0.8 %	(1,281.0)%

Significant items comprising our net deferred tax assets are as follows:

(In thousands)	August 25, 2012	August 27, 2011
	Total	Total
Current		
Warranty reserves	\$ 2,759	\$ 2,588
Self-insurance reserve	1,556	1,204
Accrued vacation	1,595	1,625
Inventory	186	669
Deferred compensation	1,215	1,022
Miscellaneous reserves	1,142	1,349
Total current	8,453	8,457
Noncurrent		
Postretirement health care benefits	16,508	15,087
Deferred compensation	12,416	13,493
Tax credits and NOL carryforwards	2,750	2,755
Unrecognized tax benefit	1,416	1,625
Depreciation	(2,037)	(2,426)
Other	1,036	908
Total noncurrent	32,089	31,442
Total gross deferred tax assets	40,542	39,899
Valuation allowance	(1,569)	(39,250)
Total deferred tax assets	\$ 38,973	\$ 649

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. ASC 740 requires that companies assess whether valuation allowances should be established against their deferred tax assets based on the consideration of all available evidence, using a "more likely than not" standard. In making such assessments, significant weight is to be given to evidence that can be objectively verified. A company's current or previous losses are given more weight than its future outlook.

- In Fiscal 2009, we established a full valuation allowance on all deferred tax assets due to our three-year historical cumulative losses incurred combined with the uncertain market and economic conditions that reduced our ability to rely on our projections of any future taxable income.
- In Fiscal 2011, we re-established deferred tax assets of \$649,000, primarily due to taxable earnings achieved in Fiscal 2011 which increased the likelihood of realizing a portion of gross deferred tax assets in the future.
- During the fourth quarter of Fiscal 2012, we evaluated the sustainability of our deferred tax assets which included the assessment of cumulative income or losses over recent prior periods. We determined that \$39.0 million of our deferred tax assets were sustainable due to the fact that we are now in a three-year historical cumulative income position as opposed to a three-year historical loss position and have a positive future outlook. This resulted in a tax benefit through the reduction of our valuation allowance. At August 25, 2012, our deferred tax assets included \$1.4 million of unused tax credits, which will expire in Fiscal 2014, and \$1.4 million of state NOLs that will begin to expire in Fiscal 2013, if not otherwise used by us. A valuation allowance of \$1.6 million has been maintained for these assets as it is unlikely that the \$1.4 million of tax credits will be utilized before they expire and \$200,000 of state NOLs are currently not available to be utilized due to a suspension put in place by that state. Based on ASC 740 guidelines, we determined a valuation allowance of \$1.6 million was appropriate as of August 25, 2012.

Unrecognized Tax Benefits

Changes in the unrecognized tax benefits are as follows:

(In thousands)	Fiscal 2012	Fiscal 2011	Fiscal 2010
Unrecognized tax benefits - beginning balance	\$ (5,387)	\$ (5,877)	\$ (9,012)
Gross increases - tax positions in a prior period	—	—	(254)
Gross decreases - tax positions in a prior period	599	490	2,900 ⁽¹⁾
Gross increases - current period tax positions	(440)	—	(57)
Settlements	—	—	546 ⁽²⁾
Unrecognized tax benefits - ending balance	<u>\$ (5,228)</u>	<u>\$ (5,387)</u>	<u>\$ (5,877)</u>
Accrued interest and penalties (included in unrecognized tax benefits)	\$ (2,180)	\$ (2,398)	\$ (2,509)

⁽¹⁾ The \$2.9 million decrease in unrecognized benefit reserves is primarily a reduction of reserves associated with positive settlements of uncertain tax positions related to the finalization of the IRS examination of our federal income tax returns for Fiscal 2006 through Fiscal 2008.

⁽²⁾ The \$546,000 reduction in reserves is actual cash payments as a result of settlements of uncertain tax positions in various taxing jurisdictions.

If the remaining uncertain positions are ultimately favorably resolved, \$3.3 million of unrecognized benefits could have a positive impact on our effective tax rate, as the Company has recorded deferred tax assets associated with these positions, and the valuation allowance associated with this liability has been eliminated. It is our policy to recognize interest and penalties accrued relative to unrecognized tax benefits into tax expense.

We file tax returns in the US federal jurisdiction, as well as various international and state jurisdictions. Our federal income tax return for Fiscal 2009, with source years 2004 and 2005 as a result of carryback claims, were under examination by the IRS and finalized during Fiscal 2011. This examination was concluded during the fourth quarter of Fiscal 2011, resulting with no changes being recommended by the IRS. Although certain years are no longer subject to examinations by the IRS and various state taxing authorities, NOL carryforwards generated in those years may still be adjusted upon examination by the IRS or state taxing authorities if they either have been or will be used in a future period. A number of years may elapse before an uncertain tax position is audited and finally resolved, and it is often very difficult to predict the outcome of such audits. Periodically, various state and local jurisdictions conduct audits, therefore, a variety of years are subject to state and local jurisdiction review.

We do not believe within the next twelve months there will be a significant change in the total amount of unrecognized tax benefits as of August 25, 2012.

Note 13: Non-Operating Income and Expense

Non-operating income consists of:

(In thousands)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
COLI appreciation	\$ 2,788	\$ 3,045	\$ 3,308
COLI death benefits	528	372	—
COLI premiums	(514)	(564)	(571)
COLI interest expense	(1,795)	(1,821)	(1,957)
Total COLI	<u>1,007</u>	<u>1,032</u>	<u>780</u>
Wells Fargo termination fee	—	—	(375)
Line of credit expenses (e.g. commitment fee, unused fee)	(571)	(564)	(592)
Total line of credit expense	<u>(571)</u>	<u>(564)</u>	<u>(967)</u>
Interest income	143	194	420
Gain (loss) on foreign currency transactions	2	(4)	(11)
Total non-operating income	<u>\$ 581</u>	<u>\$ 658</u>	<u>\$ 222</u>

Note 14: Stock-Based Compensation Plans

We have a 2004 Incentive Compensation Plan approved by shareholders (as amended, the "Plan") in place which allows us to grant or issue non-qualified stock options, incentive stock options, share awards and other equity compensation to key employees and to non-employee directors. No more than 4.0 million shares of common stock may be issued under the Plan and no more than 2.0 million of those shares may be used for awards other than stock options or stock appreciation rights. Shares subject to awards that are forfeited, terminated, expire unexercised, settled in cash, exchanged for other awards, tendered to satisfy the purchase price of an award, withheld to satisfy tax obligations or otherwise lapse again become available for awards.

Stock Options and Share Awards

With respect to stock options, the Plan replaced the 1997 Stock Option Plan. Any stock options previously granted under the 1997

Stock Option Plan continue to be exercisable in accordance with their original terms and conditions.

The term of any options granted under the Plan may not exceed ten years from the date of the grant. Stock options are granted at the closing market price on the date of grant. Options issued to key employees generally vest over a three-year period in equal annual installment, beginning one year after the date of grant, with immediate vesting upon retirement or upon a change of control (as defined in the Plan), if earlier. Historically, options issued to directors vested six months after grant. Share awards vest based either upon continued employment, beginning one year after the date of grant, with immediate vesting upon retirement or upon a change of control (collectively, "time-based") or upon attainment of established goals. Share awards that are not time-based typically vest at the end of a one year or three-year incentive period based upon the achievement of company goals ("performance-based"). The value of time-based restricted share awards is based on the number of shares granted and the closing price of our common stock on the date of grant. The value of performance-based restricted share awards is based upon the terms of the plan and an assessment of the probability of reaching the established performance targets. Historically, the terms of these plans linked the incentive payment to a percentage of base salary compensation and if the established goals are met, shares of the appropriate value are then granted.

Prior to Fiscal 2007, stock-based compensation generally consisted only of stock options. In Fiscal 2007 and Fiscal 2008, we granted restricted time-based share awards to key employees and directors instead of stock options. No stock options or restricted share awards were granted in Fiscal 2010. In Fiscal 2011 we again granted restricted time-based stock awards to key employees and directors. In Fiscal 2012 the Board of Directors granted 50,000 shares of restricted common stock to Robert J. Olson, retiring Executive Chairman of the Board, in recognition of his contributions to the Company during his 43 years of service.

Annual Incentive Plans

For Fiscal 2010, Fiscal 2011 and Fiscal 2012, the Human Resources Committee of our Board of Directors established annual incentive plans for the officers that were to be paid in 2/3 cash and 1/3 restricted stock. Certain financial performance metrics had to be met to achieve payment under these plans; these metrics (diluted EPS and ROIC) were not met for Fiscal 2010 and Fiscal 2011. Certain financial performance metrics (pre-tax income and ROIC) were achieved for Fiscal 2012 under the annual incentive plan thus \$459,000 of compensation expense was accrued under this plan at the end of Fiscal 2012 of which \$120,000 was stock-based. On October 9, 2012, the Human Resources Committee of the Board of Directors approved the award of 9,606 restricted shares to the officers under the annual incentive plan. Of the shares granted, we repurchased 2,408 shares from employees who elected to pay their payroll tax via shares as opposed to cash. The restricted stock has a one-year restriction on sale upon award.

Long-Term Incentive Plans

For Fiscal 2010, Fiscal 2011 and Fiscal 2012, the Human Resources Committee of our Board of Directors established three different three-year incentive compensation plans (Officers Long-Term Incentive Plan Fiscal 2010-2012, 2011-2013 and 2012-2014) to serve as an incentive to our senior management team to achieve certain ROE targets. If the ROE target is met, restricted stock will be awarded subsequent to the end of each three year period with a one-year restriction on sale upon award. In the event that we do not achieve the required ROE targets, no restricted stock will be granted. If it becomes probable that certain of the ROE performance targets will be achieved, the corresponding estimated cost of the grant will be recorded as stock-based compensation expense over the performance period. The probability of reaching the targets is evaluated each reporting period. If it becomes probable that certain of the target performance levels will be achieved, a cumulative adjustment will be recorded and future stock-based-compensation expense will increase based on the then projected performance levels. If we later determine that it is not probable that the minimum ROE performance threshold for the grants will be met, no further stock-based compensation cost will be recognized and any previously recognized stock-based compensation cost related to these plans will be reversed.

As of the end of Fiscal 2012, \$791,000 of stock-based compensation expense has been accrued for these plans. Specifically, for the 2010-2012 plan, the ROE target was met, thus subsequent to year end, in October 2012 restricted stock was awarded to the officers in this plan. On October 9, 2012, the Human Resources Committee of the Board of Directors approved the award of 25,532 shares to the officers under the 2010-2012 long-term incentive plan. Of the shares granted, we repurchased 7,295 shares from employees who elected to pay their payroll tax via shares as opposed to cash. The restricted stock has a one-year restriction on sale upon award.

Director's Awards

Non-employee directors may elect to receive all or part of their annual retainer and board fees in the form of Winnebago Industries stock units credited in the form of shares of our common stock instead of cash. The directors are restricted from selling these shares until their retirement. During Fiscal 2012, there were 26,819 stock units awarded to our non-employee directors in lieu of cash compensation. The aggregate intrinsic value of these awards as of August 25, 2012 was \$1,294,000 with 117,535 stock units outstanding.

Stock-Based Compensation

Total stock-based compensation expense for the past three fiscal years consisted of the following components:

(In thousands)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
Share awards:			
Performance-based annual plan employee award expense	\$ 120	\$ —	\$ —
Performance-based long-term plan employee award expense	791	—	—
Time-based employee award expense	685	1,068	370
Time-based directors award expense	87	58	—
Directors stock unit expense	235	189	176
Total stock-based compensation	\$ 1,918	\$ 1,315	\$ 546

Stock Options

A summary of stock option activity for Fiscal 2012, 2011 and 2010 is as follows:

	Year Ended								
	August 25, 2012			August 27, 2011			August 28, 2010		
	Shares	Price per Share	Wtd. Avg. Exercise Price/Share	Shares	Price per Share	Wtd. Avg. Exercise Price/Share	Shares	Price per Share	Wtd. Avg. Exercise Price/Share
Outstanding at beginning of year	812,983	\$18 - \$36	\$ 28.84	940,815	\$9 - \$36	\$ 27.82	1,010,224	\$9 - \$36	\$ 27.31
Options granted	—	—	—	—	—	—	—	—	—
Options exercised	—	—	—	(9,000)	9 - 11	9.20	(30,500)	9 - 11	9.20
Options canceled	(85,319)	19 - 32	26.81	(118,832)	9 - 32	22.23	(38,909)	9 - 36	29.18
Outstanding at end of year	727,664	\$18 - \$36	\$ 29.08	812,983	\$18 - \$36	\$ 28.84	940,815	\$9 - \$36	\$ 27.82
Exercisable at end of year	727,664	\$18 - \$36	\$ 29.08	812,983	\$18 - \$36	\$ 28.84	940,815	\$9 - \$36	\$ 27.82

The weighted average remaining contractual life for options outstanding and exercisable at August 25, 2012 was 2.1 years. There was no aggregate intrinsic value for the options outstanding and exercisable at August 25, 2012. Other values related to options are as follows:

(In thousands)	Fiscal 2012	Fiscal 2011	Fiscal 2010
Aggregate intrinsic value of options exercised ⁽¹⁾	\$ —	\$ 53	\$ 156
Net cash proceeds from the exercise of stock options	—	83	280
Actual income tax benefit realized from stock option exercises	—	20	59

⁽¹⁾ The amount by which the closing price of our stock on the date of exercise exceeded the exercise price.

Share Awards

A summary of share award activity for Fiscal 2012, 2011 and 2010 is as follows:

	Year Ended					
	August 25, 2012		August 27, 2011		August 28, 2010	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Beginning of year	148,500	\$ 13.49	28,110	\$ 28.21	82,240	\$ 29.97
Granted	50,000	7.96	151,000	13.49	—	—
Vested	(120,044)	11.19	(30,610)	27.01	(53,930)	30.90
Canceled	(7,500)	13.49	—	—	(200)	28.21
End of year	70,956	\$ 13.49	148,500	\$ 13.49	28,110	\$ 28.21

The aggregate intrinsic value of awards outstanding at August 25, 2012 was \$781,000.

As of August 25, 2012, there was \$474,000 of unrecognized compensation expense related to restricted stock awards that is expected to be recognized over a weighted average period of 1.5 years. The total fair value of awards vested during Fiscal 2012, 2011 and 2010 was \$1.2 million, \$582,000 and \$1.7 million, respectively.

The Human Resources Committee of the Board of Directors of Winnebago Industries, Inc. recommended the award of, and on October 10, 2012, the full Board of Directors approved the award of, grants of 141,600 shares of our restricted common stock under the Plan to our key management group (approximately 60 employees). The Board of Directors also granted 14,000 shares of our restricted common stock to the non-management members of the Board.

The value of the restricted stock is based on the closing price of our common stock on the date of grant, which was \$12.20. The fair value of this award to employees is amortized on a straight-line basis over the requisite service period of three years or to an employee's eligible retirement date, if earlier; thus restricted stock awards are expensed immediately upon grant for retirement-eligible employees. Estimated non-cash stock compensation expense based on this restricted stock grant will be approximately \$550,000 for the first quarter of Fiscal 2013 and \$850,000 for Fiscal 2013.

Note 15: Net Revenues Classifications

Net revenue by product class:

(In thousands)	Year Ended					
	August 25, 2012		August 27, 2011		August 28, 2010	
Motor homes	\$ 483,532	83.1%	\$ 443,232	89.3%	\$ 415,277	92.4%
Towables	56,784	9.8%	16,712	3.4%	—	—%
Motor home parts and services	12,661	2.2%	13,105	2.6%	13,655	3.0%
Other manufactured products	28,702	4.9%	23,369	4.7%	20,552	4.6%
Total net revenues	\$ 581,679	100.0%	\$ 496,418	100.0%	\$ 449,484	100.0%

Net revenue by geographic area:

(In thousands)	Year Ended					
	August 25, 2012		August 27, 2011		August 28, 2010	
United States	\$ 522,515	89.8%	\$ 446,616	90.0%	\$ 413,154	91.9%
International	59,164	10.2%	49,802	10.0%	36,330	8.1%
Total net revenues	\$ 581,679	100.0%	\$ 496,418	100.0%	\$ 449,484	100.0%

Note 16: Earnings Per Share

The following table reflects the calculation of basic and diluted income per share for the past three fiscal years:

(In thousands, except per share data)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
Income per share - basic			
Net income	\$ 44,972	\$ 11,843	\$ 10,247
Weighted average shares outstanding	29,145	29,121	29,091
Net income per share - basic	\$ 1.54	\$ 0.41	\$ 0.35
Income per share - assuming dilution			
Net income	\$ 44,972	\$ 11,843	\$ 10,247
Weighted average shares outstanding	29,145	29,121	29,091
Dilutive impact of awards and options outstanding	62	27	10
Weighted average shares and potential dilutive shares outstanding	29,207	29,148	29,101
Net income per share - assuming dilution	\$ 1.54	\$ 0.41	\$ 0.35

For the fiscal years ended August 25, 2012, August 27, 2011 and August 28, 2010, there were options outstanding to purchase 727,664 shares, 812,983 shares and 927,815 shares, respectively, of common stock at an average price of \$29.08, \$28.84 and \$28.08, respectively, which were not included in the computation of diluted income per share because they are considered anti-dilutive under the treasury stock method per ASC 260, *Earnings Per Share*.

Note 17: Interim Financial Information (Unaudited)

Fiscal 2012	Quarter Ended			
	November 26, 2011	February 25, 2012	May 26, 2012	August 25, 2012
(In thousands, except per share data)				
Net revenues	\$ 131,837	\$ 131,600	\$ 155,709	\$ 162,533
Gross profit	8,496	6,846	12,071	16,267
Operating income (loss)	627	(1,164)	3,527	6,536
Net income (loss)	1,035	(912)	3,941	40,908
Net income (loss) per share (basic)	0.04	(0.03)	0.13	1.41
Net income (loss) per share (diluted)	0.04	(0.03)	0.13	1.41

Fiscal 2011	Quarter Ended			
	November 27, 2010	February 26, 2011	May 28, 2011	August 27, 2011
(In thousands, except per share data)				
Net revenues	\$ 123,711	\$ 106,593	\$ 135,568	\$ 130,546
Gross profit	11,199	11,324	8,703	8,528
Operating income	4,925	4,050	538	1,766
Net income	3,786	3,315	1,195	3,547
Net income per share (basic)	0.13	0.11	0.04	0.12
Net income per share (diluted)	0.13	0.11	0.04	0.12

Note 18: Comprehensive Income

Comprehensive income, net of tax, consists of:

(In thousands)	Year Ended		
	August 25, 2012	August 27, 2011	August 28, 2010
Net income	\$ 44,972	\$ 11,843	\$ 10,247
Unrealized (depreciation) appreciation of investments	(314)	(5)	213
Amortization of actuarial loss	644	685	548
(Increase) decrease in actuarial loss	(3,630)	245	(3,451)
Plan amendment	2,869	—	—
Amortization of prior service credit	(2,801)	(2,621)	(2,608)
Comprehensive income	\$ 41,740	\$ 10,147	\$ 4,949

Components of accumulated other comprehensive loss, net of tax, were:

(In thousands)	As Of	
	August 25, 2012	August 27, 2011
Impairment of investments	\$ (359)	\$ (46)
Actuarial loss	(14,439)	(11,452)
Prior service benefit	11,112	11,044
Accumulated other comprehensive loss	\$ (3,686)	\$ (454)

Note 19: Related Party Transactions

The president of our Towables operation and former majority owner of SunnyBrook is a majority owner of FFT Land Management which leased manufacturing and office space to us in Middlebury, Indiana from January 1, 2011 to December 31, 2015 with annual payments of \$660,000. For the twelve months ended August 25, 2012 and the eight months ended August 27, 2011, we recorded rent expense associated with the lease of \$660,000 and \$440,000, respectively. We believe that the lease agreement terms are similar to those that would result from arm's-length negotiations between unrelated parties.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined under Securities Exchange Act of 1934, as amended ("Exchange Act") Rule 13a-15(e), that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures and believes that such controls and procedures are effective at the reasonable assurance level.

We have carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, required by Exchange Act Rule 13a-15(b), as of the end of the period covered by this Annual Report (the "Evaluation Date"). Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the Evaluation Date.

Evaluation of Internal Control Over Financial Reporting

Management's report on internal control over financial reporting as of August 25, 2012 is included within Item 8 of this Annual Report on Form 10-K and is incorporated herein by reference. The report of Deloitte & Touche LLP on the effectiveness of internal control over financial reporting is included within Item 8 of this Annual Report on Form 10-K and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Reference is made to the table entitled "Executive Officers of the Registrant" in Part I of this report and to the information included under the captions "Board of Directors, Committees of the Board and Corporate Governance", "Section 16(a) Beneficial Ownership Reporting Compliance", "Election of Directors" and "Fiscal Year 2013 Shareholder Proposals" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 18, 2012, which information is incorporated by reference herein.

We have adopted a written code of ethics, the "Code of Ethics for CEO and Senior Financial Officers" (the "Code") which is applicable to our Chief Executive Officer, Chief Financial Officer, and Treasurer (collectively, the "Senior Officers"). In accordance with the rules and regulations of the SEC, a copy of the Code has been filed as an exhibit to this Form 10-K and is posted on our website.

We intend to disclose any changes in or waivers from the Code applicable to any Senior Officer on our website at www.winnebagoind.com or by filing a Form 8-K.

Item 11. Executive Compensation

Reference is made to the information included under the captions "Director Compensation" and "Executive Compensation" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 18, 2012, which information is incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Reference is made to the table entitled "Equity Compensation Plan Information" in Part II of this report and to the share ownership information included under the caption "Voting Securities and Principal Holders Thereof" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 18, 2012, which information is incorporated by reference herein.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Reference is made to the information included under the caption "Board of Directors, Committees of the Board and Corporate Governance" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 18, 2012, which information is incorporated by reference herein.

Item 14. Principal Accounting Fees and Services

Reference is made to the information included under the caption "Independent Registered Public Accountants Fees and Services" in our Proxy Statement for the Annual Meeting of Shareholders scheduled to be held December 18, 2012 which information is incorporated by reference herein.

PART IV

Item 15. Exhibits, Financial Statement Schedules

1. Our consolidated financial statements are included in Item 8 and an index to financial statements appears on page 25 of this report.
2. Financial Statement Schedules: Winnebago Industries, Inc. and Subsidiaries

All schedules 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.

3. Exhibits: See Exhibit Index on pages 54-56.

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/ Randy J. Potts

Randy J. Potts

Chief Executive Officer, President, Chairman of the Board
(Principal Executive Officer)

Date: October 23, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on, October 23, 2012, by the following persons on behalf of the Registrant and in the capacities indicated.

Signature

Capacity

/s/ Randy J. Potts

Randy J. Potts

Chief Executive Officer, President, Chairman of the Board
(Principal Executive Officer)

/s/ Sarah N. Nielsen

Sarah N. Nielsen

Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)

/s/ Irvin E. Aal

Irvin E. Aal

Director

/s/ Robert M. Chiusano

Robert M. Chiusano

Director

/s/ Jerry N. Currie

Jerry N. Currie

Director

/s/ Lawrence A. Erickson

Lawrence A. Erickson

Director

/s/ Gerald C. Kitch

Gerald C. Kitch

Director

/s/ Robert J. Olson

Robert J. Olson

Director

/s/ Mark T. Schroeffer

Mark T. Schroeffer

Director

Exhibit Index

- 3a. Articles of Incorporation previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 27, 2000 (Commission File Number 001-06403) and incorporated by reference herein.
- 3b. Amended By-Laws of the Registrant previously filed with the Registrant's Current Report on Form 8-K dated March 24, 2010 (Commission File Number 001-06403) and incorporated by reference herein.
- 10a. Winnebago Industries, Inc. Deferred Compensation Plan previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 2, 1991 (Commission File Number 001-06403), and incorporated by reference herein and the Amendment dated June 29, 1995 previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10b. 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 001-06403) and incorporated by reference herein.*
- 10c. Winnebago Industries, Inc. Executive Share Option Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 1998 (Commission File Number 001-06403) and incorporated by reference herein, and the Amendment dated July 1, 1999 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 29, 1999 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated January 1, 2001 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 24, 2001 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10d. Form of Winnebago Industries, Inc. Incentive Stock Option Agreement for grants of Incentive Stock Options under the 2004 Incentive Compensation Plan previously filed with the Registrant's Current Report on Form 8-K dated October 13, 2004 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10e. Form of Winnebago Industries, Inc. Non-Qualified Stock Option Agreement for grants of Non-Qualified Stock Options under the 2004 Incentive Compensation Plan previously filed with the Registrant's Report on Form 8-K dated October 13, 2004 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10f. Winnebago Industries, Inc. Restricted Stock Grant Award Agreement under the 2004 Incentive Compensation Plan previously filed with the Registrant's Current Report on Form 8-K dated October 11, 2006 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10g. Winnebago Industries, Inc. Executive Deferred Compensation Plan previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10h. Winnebago Industries, Inc. 2004 Incentive Compensation Plan previously filed as Appendix B with the Registrant's Proxy Statement for the Annual Meeting of Shareholders held on January 13, 2004 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated October 11, 2006 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated March 23, 2011 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 28, 2011 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10i. 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 001-06403), and incorporated by reference herein and the Amendment dated October 15, 2003 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 29, 2003 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated October 11, 2006 previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 25, 2006 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10j. Winnebago Industries, Inc. Profit Sharing and Deferred Savings Investment Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1985 (Commission File Number 001-06403), and incorporated by reference herein, the Amendment dated July 1, 1995 previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 26, 1995 (Commission File Number 001-06403) and incorporated by reference herein and the Amendment dated March 21, 2007 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10k. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2010, 2011 and 2012 previously filed with the Registrant's Current Report on Form 8-K dated June 24, 2009 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10l. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2011, 2012 and 2013 previously filed with the Registrant's Current Report on Form 8-K dated July 22, 2010 (Commission File Number 001-06403) and incorporated by reference herein.*

- 10m. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2012, 2013 and 2014 previously filed with the Registrant's Current Report on Form 8-K dated June 21, 2011 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10n. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2013, 2014 and 2015 previously filed with the Registrant's Current Report on Form 8-K dated June 20, 2012 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10o. Amended and Restated Executive Change of Control Agreement dated December 17, 2008 between Winnebago Industries, Inc. and Robert L. Gossett previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 2009 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10p. Amended and Restated Executive Change of Control Agreement dated December 17, 2008 between Winnebago Industries, Inc. and William J. O'Leary previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 2009 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10q. Amended and Restated Executive Change of Control Agreement dated December 17, 2008 between Winnebago Industries, Inc. and Sarah N. Nielsen previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 2009 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10r. Amended and Restated Executive Change of Control Agreement dated December 17, 2008 between Winnebago Industries, Inc. and Randy J. Potts previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 2009 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10s. Executive Change of Control Agreement dated May 3, 2010 between Winnebago Industries, Inc. and Daryl W. Krieger previously filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended May 29, 2010 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10t. Executive Change of Control Agreement dated August 1, 2011 between Winnebago Industries, Inc. and Donald L. Heidemann previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 27, 2011 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10u. Executive Change of Control between Winnebago Industries, Inc. and Raymond M. Beebe dated June 1, 2012.*
- 10v. Executive Change of Control between Winnebago Industries, Inc. and Steven S. Degnan dated June 20, 2012.*
- 10w. Executive Change of Control between Winnebago Industries, Inc. and Scott C. Folkers dated June 20, 2012.*
- 10x. Winnebago Industries, Inc. Supplemental Executive Retirement Plan previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 29, 2009 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10y. Winnebago Industries, Inc. Officers' Incentive Compensation Plan for Fiscal 2012 previously filed with the Registrant's Current Report on Form 8-K dated June 21, 2011 (Commission File Number 001-06403) and incorporated by reference herein.*
- 10z. Winnebago Industries, Inc. Officers' Incentive Compensation Plan for Fiscal 2013 previously filed with the Registrant's Current Report on Form 8-K dated June 20, 2012 (Commission File Number 001-06403) and incorporated by reference herein.*
- 14.1 Winnebago Industries, Inc. Code of Ethics for CEO and Senior Financial Officers previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended August 30, 2003 (Commission File Number 001-06403) and incorporated by reference herein.
- 21. List of Subsidiaries.
- 23. Consent of Independent Registered Public Accounting Firm.
- 31.1 Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated October 23, 2012.
- 31.2 Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated October 23, 2012.
- 32.1 Certification by the Chief Executive Officer pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated October 23, 2012.
- 32.2 Certification by the Chief Financial Officer pursuant to Section 1350, as adopted pursuant to Section 906 of the Sarbanes-

Oxley Act of 2002 dated October 23, 2012.

101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definitions Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

*Management contract or compensation plan or arrangement.

**Attached as Exhibit 101 to this report are the following financial statements from our Annual Report on Form 10-K for the year ended August 25, 2012 formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements Stockholders' Equity, (iv) the Consolidated Statement of Cash Flows, and (v) related notes to these financial statements. Such exhibits are deemed furnished and not filed pursuant to Rule 406T of Regulation S-T.

ITEM 6. 11-Year Selected Financial Data
**(In thousands, except percent and per share data)
(Adjusted for the 2-for-1 stock split on March 5, 2004)**

	Aug 25, 2012	Aug 27, 2011	Aug 28, 2010	Aug 29, 2009
For the Year				
Net revenues	\$ 581,679	\$ 496,418	\$ 449,484	\$ 211,519
Income (loss) before taxes	10,107	11,937	742	(58,063)
Pretax profit (loss) percent of revenue	1.7 %	2.4%	0.2 %	(27.4)%
(Benefit) provision for income taxes	(34,865)	94	(9,505)	20,703
Income tax (benefit) rate	(345.0)%	0.8%	(1,281.0)%	35.7 %
Income (loss) from continuing operations	44,972	11,843	10,247	(78,766)
Income from discontinued operations ⁽²⁾	—	—	—	—
Net income (loss)	\$ 44,972	\$ 11,843	\$ 10,247	\$ (78,766)
Income (loss) per share				
Continuing operations				
Basic	\$ 1.54	\$ 0.41	\$ 0.35	\$ (2.71)
Diluted	1.54	0.41	0.35	(2.71)
Discontinued operations				
Basic	—	—	—	—
Diluted	—	—	—	—
Net income (loss) per share				
Basic	\$ 1.54	\$ 0.41	\$ 0.35	\$ (2.71)
Diluted	1.54	0.41	0.35	(2.71)
Weighted average common shares outstanding (in thousands)				
Basic	29,145	29,121	29,091	29,040
Diluted	29,207	29,148	29,101	29,051
Cash dividends paid per share	\$ —	\$ —	\$ —	\$ 0.12
Book value per share	5.05	3.73	3.35	3.17
Return on assets (ROA) ⁽³⁾	17.1 %	5.1%	4.6 %	(30)%
Return on equity (ROE) ⁽⁴⁾	35.5 %	11.5%	10.8 %	(59.2)%
Return on invested capital (ROIC) ⁽⁵⁾	31.9 %	10.7%	8.4 %	(41.9)%
Unit sales				
Class A	2,579	2,436	2,452	822
Class B	319	103	236	149
Class C	1,744	1,856	1,745	1,225
Total motor homes	4,642	4,395	4,433	2,196
Travel trailers	1,372	575	—	—
Fifth wheels	966	194	—	—
Total towables	2,338	769	—	—
At Year End				
Total assets	\$ 286,072	\$ 239,927	\$ 227,357	\$ 220,466
Stockholders' equity	144,691	108,730	97,527	92,331
Market capitalization	315,481	208,027	263,492	337,991
Working capital	126,050	113,536	91,345	79,460
Current ratio	3.1 to 1	3.2 to 1	2.8 to 1	2.6 to 1
Number of employees	2,380	2,130	1,950	1,630
Motor home dealer inventory	1,927	1,958	2,044	1,694
Towables dealer inventory	1,365	966	—	—

⁽¹⁾ The fiscal years ended August 31, 2002 and August 30, 2008 contained 53 weeks; all other fiscal years contained 52 weeks.

⁽²⁾ Includes discontinued operations of Winnebago Acceptance Corporation for all years presented.

Aug 28, 2008 ⁽¹⁾	Aug 25, 2007	Aug. 26, 2006	Aug 27, 2005	Aug 28, 2004	Aug 30, 2003	Aug 2, 2002 ⁽¹⁾
\$ 604,352	\$ 870,152	\$ 864,403	\$ 991,975	\$ 1,114,154	\$ 845,210	\$ 825,269
(5,441)	61,409	68,195	100,890	112,234	78,693	81,324
(0.9)%	7.1%	7.9%	10.2%	10.1%	9.3%	9.9%
(8,225)	19,845	23,451	35,817	41,593	29,961	28,431
(151.2)%	32.3%	34.4%	35.5%	37.1%	38.1%	35%
2,784	41,564	44,744	65,073	70,641	48,732	52,893
—	—	—	—	—	1,152	1,778
\$ 2,784	\$ 41,564	\$ 44,744	\$ 65,073	\$ 70,641	\$ 49,884	\$ 54,671
0.10	1.33	1.39	1.95	2.06	1.35	1.37
0.10	1.32	1.37	1.92	2.03	1.33	1.34
—	—	—	—	—	0.03	0.04
—	—	—	—	—	0.03	0.04
\$ 0.10	\$ 1.33	\$ 1.39	\$ 1.95	\$ 2.06	\$ 1.38	\$ 1.41
0.10	1.32	1.37	1.92	2.03	1.36	1.38
29,093	31,162	32,265	33,382	34,214	36,974	39,898
29,144	31,415	32,550	33,812	34,789	37,636	40,768
\$ 0.48	\$ 0.40	\$ 0.36	\$ 0.28	\$ 0.20	\$ 0.10	\$ 0.10
5.98	7.05	7.01	7.15	6.01	5.78	4.81
0.8 %	11.1%	11.2%	16.1%	18.3%	14%	15.9%
1.5 %	19.5%	19.7%	29.7%	34.4%	25.6%	28.2%
1.1 %	15.1%	15.4%	23%	31.4%	25.5%	29.1%
3,029	5,031	4,455	6,674	8,108	6,705	6,725
140	—	—	—	—	308	763
3,238	4,438	5,388	3,963	4,408	4,021	4,329
6,407	9,469	9,843	10,637	12,516	11,034	11,817
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
\$ 305,455	\$ 366,510	\$ 384,715	\$ 412,960	\$ 394,556	\$ 377,462	\$ 337,077
173,924	208,354	218,322	235,887	201,875	210,626	179,815
329,956	821,282	884,789	1,073,165	1,071,570	898,010	713,500
108,548	168,863	187,038	197,469	164,175	164,017	144,303
3.0 to 1	2.9 to 1	3.3 to 1	3.2 to 1	2.6 to 1	2.8 to 1	2.6 to 1
2,250	3,310	3,150	3,610	4,220	3,750	3,685
3,551	4,471	4,733	4,794	4,978	3,945	4,000
—	—	—	—	—	—	—

⁽³⁾ Includes discontinued operations of Winnebago Acceptance Corporation for all years presented.

⁽⁴⁾ ROE - Current period net income divided by average equity balance using current and previous ending periods.

⁽⁵⁾ ROIC - Current period net income divided by average invested capital (total assets minus cash and non-interest bearing current liabilities) using current ending periods.

BOARD OF DIRECTORS

Randy J. Potts (53)
President, Chief Executive Officer,
and Chairman of the Board
Winnebago Industries, Inc.

Robert J. Olson (61)
Former President, Chief Executive Officer,
and Chairman of the Board
Winnebago Industries, Inc.

Irvin E. Aal (73) 1,3*
Former General Manager
Case Tyler Business Unit of CNH Global

Robert M. Chiusano (61) 2
Former Executive Vice President and Chief
Operating Officer - Commercial Systems
Rockwell Collins, Inc.

Jerry N. Currie (67) 1,3
President and Chief Executive Officer
CURRIES Company

Lawrence A. Erickson (63) 1**,2
Former Senior Vice President and Chief
Financial Officer
Rockwell Collins, Inc.

Gerald C. Kitch (74) *,2*,3
Former Executive Vice President
Pentair, Inc.

Mark T. Schroepfer (65) 1
Former President and Chief Executive Officer
Lincoln Industrial Corp

Board Committee/Members

- 1. Audit
- 2. Human Resources
- 3. Nominating and Governance

* Committee Chairman

** Lead Independent Director

OFFICERS

Randy J. Potts (53)
Chief Executive Officer and President

Steven S. Degnan (47)
Vice President, Sales and Marketing

Scott C. Folkers (50)
Vice President, General Counsel and Secretary

Robert J. Gossett (61)
Vice President, Administration

Daryl W. Krieger (49)
Vice President, Manufacturing

Sarah N. Nielsen (39)
Vice President, Chief Financial Officer

William J. O'Leary (63)
Vice President, Product Development

Donald L. Heidemann (40)
Treasurer/Director of Finance

SHAREHOLDER INFORMATION

Publications

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

Copies of our quarterly financial earnings releases, the annual report on Form 10-K (without exhibits), the quarterly reports on Form 10-Q (without exhibits) and current reports on Form 8-K (without exhibits) as filed by us with the Securities and Exchange Commission, may be obtained without charge from the corporate offices as follows:

Sheila Davis, PR/IR Manager
Winnebago Industries, Inc.
605 W. Crystal Lake Road
P.O. Box 152
Forest City, Iowa 50436-0152
Telephone: (641) 585-3535
Fax: (641) 585-6966
E-Mail: ir@winnebagoind.com

All news releases issued by us, reports filed by us with the Securities and Exchange Commission (including exhibits) and information on our Corporate Governance Policies and Procedures may also be viewed at the Winnebago Industries' website: <http://winnebagoind.com/investor.html>. Information contained on Winnebago Industries' website is not incorporated into this Annual Report or other securities filings.

Number of Shareholders of Record

As of October 9, 2012, Winnebago Industries had 3,343 shareholders of record.

Dividends Paid

No dividends were paid in Fiscal 2012. Cash dividend payments were suspended starting with the second quarter of Fiscal 2009.

Shareholder Account Assistance

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

Wells Fargo Shareowner Services
P.O. Box 64854
St. Paul, Minnesota 55164-0854 or
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120
Telephone: (800) 468-9716 or (651) 450-4064
Inquiries:
www.wellsfargo.com/shareownerservices

Annual Meeting

The Annual Meeting of Shareholders is scheduled to be held on Tuesday, December 18, 2012 at 4:00 p.m. (CST) in Winnebago Industries' South Office Complex Theater, 605 W. Crystal Lake Road, Forest City, Iowa.

Independent Auditors

Deloitte & Touche LLP
Suite 2800
50 South Sixth Street
Minneapolis, Minnesota 55402-1538
(612) 397-4000

NYSE Annual CEO Certification and Sarbanes-Oxley Section 302 Certifications

We submitted the annual Chief Executive Officer Certification to the New York Stock Exchange (NYSE) as required under the corporate governance rules of the NYSE. We also filed as exhibits to our 2012 Annual Report on Form 10-K, the Chief Executive Officer and Chief Financial Officer certifications required under Section 302 of the Sarbanes-Oxley Act of 2002.

Winnebago Industries is an equal opportunity employer.



The Letter to Shareholders contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements are inherently uncertain. A number of factors could cause actual results to differ materially from these statements. These factors are included under "Item 1A. Risk Factors" in Part 1 of the accompanying Annual Report on Form 10-K. Other risk factors that may emerge in the future as significant risks or uncertainties to Winnebago Industries will be disclosed in a future Quarterly Report on Form 10-Q or Current Report on Form 8-K.

RAYMOND M. BEEBE, Attorney

Attorney Retainer Agreement

PERSONAL AND CONFIDENTIAL
PROTECTED UNDER ATTORNEY-CLIENT PRIVILEGE

The purpose of this Attorney Retainer Agreement (“Agreement”) is to set forth our understanding and agreement, pursuant to which I, Raymond M. Beebe (“Beebe” or “Attorney”), have agreed to represent Winnebago Industries, Inc., (“Client” or “you”) in the following referenced matter(s): all legal matters as requested by Client's General Counsel or other members of the executive management team (“Matters”).

I. EMPLOYMENT OF ATTORNEY

The Client is in need of legal advice and counsel and hereby employs Beebe under the following conditions:

- A. Beebe will represent the Client in the above-referenced Matters by advising and counseling, by investigating the law and facts, and in any other way that Beebe and the Client agree upon
- B. The Client hereby authorizes Beebe to act as its agent in all matters regarding any work agreed upon by Beebe and the Client.

II. COMPUTATION OF FEES

- A. In consideration for the services rendered and to be rendered on the Client's behalf by Beebe, the Client hereby agrees to pay Beebe the sum of \$100.00 per hour for services rendered. In addition, the Client shall reimburse Beebe for any expenses he incurs in performing any services rendered hereunder. Beebe may submit an invoice for payment of such fees on a monthly basis for any services rendered. Payment shall be made promptly and in no event later than 30 days following submission of the invoice.

III. WITHDRAWAL FROM EMPLOYMENT

- A. Beebe may withdraw from the representation of the Client in the above referenced Matter at any time if:
 - (1) The Client renders it unreasonably difficult for Beebe to carry out its employment;
 - (2) The Client insists that Beebe engage in conduct that is contrary to the judgment or advice of Beebe;

- (3) The Client deliberately disregards an agreement or obligation to Beebe as to expenses or fees, or for services rendered, including not paying bills upon presentation or in advance, such as when a retainer is requested or required by Beebe;
 - (4) Beebe determines that a conflict of interest has arisen as a result of the representation of the Client and Beebe and Client agree that the conflict requires new counsel; or
 - (5) The Client refuses to indemnify Beebe prior to any actions that the Client has requested Beebe to undertake and that Beebe believes and has advised the Client might result in possible sanctions for alleged groundless or bad faith actions or defenses.
- B. In the event that Beebe's financial arrangements are not met by the Client or in the event that any of the above events in subparagraph III.A. occur, or any other matter or issue presents itself during the representation that makes it difficult for Beebe to continue the representation, Beebe may withdraw as counsel. The Client specifically agrees to Beebe's withdrawal if Beebe's fees and expenses are not timely paid by the Client as set forth herein or any of the events in subparagraph III.A. above occur.
- C. The Client has the right to terminate the relationship with Beebe at any time and upon written notification. The Client's termination of Beebe does relinquish any of the financial obligations or other obligations set forth herein. If the Client terminates Beebe's representation, Beebe will promptly return to the Client any and all papers and property, as well as the balance of the Retainer not previously applied against outstanding invoices or the last month's fees and expenses.

IV. MISCELLANEOUS PROVISIONS

- A. The Client will advise Beebe in writing of any change of address within ten (10) days of the making of such change.
- B. In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, such invalidity, or unenforceability shall not affect any other provisions, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision does not exist.
- C. The Client hereby acknowledges that the Client has carefully read this entire Agreement, and the Client fully understands and agrees to abide by all of the terms, conditions and obligations of this Agreement, and that the Client has received a true and correct copy of this Agreement.
- D. This Agreement constitutes the full and complete understanding and agreement of the parties hereto, supersedes all prior understandings and agreements, if any, and cannot be changed or terminated orally. All changes or modifications must be in writing and signed by the parties hereto.
- E. This Agreement shall be construed in accordance with the laws of the State of Iowa. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- F. If Client should become seriously displeased or dissatisfied with any aspect whatsoever of his legal representation or in the event the Client should have any serious question concerning the s

ame, Client should notify the attorney in writing by certified mail, return receipt requested of that dissatisfaction or question.

- G. We recognize that technology is ever-evolving and that electronic communications can not be fully protected from unauthorized interception. In addition, human error may at times result in electronic communications being sent in error. Nevertheless, for efficiency purposes we may transmit information, including information of a confidential nature, by email to you unless you request us not to.

**V.
CONFLICT OF INTEREST**

As of the date of this agreement, Attorney has conducted an extensive search of his other client relationships in order to determine whether representation of Client would create a conflict of interest in connection with other attorney-client relationships of the Attorney. The Attorney's search for relationships will be a continuing one. The Attorney has discovered no existing attorney-client relationships that create a present conflict of interest. Notwithstanding that fact, issues involving the legal affairs of other clients of the Attorney, while not present now, may raise an adverse interest of such other Attorney clients and Client may be adversely affected at a future date. In the event such circumstance occurs, the Attorney would not represent Client in matters adverse to another Attorney's client. Client would be required to retain counsel other than the Attorney to represent its interest in such matter. In addition, if such adverse representation pertains to an Attorney's client, with whom the Attorney has an attorney-client relationship as of the date of this agreement, to the extent the Attorney's representation of such existing Attorney's client is acceptable by that client as being permitted under applicable ethical standards, and to the extent permitted by law, Client consents to the Attorney's continued representation of such existing Attorney's client and Client will not object to any disqualification of Attorney as the legal representation of such other Attorney's client.

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UNDERSTOOD and AGREED TO this first day of June, 2012.

WINNEBAGO INDUSTRIES, INC.

By: /s/ Scott C. Folkers

Scott C. Folkers

Its Vice President, General Counsel & Secretary

605 W. Crystal Lake Road

P.O. Box 152

Forest City, IA 50436

Tel: (641) 585-6809

Mobile: (605) 940-1876

ACCEPTED BY:

/s/ Raymond M. Beebe

Raymond M. Beebe, Esq.

3315 Sage Avenue

Forest City, IA 50436

Tel: (641) 581-2117

Mobile: (641) 590-1526

EXECUTIVE CHANGE OF CONTROL AGREEMENT

This EXECUTIVE CHANGE OF CONTROL AGREEMENT is made as of June 20, 2012, by and between **WINNEBAGO INDUSTRIES, INC.**, an Iowa corporation (the "Company"), and S. Scott Degnan (the "Executive").

RECITALS:

WHEREAS, the Executive is a senior executive and officer of the Company and has made and is expected to continue to make major contributions to the profitability, growth and financial strength of the Company;

WHEREAS, the Company recognizes that, as is the case for most publicly held companies, the possibility of a Change of Control (as hereafter defined) exists;

WHEREAS, it is in the best interests of the Company, considering the past and future services of the Executive, to improve the security and climate for objective decision making by providing for the personal security of the Executive upon a Change of Control.

NOW, THEREFORE, in consideration of the foregoing premises and the past and future services rendered and to be rendered by the Executive to the Company and of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

AGREEMENT:

1. Continued Service by Executive. In the event a person or entity, in order to effect a Change of Control, commences a tender or exchange offer, circulates a proxy to shareholders or takes other steps, the Executive agrees that the Executive will not voluntarily leave the employ of the Company, and will render faithful services to the Company consistent with Executives position and responsibilities, until the person or entity has abandoned or terminated its efforts to effect such Change of Control or until such Change of Control has occurred.

2. Change of Control. For purposes of this Agreement, the term Change of Control means the time when (i) any Person becomes an Acquiring Person, or (ii) individuals who shall qualify as Continuing Directors of the Company shall have ceased for any reason to constitute at least a majority of the Board of Directors of the Company; *provided however*, that in the case of either clause (i) or (ii) a Change of Control shall not be deemed to have occurred if the event shall have been approved prior to the occurrence thereof by a majority of the Continuing Directors who shall then be members of such Board of Directors, and in the case of clause (i) a Change of Control shall not be deemed to have occurred upon the acquisition of stock of the Company by a pension, profit-sharing, stock bonus, employee stock ownership plan or other retirement plan intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, established by the Company or any subsidiary of the Company. (In addition, stock held by such a plan shall not be treated as outstanding in determining ownership percentages for purposes of this definition.)

For the purpose of the foregoing definition of Change of Control, the capitalized terms shall have the following meanings:

- (a) Continuing Director means (i) any member of the Board of Directors of the Company, while such person as a member of the Board, who is not an Affiliate or Associate of any Acquiring Person or of any such Acquiring Persons Affiliate or Associate and was a member of the Board prior to the time when such Acquiring Person shall have become an Acquiring Person, and (ii) any successor of a Continuing Director, while such successor is a member of the Board, who is not an Acquiring

Person or any Affiliate or Associate of any Acquiring Person or a representative or nominee of an Acquiring Person or of any affiliate or associate of such Acquiring Person and is recommended or elected to succeed the Continuing Director by a majority of the Continuing Directors.

- (b) Acquiring Person means any Person or any individual or group of Affiliates or Associates of such Person who acquires beneficial ownership, directly or indirectly, of 20% or more of the outstanding stock of the Company if such acquisition occurs in whole or in part following date of that persons 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 corporate, partnership, limited liability company, entity or organization (other than the Company or a majority-owned subsidiary of the Company) of which such a Person is an officer, director, member, or partner or is, directly or indirectly the beneficial owner of ten percent (10%) or more of the class of equity securities, (2) any trust or fund in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, (3) any relative or spouse of such person, or any relative of such spouse, or (4) any investment company for which such person or any Affiliate of such person serves as investment advisor.
- (e) Person means an individual, corporation, limited liability company, partnership, association, joint stock company, trust, unincorporated organization or government or political subdivision thereof.

3. Termination Following a Change of Control. If a change of Control shall have occurred while the Executive is still an employee of the Company, and if the Executives employment with the Company is terminated, within three years following such Change of Control, then the Executive shall be entitled to the compensation and benefits provided in Section 4, unless such termination is a result of: (a) the Executives death; (b) the Executives Disability (as defined in Section 3(a) below); (c) the Executives Retirement (as defined in Section 3(b) below); (d) the Executives termination by the Company for Cause (as defined in Section 3(c) below); or (e) the Executives decision to terminate employment other than for Good Reason (as defined in Section 3(d) below).

(a) *Disability.* If, as a result of the Executives incapacity due to physical or mental illness, the Executive shall have been absent from his duties with the Company on a full-time basis for six months and within 30 days after written notice of termination is thereafter given by the Company the Executive shall not have returned to the full-time performance of the Executives duties, the Company may terminate the Executive for Disability.

(b) *Retirement.* The term Retirement as used in this Agreement shall mean termination by the Company or the Executive of the Executives employment based on the Executive having attained the age of 65 or such other age as shall have been fixed in any arrangement established with the Executives consent with respect to the Executive.

(c) *Cause.* The Company may terminate the Executives employment for Cause. For purposes of this Agreement only, the Company shall have Cause to terminate the Executives employment hereunder only on the basis of (i) fraud, misappropriation or embezzlement on the part of the Executive; or (ii) intentional misconduct or gross negligence on the part of the Executive which has resulted in material harm to the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the companys Board of Directors at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executives counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of conduct set forth in the second sentence of this Section 3(c) and specifying the particulars thereof in

detail. Nothing herein shall limit the right of the Executive or his beneficiaries to contest the validity or propriety of any such determination.

(d) *Good Reason*. The Executive may terminate the Executives employment for Good Reason at any time during the term of this Agreement. For purposes of this Agreement Good Reason shall mean any of the following (without the Executives express written consent):

(i) the assignment to the Executive by the Company of duties inconsistent with the Executives position, duties, responsibilities and status with the Company immediately prior to a Change in Control of the Company, or a change in the Executives titles or offices as in effect immediately prior to a Change in Control of the Company, or any removal of the Executive from or any failure to re-elect the Executive to any of such positions, except in connection with the termination of his employment for Disability, Retirement or Cause or as a result of the Executives death or by the Executive other than for good Reason;

(ii) a reduction by the Company in the Executives base salary as in effect on the date hereof or as the same may be increased from time to time during the term of this Agreement or the Companys failure to increase (within 12 months of the Executives last increase in base salary) the Executives base salary after a Change in Control of the Company in an amount which at least equals, on a percentage basis, the average percentage increase in base salary for all officers of the company effected in the preceding 12 months.

(iii) any failure by the Company to continue in effect any benefit plan or arrangement (including, without limitation, the Companys 401(K) plan, nonqualified deferred compensation plan, profit sharing plan, group life insurance plan, and medical, dental, accident and disability plans) in which the Executive is participating at the time of a Change of Control (or any other plans providing the Executive with substantially similar benefits) (hereinafter referred to as Benefit Plans), or the taking of any action by the Company which would adversely affect the Executives participation in or materially reduce the Executives benefits under any such Benefit Plan or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of a Change in Control of the Company;

(iv) any failure by the Company to continue in effect any incentive plan or arrangement (including, without limitation, the Companys Officers Incentive Compensation Plan, Officers Long-Term Incentive Plan, bonus and contingent bonus arrangements and credits and the right to receive performance awards and similar incentive compensation benefits) in which the Executive is participating at the time of a Change of Control (or any other plans or arrangements providing him with substantially similar benefits) (hereinafter referred to as Incentive Plans) or the taking of any action by the Company which would adversely affect the Executives participation in any such Incentive Plan or materially reduce the Executives benefits under any such Incentive Plan by reducing such benefits, when expressed as a percentage of his base salary, by more than 10 percentage points in any fiscal year as compared to the immediately preceding fiscal year;

(v) any failure by the Company to continue in effect any plan or arrangement to receive securities of the Company in which the Executive is participating at the time of a Change of Control (or plans or arrangements providing him with substantially similar benefits) (hereinafter referred to as Securities Plans) or the taking of any action by the Company which would adversely affect the Executives participation in or materially reduce the Executives benefits under any such Securities Plan;

(vi) a relocation of the Companys principal executive offices to a location outside of Forest City, Iowa, or the Executives relocation to any place other than the location at which the Executive performed the Executives duties prior to a Change in Control of the Company, except for required

travel by the Executive on the Company's business to an extent substantially consistent with the Executive's business travel obligations at the time of a Change in Control of the Company;

(vii) any failure by the Company to provide the Executive with the number of paid vacation days to which the Executive is entitled at the time of a Change in Control of the Company;

(viii) any material breach by the Company of any provision of this Agreement;

(ix) any failure by the Company to obtain the assumption of this Agreement by any successor or assign of the Company; or

(x) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 3(e) below.

(e) *Notice of Termination.* Any termination by the Company pursuant to Section 3(a), (b) or (c) shall be communicated by a Notice of Termination. For purposes of this Agreement, a Notice of Termination shall mean a written notice which shall indicate those specific termination provisions in this Agreement relied upon and which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provisions so indicated. For purposes of this Agreement, no such purported termination by the Company shall be effective without such Notice of Termination.

(f) *Date of Termination.* Date of Termination shall mean (a) if this Agreement is terminated by the Company for Disability, 30 days after Notice of Termination is given to the Executive (provided that the Executive shall not have returned to the performance of the Executive's duties on a full-time basis during such 30-day period) or (b) if the Executive's employment is terminated by the Company for any other reason, the date on which a Notice of Termination is given; *provided* that if within 30 days after any Notice of Termination is given to the Executive by the Company the Executive notified the Company that a dispute exists concerning the termination, the Date of Termination shall be the date the dispute is finally determined, whether by mutual agreement by the parties or upon final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected).

4. Severance Compensation upon Termination of Employment. If the Company shall terminate the Executive's employment other than pursuant to Section 5(a), (b) or (c) or if the Executive shall terminate his employment for Good Reason, then the Company shall pay to the Executive as severance pay in a lump sum, in cash, on the fifth day following the Date of Termination, an amount equal to three (3) times the average of the aggregate annual compensation paid to the Executive during the three (3) fiscal years of the Company immediately preceding the Change of Control by the Company subject to United States income taxes (or, such fewer number of fiscal years if the Executive has not been employed by the Company during each of the preceding three (3) fiscal years).

5. Excise Tax-Additional Payment.

(a) Notwithstanding anything in this Agreement or any written or unwritten policy of the Company to the contrary, (i) if it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, any other agreement between the Company and the Executive or otherwise (a "Payment"), would be subject to the excise tax imposed by section 4999 of the Internal Revenue Code of 1986, as amended, (the "Code") or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), or (ii) if the Executive shall otherwise become obligated to pay the Excise Tax in respect of a Payment, then the Company shall pay to the Executive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon such Payment.

(b) All determinations and computations required to be made under this Section 5, including whether a Gross-Up Payment is required under clause (ii) of paragraph 5(a) above, and the amount of any Gross-Up Payment, shall be made by the Company's regularly engaged independent certified public accountants (the "Accounting Firm"). The Company shall cause the Accounting Firm to provide detailed supporting calculations both to the Company and the Executive within 15 business days after such determination or computation is requested by the Executive. Any initial Gross-Up Payment determined pursuant to this Section 5 shall be paid by the Company to the Executive within 5 days of the receipt of the Accounting Firm's determination. A determination that no Excise Tax is payable by the Executive shall not be valid or binding unless accompanied by a written opinion of the Accounting Firm to the Executive that the Executive has substantial authority not to report any Excise Tax on his federal income tax return. Any determination by the Accounting Firm shall be binding upon the Company and the Executive, except to the extent the Executive becomes obligated to pay an Excise Tax in respect of a Payment. In the event that the Company or the subsidiary exhausts or waives its remedies pursuant to paragraph 5(c) and the Executive thereafter shall become obligated to make a payment of any Excise Tax, and if the amount thereof shall exceed the amount, if any, of any Excise Tax computed by the Accounting Firm pursuant to this paragraph 5(b) in respect to which an initial Gross-Up Payment was made to the Executive, the Accounting Firm shall within 15 days after Notice thereof determine the amount of such excess Excise Tax and the amount of the additional Gross-Up Payment to the Executive. All expenses and fees of the Accounting Firm incurred by reason of this Section 5 shall be paid by the Company.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

- (i) give the Company any information reasonably requested relating to such claim,
- (ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,
- (iii) cooperate with the Company in good faith in order effectively to contest such claim, and
- (iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this paragraph 5(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company or the subsidiary shall determine; *provided, however*, that if the Company or the subsidiary directs the Executive to pay such claim and sue for a refund, the Company or the subsidiary shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any

imputed income with respect to such advance; and *further provided*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, control of the contest by the Company shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company or the subsidiary pursuant to paragraph 5(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to compliance with the requirements of Section 5 by the Company or the subsidiary) promptly pay to the Company or the subsidiary the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company or the subsidiary pursuant to paragraph 5(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall off-set, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Both the Company and the Executive acknowledge that no legal right to receive a Gross-Up Payment pursuant to this Section 5 shall exist unless and until such time as an Excise tax has been assessed. The payment of severance benefits pursuant to Section 4 of this Agreement (or the payment of any other benefits under this Agreement) does not create a legal right on behalf of the Executive to receive a Gross-Up Payment.

6. No Obligation To Mitigate Damages; No Effect on Other Contractual Rights.

(a) The Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by the Executive as the result of employment by another employer after the Date of Termination, or otherwise.

(b) The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish the Executives existing rights, or rights which would accrue solely as a result of the passage of time, under any Benefit Plan, Incentive Plan or Securities Plan, employment agreements or other contract, plan or arrangement.

7. Successor to the Company.

(a) The Company will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) of all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. Any failure of the Company to obtain such agreement prior to the effectiveness of any such succession or assignment shall be a material breach of this Agreement and shall entitle the Executive to terminate the Executives employment for Good Reason. As used in this Agreement, Company shall mean the Company as hereinbefore defined and any successor or assign to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 7 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executives personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executives devisee, legatee, or other designee or, if there be no such designee, to the Executives estate.

8. No Guaranty of Employment. Nothing in this Agreement shall be deemed to entitle the Executive to continued employment with the Company prior to a Change of Control, and the rights of the Company to terminate the employment of the Executive, prior to a Change of Control, shall continue as fully as if this Agreement were not in effect.

9. Notice. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt registered, postage prepaid, as follows:

If to the Company:

Winnebago Industries, Inc.
Attn: General Counsel
605 W. Crystal Lake Road
P.O. Box 152
Forest City, Iowa 50436

If to the Executive:

S. Scott Degnan
32 Venetian Drive
Clear Lake, IA 50428

or such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

10. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa.

11. Validity. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

13. Legal Fees and Expenses. The Company shall pay all legal fees and expenses which the Executive may incur as a result of the Company's contesting the validity, enforceability or the Executive's interpretation of, or determinations under, this Agreement.

14. Confidentiality. The Executive shall retain in confidence any and all confidential information known to the Executive concerning the Company and its business so long as such information is not otherwise publicly disclosed.

15. Section 409A. This Agreement is intended to satisfy the short-term deferral exception to Internal Revenue code Section 409A and the regulations thereunder. This Agreement shall be administered accordingly; and if necessary, amended to ensure satisfaction of the short-term deferral exception.

IN WITNESS WHEREOF, the parties have executed this agreement on the date set out above.

COMPANY:

WINNEBAGO INDUSTRIES, INC.

By: /s/ Randy J. Potts
Randy J. Potts
Chairman of the Board

EXECUTIVE:

/s/ S. Scott Degnan
S. Scott Degnan

EXECUTIVE CHANGE OF CONTROL AGREEMENT

This EXECUTIVE CHANGE OF CONTROL AGREEMENT is made as of June 20, 2012, by and between **WINNEBAGO INDUSTRIES, INC.**, an Iowa corporation (the "Company"), and Scott C. Folkers (the "Executive").

RECITALS:

WHEREAS, the Executive is a senior executive and officer of the Company and has made and is expected to continue to make major contributions to the profitability, growth and financial strength of the Company;

WHEREAS, the Company recognizes that, as is the case for most publicly held companies, the possibility of a Change of Control (as hereafter defined) exists;

WHEREAS, it is in the best interests of the Company, considering the past and future services of the Executive, to improve the security and climate for objective decision making by providing for the personal security of the Executive upon a Change of Control.

NOW, THEREFORE, in consideration of the foregoing premises and the past and future services rendered and to be rendered by the Executive to the Company and of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

AGREEMENT:

1. Continued Service by Executive. In the event a person or entity, in order to effect a Change of Control, commences a tender or exchange offer, circulates a proxy to shareholders or takes other steps, the Executive agrees that the Executive will not voluntarily leave the employ of the Company, and will render faithful services to the Company consistent with Executive's position and responsibilities, until the person or entity has abandoned or terminated its efforts to effect such Change of Control or until such Change of Control has occurred.

2. Change of Control. For purposes of this Agreement, the term "Change of Control" means the time when (i) any Person becomes an Acquiring Person, or (ii) individuals who shall qualify as Continuing Directors of the Company shall have ceased for any reason to constitute at least a majority of the Board of Directors of the Company; *provided however*, that in the case of either clause (i) or (ii) a Change of Control shall not be deemed to have occurred if the event shall have been approved prior to the occurrence thereof by a majority of the Continuing Directors who shall then be members of such Board of Directors, and in the case of clause (i) a Change of Control shall not be deemed to have occurred upon the acquisition of stock of the Company by a pension, profit-sharing, stock bonus, employee stock ownership plan or other retirement plan intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, established by the Company or any subsidiary of the Company. (In addition, stock held by such a plan shall not be treated as outstanding in determining ownership percentages for purposes of this definition.)

For the purpose of the foregoing definition of "Change of Control", the capitalized terms shall have the following meanings:

- (a) "Continuing Director" means (i) any member of the Board of Directors of the Company, while such person as a member of the Board, who is not an Affiliate or Associate of any Acquiring Person or of any such Acquiring Person's Affiliate or Associate and was a member of the Board prior to the time when such Acquiring Person shall have become an Acquiring Person, and (ii) any successor of a Continuing Director, while such successor is a member of the Board, who is not an Acquiring Person or any Affiliate or Associate of any Acquiring Person or a representative or nominee of an Acquiring

Person or of any affiliate or associate of such Acquiring Person and is recommended or elected to succeed the Continuing Director by a majority of the Continuing Directors.

- (b) "Acquiring Person" means any Person or any individual or group of Affiliates or Associates of such Person who acquires beneficial ownership, directly or indirectly, of 20% or more of the outstanding stock of the Company if such acquisition occurs in whole or in part following date of that person's 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 corporate, partnership, limited liability company, entity or organization (other than the Company or a majority-owned subsidiary of the Company) of which such a Person is an officer, director, member, or partner or is, directly or indirectly the beneficial owner of ten percent (10%) or more of the class of equity securities, (2) any trust or fund in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, (3) any relative or spouse of such person, or any relative of such spouse, or (4) any investment company for which such person or any Affiliate of such person serves as investment advisor.
- (e) "Person" means an individual, corporation, limited liability company, partnership, association, joint stock company, trust, unincorporated organization or government or political subdivision thereof.

3. Termination Following a Change of Control. If a change of Control shall have occurred while the Executive is still an employee of the Company, and if the Executive's employment with the Company is terminated, within three years following such Change of Control, then the Executive shall be entitled to the compensation and benefits provided in Section 4, unless such termination is a result of: (a) the Executive's death; (b) the Executive's Disability (as defined in Section 3(a) below); (c) the Executive's Retirement (as defined in Section 3(b) below); (d) the Executive's termination by the Company for Cause (as defined in Section 3(c) below); or (e) the Executive's decision to terminate employment other than for Good Reason (as defined in Section 3(d) below).

(a) *Disability.* If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from his duties with the Company on a full-time basis for six months and within 30 days after written notice of termination is thereafter given by the Company the Executive shall not have returned to the full-time performance of the Executive's duties, the Company may terminate the Executive for "Disability."

(b) *Retirement.* The term "Retirement" as used in this Agreement shall mean termination by the Company or the Executive of the Executive's employment based on the Executive having attained the age of 65 or such other age as shall have been fixed in any arrangement established with the Executive's consent with respect to the Executive.

(c) *Cause.* The Company may terminate the Executive's employment for Cause. For purposes of this Agreement only, the Company shall have "Cause" to terminate the Executive's employment hereunder only on the basis of (i) fraud, misappropriation or embezzlement on the part of the Executive; or (ii) intentional misconduct or gross negligence on the part of the Executive which has resulted in material harm to the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the company's Board of Directors at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of conduct set forth in the second sentence of this Section 3(c) and specifying the particulars thereof in detail. Nothing herein shall limit the right of the Executive or his beneficiaries to contest the validity or propriety of any such determination.

(d) *Good Reason*. The Executive may terminate the Executive's employment for Good Reason at any time during the term of this Agreement. For purposes of this Agreement "Good Reason" shall mean any of the following (without the Executive's express written consent):

(i) the assignment to the Executive by the Company of duties inconsistent with the Executive's position, duties, responsibilities and status with the Company immediately prior to a Change in Control of the Company, or a change in the Executive's titles or offices as in effect immediately prior to a Change in Control of the Company, or any removal of the Executive from or any failure to re-elect the Executive to any of such positions, except in connection with the termination of his employment for Disability, Retirement or Cause or as a result of the Executive's death or by the Executive other than for good Reason;

(ii) a reduction by the Company in the Executive's base salary as in effect on the date hereof or as the same may be increased from time to time during the term of this Agreement or the Company's failure to increase (within 12 months of the Executive's last increase in base salary) the Executive's base salary after a Change in Control of the Company in an amount which at least equals, on a percentage basis, the average percentage increase in base salary for all officers of the company effected in the preceding 12 months.

(iii) any failure by the Company to continue in effect any benefit plan or arrangement (including, without limitation, the Company's 401(K) plan, nonqualified deferred compensation plan, profit sharing plan, group life insurance plan, and medical, dental, accident and disability plans) in which the Executive is participating at the time of a Change of Control (or any other plans providing the Executive with substantially similar benefits) (hereinafter referred to as "Benefit Plans"), or the taking of any action by the Company which would adversely affect the Executive's participation in or materially reduce the Executive's benefits under any such Benefit Plan or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of a Change in Control of the Company;

(iv) any failure by the Company to continue in effect any incentive plan or arrangement (including, without limitation, the Company's Officers Incentive Compensation Plan, Officers Long-Term Incentive Plan, bonus and contingent bonus arrangements and credits and the right to receive performance awards and similar incentive compensation benefits) in which the Executive is participating at the time of a Change of Control (or any other plans or arrangements providing him with substantially similar benefits) (hereinafter referred to as "Incentive Plans") or the taking of any action by the Company which would adversely affect the Executive's participation in any such Incentive Plan or materially reduce the Executive's benefits under any such Incentive Plan by reducing such benefits, when expressed as a percentage of his base salary, by more than 10 percentage points in any fiscal year as compared to the immediately preceding fiscal year;

(v) any failure by the Company to continue in effect any plan or arrangement to receive securities of the Company in which the Executive is participating at the time of a Change of Control (or plans or arrangements providing him with substantially similar benefits) (hereinafter referred to as "Securities Plans") or the taking of any action by the Company which would adversely affect the Executive's participation in or materially reduce the Executive's benefits under any such Securities Plan;

(vi) a relocation of the Company's principal executive offices to a location outside of Forest City, Iowa, or the Executive's relocation to any place other than the location at which the Executive performed the Executive's duties prior to a Change in Control of the Company, except for required travel by the Executive on the Company's business to an extent substantially consistent with the Executive's business travel obligations at the time of a Change in Control of the Company;

(vii) any failure by the Company to provide the Executive with the number of paid vacation days to which the Executive is entitled at the time of a Change in Control of the Company;

(viii) any material breach by the Company of any provision of this Agreement;

(ix) any failure by the Company to obtain the assumption of this Agreement by any successor or assign of the Company; or

(x) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 3(e) below.

(e) *Notice of Termination.* Any termination by the Company pursuant to Section 3(a), (b) or (c) shall be communicated by a Notice of Termination. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate those specific termination provisions in this Agreement relied upon and which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provisions so indicated. For purposes of this Agreement, no such purported termination by the Company shall be effective without such Notice of Termination.

(f) *Date of Termination.* "Date of Termination" shall mean (a) if this Agreement is terminated by the Company for Disability, 30 days after Notice of Termination is given to the Executive (provided that the Executive shall not have returned to the performance of the Executive's duties on a full-time basis during such 30-day period) or (b) if the Executive's employment is terminated by the Company for any other reason, the date on which a Notice of Termination is given; *provided* that if within 30 days after any Notice of Termination is given to the Executive by the Company the Executive notified the Company that a dispute exists concerning the termination, the Date of Termination shall be the date the dispute is finally determined, whether by mutual agreement by the parties or upon final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected).

4. Severance Compensation upon Termination of Employment. If the Company shall terminate the Executive's employment other than pursuant to Section 5(a), (b) or (c) or if the Executive shall terminate his employment for Good Reason, then the Company shall pay to the Executive as severance pay in a lump sum, in cash, on the fifth day following the Date of Termination, an amount equal to three (3) times the average of the aggregate annual compensation paid to the Executive during the three (3) fiscal years of the Company immediately preceding the Change of Control by the Company subject to United States income taxes (or, such fewer number of fiscal years if the Executive has not been employed by the Company during each of the preceding three (3) fiscal years).

5. Excise Tax-Additional Payment.

(a) Notwithstanding anything in this Agreement or any written or unwritten policy of the Company to the contrary, (i) if it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, any other agreement between the Company and the Executive or otherwise (a "Payment"), would be subject to the excise tax imposed by section 4999 of the Internal Revenue Code of 1986, as amended, (the "Code") or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), or (ii) if the Executive shall otherwise become obligated to pay the Excise Tax in respect of a Payment, then the Company shall pay to the Executive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon such Payment.

(b) All determinations and computations required to be made under this Section 5, including whether a Gross-Up Payment is required under clause (ii) of paragraph 5(a) above, and the amount of any Gross-Up Payment, shall be made by the Company's regularly engaged independent certified public accountants (the "Accounting Firm"). The

Company shall cause the Accounting Firm to provide detailed supporting calculations both to the Company and the Executive within 15 business days after such determination or computation is requested by the Executive. Any initial Gross-Up Payment determined pursuant to this Section 5 shall be paid by the Company to the Executive within 5 days of the receipt of the Accounting Firm's determination. A determination that no Excise Tax is payable by the Executive shall not be valid or binding unless accompanied by a written opinion of the Accounting Firm to the Executive that the Executive has substantial authority not to report any Excise Tax on his federal income tax return. Any determination by the Accounting Firm shall be binding upon the Company and the Executive, except to the extent the Executive becomes obligated to pay an Excise Tax in respect of a Payment. In the event that the Company or the subsidiary exhausts or waives its remedies pursuant to paragraph 5(c) and the Executive thereafter shall become obligated to make a payment of any Excise Tax, and if the amount thereof shall exceed the amount, if any, of any Excise Tax computed by the Accounting Firm pursuant to this paragraph 5(b) in respect to which an initial Gross-Up Payment was made to the Executive, the Accounting Firm shall within 15 days after Notice thereof determine the amount of such excess Excise Tax and the amount of the additional Gross-Up Payment to the Executive. All expenses and fees of the Accounting Firm incurred by reason of this Section 5 shall be paid by the Company.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this paragraph 5(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company or the subsidiary shall determine; *provided, however*, that if the Company or the subsidiary directs the Executive to pay such claim and sue for a refund, the Company or the subsidiary shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and *further provided*, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, control of the contest by the Company shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company or the subsidiary pursuant to paragraph 5(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to compliance with the requirements of Section 5 by the Company or the subsidiary) promptly pay to the Company or the subsidiary the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company or the subsidiary pursuant to paragraph 5(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall off-set, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Both the Company and the Executive acknowledge that no legal right to receive a Gross-Up Payment pursuant to this Section 5 shall exist unless and until such time as an Excise tax has been assessed. The payment of severance benefits pursuant to Section 4 of this Agreement (or the payment of any other benefits under this Agreement) does not create a legal right on behalf of the Executive to receive a Gross-Up Payment.

6. No Obligation To Mitigate Damages; No Effect on Other Contractual Rights.

(a) The Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by the Executive as the result of employment by another employer after the Date of Termination, or otherwise.

(b) The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish the Executive's existing rights, or rights which would accrue solely as a result of the passage of time, under any Benefit Plan, Incentive Plan or Securities Plan, employment agreements or other contract, plan or arrangement.

7. Successor to the Company.

(a) The Company will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) of all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. Any failure of the Company to obtain such agreement prior to the effectiveness of any such succession or assignment shall be a material breach of this Agreement and shall entitle the Executive to terminate the Executive's employment for Good Reason. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor or assign to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 7 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts are still payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

8. No Guaranty of Employment. Nothing in this Agreement shall be deemed to entitle the Executive to continued employment with the Company prior to a Change of Control, and the rights of the Company to terminate the employment of the Executive, prior to a Change of Control, shall continue as fully as if this Agreement were not in effect.

9. Notice. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt registered, postage prepaid, as follows:

If to the Company:

Winnebago Industries, Inc.
Attn: Chairman of the Board
605 W. Crystal Lake Road
P.O. Box 152
Forest City, Iowa 50436

If to the Executive:

Scott C. Folkers
910 Division Street
Garner, IA 50438

or such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

10. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa.

11. Validity. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

13. Legal Fees and Expenses. The Company shall pay all legal fees and expenses which the Executive may incur as a result of the Company's contesting the validity, enforceability or the Executive's interpretation of, or determinations under, this Agreement.

14. Confidentiality. The Executive shall retain in confidence any and all confidential information known to the Executive concerning the Company and its business so long as such information is not otherwise publicly disclosed.

15. Section 409A. This Agreement is intended to satisfy the short-term deferral exception to Internal Revenue code Section 409A and the regulations thereunder. This Agreement shall be administered accordingly; and if necessary, amended to ensure satisfaction of the short-term deferral exception.

IN WITNESS WHEREOF, the parties have executed this agreement on the date set out above.

COMPANY:

WINNEBAGO INDUSTRIES, INC.

By: */s/ Randy J. Potts*
Randy J. Potts
Chairman of the Board

EXECUTIVE:

/s/ Scott C. Folkers
Scott C. Folkers

Exhibit 21

LIST OF SUBSIDIARIES

Name of Corporation	Jurisdiction of Incorporation	Percent of Ownership
Winnebago Industries, Inc.	Iowa	Parent
Winnebago of Indiana, LLC	Iowa	100%

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements on Form S-8 (No. 333-31595, No. 333-47123, and No. 333-113246) and on Form S-3 No. 333-165541 of our reports dated October 23, 2012, relating to the consolidated financial statements of Winnebago Industries, Inc. (the "Company") and the effectiveness of the Company's internal control over financial reporting, appearing in the Annual Report on Form 10-K of Winnebago Industries, Inc. for the year ended August 25, 2012.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
October 23, 2012

Exhibit 31.1

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

I, Randy Potts, Chief Executive Officer of Winnebago Industries, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Winnebago Industries, Inc. (the "Registrant");
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements and other financial information included in this Annual Report fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Registrant is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation;
 - d. disclosed in this Annual Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in this case) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involved management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 23, 2012

By: /s/ Randy J. Potts

Randy J. Potts
Chief Executive Officer, President,
Chairman of the Board

Exhibit 31.2

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

I, Sarah N. Nielsen, Chief Financial Officer of Winnebago Industries, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of Winnebago Industries, Inc. (the "Registrant");
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements and other financial information included in this Annual Report fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Registrant is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation;
 - d. disclosed in this Annual Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in this case) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involved management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 23, 2012

By: /s/ Sarah N. Nielsen

Sarah N. Nielsen

Vice President, Chief Financial Officer

Exhibit 32.1

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

In connection with this Annual Report on Form 10-K of Winnebago Industries, Inc. for the year ended August 25, 2012, I, Randy Potts, Chief Executive Officer and President of Winnebago Industries, Inc., certify that pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- a. This Annual Report on Form 10-K ("periodic report") of Winnebago Industries, Inc. (the "issuer"), for the fiscal year ended August 25, 2012 as filed with the Securities and Exchange Commission on the date of this certificate, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- b. the information contained in this periodic report fairly represents, in all material respects, the financial condition and results of operations of the issuer.

Date: October 23, 2012

By: /s/ Randy J. Potts

Randy J. Potts
Chief Executive Officer, President,
Chairman of the Board

Exhibit 32.2

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

In connection with this Annual Report on Form 10-K of Winnebago Industries, Inc. for the year ended August 25, 2012, I, Sarah N. Nielsen, Vice President, Chief Financial Officer of Winnebago Industries, Inc., certify that pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- a. This Annual Report on Form 10-K ("periodic report") of Winnebago Industries, Inc. (the "issuer"), for the fiscal year ended August 25, 2012 as filed with the Securities and Exchange Commission on the date of this certificate, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- b. the information contained in this periodic report fairly represents, in all material respects, the financial condition and results of operations of the issuer.

Date: October 23, 2012

By: /s/ Sarah N. Nielsen
Sarah N. Nielsen
Vice President, Chief Financial Officer