

FORM 10-Q

(Mark One)

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

For the quarterly period ended February 28, 2004

OR

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

For the transition period from _____ to _____

Commission file number 1-6403



WINNEBAGO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

IOWA

42-0802678

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

P. O. Box 152, Forest City, Iowa

50436

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (641) 585-3535

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
Yes ☒ No ☐.

There were 34,020,387 shares of \$.50 par value common stock outstanding on April 7, 2004.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES

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PART I Financial Information
Item 1.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

Dollars in thousands, except par value

ASSETS	February 28, 2004	August 30, 2003
CURRENT ASSETS		
Cash and cash equivalents	\$ 56,716	\$ 99,381
Receivables, less allowance for doubtful accounts (\$136 and \$134, respectively)	41,165	30,885
Inventories	137,383	114,282
Prepaid expenses and other assets	4,528	4,816
Deferred income taxes	9,499	7,925
	<hr/>	<hr/>
Total current assets	249,291	257,289
	<hr/>	<hr/>
PROPERTY AND EQUIPMENT, at cost		
Land	1,000	999
Buildings	56,455	55,158
Machinery and equipment	97,106	94,208
Transportation equipment	9,217	9,218
	<hr/>	<hr/>
	163,778	159,583
Less accumulated depreciation	100,366	96,265
	<hr/>	<hr/>
Total property and equipment, net	63,412	63,318
	<hr/>	<hr/>
DEFERRED INCOME TAXES	23,165	22,491
	<hr/>	<hr/>
INVESTMENT IN LIFE INSURANCE	22,421	22,794
	<hr/>	<hr/>
OTHER ASSETS	12,891	11,570
	<hr/>	<hr/>
TOTAL ASSETS	\$ 371,180	\$ 377,462
	<hr/>	<hr/>

See Unaudited Condensed Notes to Consolidated Financial Statements.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

Dollars in thousands, except par value

LIABILITIES AND STOCKHOLDERS' EQUITY	February 28, 2004	August 30, 2003
CURRENT LIABILITIES		
Accounts payable, trade	\$ 50,598	\$ 52,239
Income tax payable	6,060	—
Accrued expenses		
Accrued compensation	16,636	15,749
Product warranties	11,890	9,755
Promotional	11,345	4,599
Insurance	5,320	5,087
Other	7,177	4,969
	<u>109,026</u>	<u>92,398</u>
POSTRETIREMENT HEALTH CARE AND DEFERRED COMPENSATION BENEFITS	78,523	74,438
	<u> </u>	<u> </u>
STOCKHOLDERS' EQUITY		
Capital stock, common, par value \$.50; authorized 60,000,000 shares; issued 51,776,000 shares	25,888	25,888
Additional paid-in capital	14,639	13,025
Reinvested earnings	361,469	331,039
	<u>401,996</u>	<u>369,952</u>
Less treasury stock, at cost	218,365	159,326
	<u> </u>	<u> </u>
Total stockholders' equity	183,631	210,626
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 371,180	\$ 377,462
	<u> </u>	<u> </u>

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

In thousands, except per share data

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	February 28, 2004	March 1, 2003	February 28, 2004	March 1, 2003
Net revenues	\$ 266,033	\$ 185,958	\$ 520,966	\$ 419,305
Cost of goods sold	231,004	159,590	446,472	357,865

Gross profit	35,029	26,368	74,494	61,440
Operating expenses				
Selling	4,461	4,068	9,022	8,755
General and administrative	6,039	2,932	11,777	8,036
Total operating expenses	10,500	7,000	20,799	16,791
Operating income	24,529	19,368	53,695	44,649
Financial income	283	420	586	695
Income before income taxes	24,812	19,788	54,281	45,344
Provision for taxes	8,932	7,898	20,334	17,576
Income from continuing operations	15,880	11,890	33,947	27,768
Income from discontinued operations (net of taxes)	—	419	—	819
Net income	\$ 15,880	\$ 12,309	\$ 33,947	\$ 28,587
<u>Income per share – basic (Note 10)</u>				
From continuing operations	\$.47	\$.32	\$.98	\$.74
From discontinued operations	—	.01	—	.02
Net income	\$.47	\$.33	\$.98	\$.76
<u>Income per share – diluted (Note 10)</u>				
From continuing operations	\$.46	\$.31	\$.96	\$.73
From discontinued operations	—	.01	—	.02
Net income	\$.46	\$.32	\$.96	\$.75
Weighted average shares of common stock outstanding				
Basic	33,928	37,550	34,613	37,500
Diluted	34,545	38,224	35,196	38,226

On January 14, 2004, the Company's Board of Directors declared a two-for-one stock split effected in the form of a 100% stock dividend on March 5, 2004 to shareholders of record as of February 20, 2004. All share and per share amounts have been restated to give retroactive effect to the stock split.

See Unaudited Condensed Notes to Consolidated Financial Statements.

WINNEBAGO INDUSTRIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Dollars in thousands

	Twenty-Six Weeks Ended	
	February 28, 2004	March 1, 2003
Cash flows from operating activities		
Net income	\$ 33,947	\$ 28,587

Income from discontinued operations	—	(819)
Income from continuing operations	33,947	27,768
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	4,759	4,017
Tax benefit of stock options	2,328	867
Other	504	389
Change in assets and liabilities		
(Increase) decrease in receivable and other assets	(11,446)	10,479
Increase in inventories	(23,101)	(13,751)
Increase in deferred income taxes	(2,248)	(1,412)
Increase (decrease) in accounts payable and accrued expenses	10,568	(1,604)
Increase in income taxes payable	7,485	1,737
Increase in postretirement benefits	2,891	2,343
Net cash provided by continuing operations	25,687	30,833
Net cash provided by discontinued operations	—	8
Net cash provided by operating activities	25,687	30,841
Cash flows used in investing activities		
Purchases of property and equipment	(4,967)	(17,559)
Other	(115)	(1,458)
Net cash used in continuing operations	(5,082)	(19,017)
Net cash used in discontinued operations	—	(4,255)
Net cash used in investing activities	(5,082)	(23,272)
Cash flows used in financing activities and capital transactions		
Payments for purchase of common stock	(63,979)	(10,521)
Payment of cash dividends	(3,517)	(1,887)
Proceeds from issuance of common and treasury stock	4,226	2,121
Net cash used in financing activities and capital transactions	(63,270)	(10,287)
Net decrease in cash and cash equivalents	(42,665)	(2,718)
Cash and cash equivalents – beginning of period	99,381	42,225
Cash and cash equivalents – end of period	\$ 56,716	\$ 39,507

See Unaudited Condensed Notes to Consolidated Financial Statements.

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

NOTE 1: Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the consolidated financial position as of February 28, 2004, the consolidated results of operations for the 13 and 26 weeks ended February 28, 2004 and March 1, 2003 and the consolidated cash flows for the 26 weeks ended February 28, 2004 and March 1, 2003. The statement of income for the 26 weeks ended February 28, 2004, is not necessarily indicative of the results to be expected for the full year. The balance sheet data as of August 30, 2003 was derived from audited financial statements, but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These interim consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto appearing in the Company's Annual Report to Shareholders for the year ended August 30, 2003.

Certain prior year balances have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net income or shareholders' equity. All share and per share amounts have been restated to give retroactive effect to the stock split.

Accounting for Stock-Based Compensation. The Company adopted SFAS No. 123, *Accounting for Stock-Based Compensation* in fiscal 1997. The Company has elected to continue following the accounting guidance of Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* for measurement and recognition of stock-based transactions with employees. No compensation cost has been recognized for options issued under the stock option plans because the exercise price of all options granted was not less than 100 percent of fair market value of the common stock on the date of grant. Had compensation cost for the stock options issued been determined based on the fair value at the grant date, consistent with provisions of SFAS No. 123, income and income per share for the 13 and 26 weeks ended February 28, 2004 and March 1, 2003 would have been changed to the proforma amounts indicated as follows:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	February 28, 2004	March 1, 2003	February 28, 2004	March 1, 2003
In thousands, except per-share amounts				
Net income				
Net income – as reported	\$ 15,880	\$ 12,309	\$ 33,947	\$ 28,587
Less estimated stock-based employee compensation determined under fair value based method	(808)	(558)	(1,616)	(1,015)
Net income – proforma	\$ 15,072	\$ 11,751	\$ 32,331	\$ 27,572
Earnings per common share				
Basic – as reported	\$.47	\$.33	\$.98	\$.76
Less estimated stock-based employee compensation determined under fair value based method	(.02)	(.02)	(.05)	(.03)
Basic – proforma	\$.45	\$.31	\$.93	\$.73
Diluted – as reported	\$.46	\$.32	\$.96	\$.75
Less estimated stock-based employee compensation determined under fair value based method	(.02)	(.01)	(.04)	(.03)
Diluted – proforma	\$.44	\$.31	\$.92	\$.72
Weighted average common shares outstanding				
Basic	33,928	37,550	34,613	37,500
Diluted	34,545	38,224	35,196	38,226

The Company estimated the fair values using the Black-Scholes option-pricing model, modified for dividends and using the following assumptions:

	2004	2003
Risk-free rate	2.60 – 2.81%	2.99%
Expected dividend yield	.72 – .73%	.78%
Expected stock price volatility	48.19 – 48.54%	49.25%
Expected option term	4 years	4 years
Fair value per option	\$ 10.04	\$ 7.11

NOTE 2: Discontinued Operations

On April 24, 2003 the Company sold its dealer financing receivables in Winnebago Acceptance Corporation (WAC) to GE Commercial Distribution Finance Corporation for approximately \$34 million and recorded no gain or loss as the receivables were sold at book value. With the sale of its WAC receivables, the Company has discontinued dealer financing operations of WAC. Therefore, WAC's operations were accounted for as discontinued operations in the accompanying consolidated financial statements.

In thousands, except per-share amounts

	March 1, 2003	March 1, 2003
Winnebago Acceptance Corporation		
Net revenues	\$ 770	\$ 1,512
Income before income taxes	\$ 644	\$ 1,259
Net income	\$ 419	\$ 819
Income per share – basic	\$.01	\$.02
Income per share – diluted	\$.01	\$.02
Weighted average common shares outstanding		
Basic	37,550	37,500
Diluted	38,224	38,226

NOTE 3: New Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 46 (“FIN 46”) “Consolidation of Variable Interest Entities,” which addresses the reporting and consolidation of variable interest entities as they relate to a business enterprise. This interpretation incorporates and supercedes the guidance set forth in Accounting Research Bulletin (ARB) No. 51, “Consolidated Financial Statements.” It requires the consolidation of variable interest entities into the financial statements of a business enterprise if that enterprise holds a controlling interest via other means than the traditional voting majority. The FASB has amended FIN 46, now known as FIN 46 Revised December 2003 (FIN 46R). The requirements of FIN 46R are effective for the first reporting period ending after March 15, 2004. The Company does not believe adoption of this standard will significantly affect the Company’s financial condition or operating results.

In January 2004, the FASB issued FASB Staff Position No. FAS 106-1, “Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003” (Act). The Act introduced a prescription drug benefit and federal subsidy to sponsors of retiree health care benefit plans. FASB Staff Position No. FAS 106-1 permits a sponsor of a postretirement health care plan that provides a prescription drug benefit to make a one-time election to defer recognition of the effects of the Act in accounting for its retiree healthcare benefit plans until authoritative guidance on accounting for subsidies provided by the Act is issued. SFAS No. 106,

“Employers’ Accounting for Postretirement Benefits Other Than Pension,” requires enacted changes in relevant laws to be considered in current period measurements of postretirement benefit costs and accumulated postretirement benefit obligation. The Company provides prescription drug benefits to certain eligible retirees and has elected the one-time deferral of accounting for the effects of the Act. These unaudited condensed consolidated financial statements and accompanying notes do not reflect the effects of the Act on the postretirement benefit plan. The Company intends to analyze the Act, along with the authoritative guidance, when issued, to determine if its benefit plan needs to be amended and how to record the effects of the Act. Specific guidance on the accounting for the federal subsidy provided by the Act is pending and that guidance, when issued, could require the Company to change previously reported postretirement benefit information.

The FASB issued Financial Accounting Standards No. 132 Revised (FAS 132R), “Employers’ Disclosure About Pensions and Other Postretirement Benefits.” A revision of the pronouncement originally issued in 1998, FAS 132R expands employers’ disclosure requirements for pension and postretirement benefits to enhance information about plan assets, obligations, benefit payments, contributions and net benefit cost. FAS 132R does not change the accounting requirements for pensions and other postretirement benefits. This statement is effective for fiscal years ending after December 15, 2003, with interim-period disclosure requirements effective for interim periods beginning after December 15, 2003. Accordingly, the Company will implement FAS 132R beginning with its third quarter of fiscal 2004. The Company is currently evaluating the effect of this pronouncement on its financial statement disclosures.

NOTE 4: Inventories

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

Inventories consist of the following (dollars in thousands):

Finished goods	\$ 55,250	\$ 36,140
Work in process	41,990	47,098
Raw materials	66,352	56,382
	<u>163,592</u>	<u>139,620</u>
LIFO reserve	(26,209)	(25,338)
	<u>\$ 137,383</u>	<u>\$ 114,282</u>

NOTE 5: Warranties

Estimated warranty costs are provided at the time of sale of the warranted products. Estimates of future warranty costs are based on prior experience and known current events. The changes in the provision for warranty reserve for the 26 weeks ended February 28, 2004 and March 1, 2003 are as follows (dollars in thousands):

	February 28, 2004	March 1, 2003
Balance at beginning of year	\$ 9,755	\$ 8,151
Provision	8,030	6,723
Claims paid	(5,895)	(5,504)
	<u>\$ 11,890</u>	<u>\$ 9,370</u>

NOTE 6: Contingent Liabilities and Commitments

Repurchase Commitments.

It is customary practice for companies in the recreation vehicle industry to enter into repurchase agreements with lending institutions which have provided wholesale floorplan financing to dealers.

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. These repurchase agreements provide that, in the event of default by the dealer on the agreement to pay the lending institution, the Company will repurchase the financed merchandise. The agreements provide that the Company's liability will not exceed 100 percent of the dealer invoice and provide for periodic liability reductions based on the time since the date of the original invoice. These repurchase obligations expire upon the earlier to occur of (i) the dealer's sale of the financed unit or (ii) one year from the date of the original invoice. The Company's contingent obligations under these repurchase agreements are reduced by the proceeds received upon the resale of any repurchased unit. The Company's contingent liability on these repurchase agreements was approximately \$358,361,000 and \$245,701,000 at February 28, 2004 and August 30, 2003, respectively. The Company did not incur any losses under these repurchase agreements during the 26 weeks ended February 28, 2004.

Included in these contingent liabilities are certain dealer receivables subject to full recourse to the Company with Bank of America Specialty Group. Contingent liabilities under these recourse agreements were \$-0- and \$898,000 at February 28, 2004 and August 30, 2003, respectively. The Company's actual losses under these recourse agreements were approximately \$40,000 and \$-0- during the 26 weeks ended February 28, 2004 and March 1, 2003, respectively.

The Company also entered into a repurchase agreement on February 1, 2002 with a banking institution which calls for a liability reduction of 2% of the original invoice every month for 24 months, at which time the repurchase obligation terminates. The Company's contingent liability under this agreement was approximately \$1,839,000 and \$2,366,000 at February 28, 2004 and August 30, 2003, respectively. The Company did not incur any actual losses under this repurchase agreement during the 26 weeks ended February 28, 2004.

The Company records repurchase and recourse reserves based on prior experience and known current events. The combined repurchase and recourse reserve balances are approximately \$319,000 and \$241,000 as of February 28, 2004 and August 30, 2003, respectively.

Guarantees.

During the second quarter of fiscal 2002, the Company entered into a five year services agreement (the "Agreement") with one of its suppliers (the "Supplier") and the Forest City Economic Development, Inc. (the "FCED"), requiring the Supplier to provide RV paint services to the Company. Two of Winnebago's officers have board seats on the 20 member FCED board. The FCED constructed and debt financed a paint facility on its land adjoining one of the Company's manufacturing plants for the Supplier and the Supplier leases the land and facility from the FCED under a lease that expires in August 2012. In the event of termination of the Agreement by any of the parties involved before September 1, 2007, the rights and obligations of the Supplier's lease would be transferred to the Company. As of February 28, 2004, the Supplier is current with its lease obligations to the FCED with approximately \$3,932,000 remaining to be paid through August 2012. Also, under the terms of the Agreement, the Company would be obligated to purchase from the Supplier approximately \$750,000 of equipment installed in the paint facility at net book value and is obligated to assume payment obligations for approximately \$45,000 in capital equipment leases.

Also in the second quarter of fiscal 2002, the Company guaranteed \$700,000 of the FCED \$2,200,000 bank debt for the construction of the paint facility leased by the Supplier. The Company also pledged a \$500,000 certificate of deposit to the bank to collateralize a portion of its \$700,000 guarantee.

During the first quarter of fiscal 2004, the debt obligations for the FCED's paint facility were renegotiated from \$2,200,000 to \$2,925,000 and as part of this transaction, the Company executed a new guaranty whereby the guarantee was reduced from \$700,000 to \$500,000 with the Company continuing to agree to pledge a \$500,000 certificate of deposit to the bank. The term of the guarantee coincides with the payment of the first \$500,000 of lease obligations of the Supplier scheduled to be paid by February of 2006. As a result of the new guarantee, the Company has recorded a \$500,000 liability which will be amortized as the FCED makes its monthly debt payments funded by monthly lease payments from the Supplier.

During the second quarter of fiscal 2004, the Company entered into a five-year limited guaranty agreement ("Guarantee Agreement") with a leasing corporation ("Landlord") and one of its suppliers (the "Supplier"). The Landlord will construct a paint facility through debt financing on land adjoining one of the Company's manufacturing plants for the Supplier. The Landlord and the Supplier have signed a ten-year lease agreement that is to commence when the paint facility is completed, which is currently expected to be approximately \$2,200,000. The Guarantee Agreement states that the Company will guarantee interest only payments due from the Supplier during the construction phase of the paint facility (first payment due April 1, 2004) and the first 60 monthly lease payments (totaling approximately \$1,559,000) once the lease commences. As of February 28, 2004, no liability has been recorded in relation to this guarantee as the Landlord did not secure financing for construction of the paint facility until March 2004.

Litigation.

Reference is made to Item 3 (Legal Proceedings) in the Company's Annual Report on Form 10-K for the year ended August 30, 2003 for a description of certain litigation entitled Sanft, et al vs. Winnebago Industries, Inc., et al, which is incorporated herein by this reference. Oral arguments on certain motions associated with this case are scheduled to be held on April 23, 2004. In the event that such motions do not dispose of the case, trial is scheduled to commence June 21, 2004. The Company continues to believe that it has meritorious defenses to the Plaintiffs' substantive claims including the statute of limitations defense. As of February 28, 2004, the Company had accrued estimated legal fees for the defense of this case. However, no other amounts have been accrued for the case because it is not possible at this time to properly assess the risk of an adverse verdict or the magnitude of possible exposure.

Reference is made to Legal Proceedings contained in Part 2, Item 1 of this Quarterly Report on Form 10-Q for a description of other legal proceedings in which the Company is involved.

The Company is not otherwise subject to any pending or threatened litigation other than routine litigation arising in the ordinary course of our business operations, none of which is expected to have a material adverse effect on our financial condition, results of operations, or cash flows.

NOTE 7: Supplemental Cash Flow Disclosure

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

	Twenty-Six Weeks Ended	
	February 28, 2004	March 1, 2003
Interest	\$ 80	\$ --
Income taxes	12,631	16,707

NOTE 8: Stock Split Announced and Dividend Declared

On January 14, 2004, the Board of Directors approved a 2 for 1 split of the Company's common stock effective on March 5, 2004 to shareholders of record on February 20, 2004. The stock split was effected in the form of a 100 percent stock dividend. Also on January 14, 2004, the Board of Directors declared a cash dividend of \$.05 per common share payable April 5 to shareholders of

record on March 5, 2004, amended on January 27, 2004 to be payable on April 15 to shareholders of record on March 15, 2004.

NOTE 9: Repurchase of Related Party Stock

In October 2003, pursuant to an authorization of the Board of Directors, the Company repurchased 2,900,000 shares of its common stock from Hanson Capital Partners, LLC ("HCP"). The shares were repurchased for an aggregate purchase price of \$63,979,075 (\$22.06 per share), plus interest in the approximate amount of \$80,000. The agreement to repurchase the shares provided that the purchase price per share was at a 15 percent discount to the closing price on the New York Stock Exchange of \$25.96 on October 17, 2003. The Company utilized cash on-hand and proceeds from maturing investments to pay the purchase price.

NOTE 10: Income Per Share

The following table reflects the calculation of basic and diluted earnings per share for the 13 and 26 weeks ended February 28, 2004 and March 1, 2003.

In thousands except per share data	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	February 28, 2004	March 1, 2003	February 28, 2004	March 1, 2003
<u>Earnings per share – basic</u>				
Income from continuing operations	\$ 15,880	\$ 11,890	\$ 33,947	\$ 27,768
Income from discontinued operations (net of taxes)	—	419	—	819
Net income	\$ 15,880	\$ 12,309	\$ 33,947	\$ 28,587
Weighted average shares outstanding	33,928	37,550	34,613	37,500
Earnings per share – basic	\$.47	\$.33	\$.98	\$.76
<u>Earnings per share – assuming dilution</u>				
Income from continuing operations	\$ 15,880	\$ 11,890	\$ 33,947	\$ 27,768
Income from discontinued operations (net of taxes)	—	419	—	819
Net income	\$ 15,880	\$ 12,309	\$ 33,947	\$ 28,587
Weighted average shares outstanding	33,928	37,550	34,613	37,500
Dilutive impact of options outstanding	617	674	583	726
Weighted average shares & potential dilutive shares outstanding	34,545	38,224	35,196	38,226
Earnings per share – assuming dilution	\$.46	\$.32	\$.96	\$.75

There were options outstanding to purchase 44,000 shares of common stock at a price of \$34.855 per share, which were not included in the computation of diluted earnings per share during the 13 weeks ended February 28, 2004 because the options' exercise price was greater than the average market price of the common stock.

For the 13 weeks ended March 1, 2003, there were options outstanding to purchase 28,000 shares of common stock at a price of \$19.7375 per share, which were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**FORWARD LOOKING INFORMATION**

This Quarterly Report on Form 10-Q contains statements which may constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements regarding future events and the future performance of the Company involve risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties include, without limitation, reactions to actual or threatened terrorist attacks, availability and price of fuel, a significant increase in interest rates, a slow down in the economy, availability of chassis, slower than anticipated sales of new or existing products, new product introductions by competitors, and other factors which may be disclosed throughout this report.

Although management believes 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. Winnebago Industries undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law or the rules of the New York Stock Exchange.

It is suggested that this management's discussion be read in conjunction with the management's discussion included in the Company's Annual Report to Shareholders for the year ended August 30, 2003.

BUSINESS OVERVIEW

Winnebago Industries, Inc., headquartered in Forest City, Iowa, is the leading United States (U.S.) manufacturer of motor homes, self-contained recreation vehicles used primarily in leisure travel and outdoor recreation activities. The Company's products are subjected to what the Company believes is the most

rigorous testing in the RV industry. The Company markets its recreation vehicles on a wholesale basis to approximately 300 dealer locations as of February 28, 2004 and March 1, 2003.

For the calendar year ended December 31, 2003 and the calendar year ended December 31, 2002, the Company delivered 11,015 and 11,811 motor homes, respectively. These deliveries accounted for approximately 18.4 percent and approximately 20.5 percent share, respectively, of the total U.S. motor home wholesale market, per Recreation Vehicle Industry Association (RVIA) data.

Winnebago Industries was incorporated under the laws of the state of Iowa on February 12, 1958, and adopted its present name on February 28, 1961.

CRITICAL ACCOUNTING POLICIES

We consider the accounting policies used in preparing our financial statements to be critical accounting policies when they are both important to the portrayal of our financial condition and results of operation and require us to make difficult, subjective, or complex judgments. Critical accounting policies normally result from the need to make estimates about the effect of matters that are inherently uncertain. Management has discussed the development and selection of our critical accounting policies with the audit committee of the Company's Board of Directors. In each of the areas that were identified as critical accounting policies, our judgments, estimates, and assumptions are impacted by conditions that change over time. As a result, in the future there could be changes in our assets and liabilities, increases or decreases in our expenses, and additional losses or gains that are material to our financial condition and results of operations.

Revenue. The Company recognizes revenue in accordance with SEC Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements" (SAB 101), as amended by SAB 101A and 101B. Revenue for manufacturing operations is generally recorded when all of the following conditions have been met:

1. an order for a product has been received from a dealer;
2. written or verbal approval for payment has been received from the dealer's floorplan financing institution; and
3. the product is delivered to the dealer who placed the order.

Sales are generally made to dealers who finance their purchases under floorplan financing arrangements with banks or finance companies.

Repurchase Commitments. Companies in the recreation vehicle industry enter into repurchase agreements with lending institutions which have provided wholesale floorplan financing to dealers. These agreements provide that, in the event of default by the dealer on the agreement to pay the lending institution, the Company will repurchase the financed merchandise. The agreements also provide that the Company's liability will not exceed 100 percent of the dealer invoice and provide for periodic liability reductions based on the time since the date of the original invoice. These repurchase obligations generally expire upon the earlier to occur of (i) the dealer's sale of the financed unit or (ii) one year from the date of the original invoice. The Company's ultimate contingent obligation under these repurchase agreements is reduced by the proceeds received upon the resale of any repurchased unit. The gross repurchase obligation will vary depending on the season and the level of dealer inventories. Past losses under these agreements have not been significant and lender repurchase obligations have been funded out of working capital. The Company records an estimated expense and loss reserve in each accounting period based upon its extensive history and experience of its repurchase agreements with the lenders of the Company's dealers.

Warranty. The Company offers to its customers a variety of warranties on its products ranging from one to three years in length. Estimated costs related to product warranty are accrued at the time of sale and included in cost of sales. Estimated costs 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.

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

SELECTED CONSOLIDATED STATEMENTS OF INCOME DATA

Current Quarter Compared to Same Quarter Last Year

The following is an analysis of changes in key items included in the consolidated statements of income for the 13-week period ended February 28, 2004 compared to the 13-week period ended March 1, 2003.

Dollars in thousands, except per share data	Thirteen Weeks Ended February 28, 2004		Thirteen Weeks Ended Feb. 28, 2004		Mar. 1, 2003
	Increase (Decrease)	% Change	% of Net Revenues		
Net revenues	\$ 80,075	43.1%	100.0%	100.0%	
Cost of goods sold	71,414	44.7	86.8	85.8	
Gross profit	8,661	32.8	13.2	14.2	
Selling expenses	393	9.7	1.7	2.2	
General and administrative expenses	3,107	106.0	2.3	1.6	
Operating income	5,161	26.6	9.2	10.4	
Financial income	(137)	(32.6)	0.1	0.2	
Provision for taxes	1,034	13.1	3.3	4.2	
Net income before disc. operations	3,990	33.6	6.0	6.4	
Discontinued operations	(419)			0.2	
Net income	\$ 3,571	29.0%	6.0%	6.6%	
Diluted earnings per share	\$ 0.14	43.8%			

Net revenues for the 13 weeks ended February 28, 2004 increased 43.1 percent to \$266.0 million in the second quarter compared to \$186.0 million for the quarter ended March 1, 2003. Unit deliveries consisted of the following:

	Thirteen Weeks Ended February 28, 2004	Thirteen Weeks Ended March 1, 2003	Increase	% Change
Class A motor homes (gas)	1,268	1,157	111	9.6%
Class A motor homes (diesel)	716	366	350	95.6%
Class C motor homes	1,038	736	302	41.0%
Total deliveries	3,022	2,259	763	33.8%

Revenues increased 43.1 percent during the 13 weeks ended February 28, 2004, but unit deliveries increased only 33.8 percent due primarily to a mix change which included a 95.6 percent increase in Class A diesel unit deliveries. This increase in diesel deliveries as well as the overall increase in total motor home volume contributed to the increased revenues experienced by the Company during the thirteen weeks ended February 28, 2004.

Gross profit as a percentage of net revenues was lower during the thirteen weeks ended February 28, 2004 (13.2%) when compared to the thirteen weeks ended March 1, 2003 (14.2%). Unfavorably impacting the period ended February 28, 2004 were the recording of a reserve of \$1,870,000 (representing .7% of the decline) associated with the recall of 5,143 diesel motor homes in which the liquid propane tank needs to be inspected for stress cracks and new mounting brackets installed, a more competitively priced product mix and relatively higher manufacturing expense levels.

General and administrative expenses increased 106.0 percent in the second quarter of fiscal 2004 to \$6.0 million compared to \$2.9 million for the quarter ended March 1, 2003. The increases in percentage and dollar amount during the thirteen weeks ended February 28, 2004 when compared to the thirteen weeks ended March 1, 2003 were due primarily to \$1,450,000 of higher stock-based incentive compensation

expense and an increase of approximately \$600,000 in management incentive programs in fiscal 2004 and to a reduction in product liability expenses of approximately \$500,000 in fiscal 2003.

Financial income was lower when comparing the two 13-week periods primarily due to lower interest rates during the period ended February 28, 2004.

The overall effective income tax rate decreased to 36 percent for the second quarter of fiscal 2004 from 39.9 percent during the second quarter of fiscal 2003. The decrease was primarily due to a decrease in non-deductible losses in the Winnebago Health Care Management Company.

Net income and earnings per diluted share increased by 29.0 percent and 43.8 percent, respectively when comparing the second quarter of fiscal 2004 to the second quarter of fiscal 2003. The difference in percentages was primarily due to a lower number of outstanding shares of the Company's common stock during the 13 weeks ended February 28, 2004 as a result of common stock repurchases by the Company. (See Note 9 of the Unaudited Condensed Notes to Consolidated Financial Statements.)

On January 14, 2004, the Company's Board of Directors declared a two-for-one stock split effected in the form of a 100% stock dividend distributed on March 5, 2004 to shareholders of record as of February 20, 2004. All share and per share amounts have been restated to give retroactive effect to the stock split.

Current Year-to-Date Compared to Same Period Last Year

The following is an analysis of changes in key items included in the consolidated statements of income for the 26-week period ended February 28, 2004 compared to the 26-week period ending March 1, 2003.

Dollars in thousands, except per share data	Twenty-Six Weeks Ended February 28, 2004		Twenty-Six Weeks Ended Feb. 28, 2004 Mar. 1, 2003	
	Increase (Decrease)	% Change	% of Net Revenues	
Net revenues	\$101,661	24.2%	100.0%	100.0%
Cost of goods sold	88,607	24.8	85.7	85.4
Gross profit	13,054	21.2	14.3	14.6
Selling	267	3.0	1.7	2.1
General and administrative	3,741	46.6	2.3	1.9
Operating income	9,046	20.3	10.3	10.6
Financial income	(109)	(15.7)	0.1	0.2
Provision for taxes	2,758	15.7	3.9	4.2
Net income before disc. operations	6,179	22.3	6.5	6.6
Discontinued operations	(819)			0.2
Net income	\$ 5,360	18.7%	6.5%	6.8%
Diluted earnings per share	\$ 0.21	28.0%		

Net revenues for the 26 weeks ended February 28, 2004 increased 24.2 percent to \$521.0 million compared to \$419.3 million for the 26 weeks ended March 1, 2003. Unit deliveries consisted of the following:

	Twenty-Six Weeks Ended February 28, 2004	Twenty-Six Weeks Ended March 1, 2003	Increase (Decrease)	% Change
Class A motor homes (gas)	2,610	2,677	(67)	(2.5%)
Class A motor homes (diesel)	1,245	773	472	61.1%
Class C motor homes	2,129	1,734	395	22.8%
Total deliveries	5,984	5,184	800	15.4%

The 61.1 percent increase in Class A diesel unit deliveries as well as the overall increase in total motor home volume contributed to the increased revenues experienced by the Company during the twenty-six weeks ended February 28, 2004.

Gross profit as a percentage of net revenues was lower during the twenty-six weeks ended February 28, 2004 (14.3%) when compared to the twenty-six weeks ended March 1, 2003 (14.6%). Unfavorably impacting the period ended February 28, 2004 were the recording of a reserve of \$1,870,000 (representing almost .4% of the decline) associated with the recall of 5,143 diesel motor homes in which the liquid propane tank needs to be inspected for stress cracks and new mounting brackets installed, a more competitively priced product mix and relatively higher manufacturing expense levels.

General and administrative expenses increased 46.6 percent during the first half of fiscal 2004 to \$11.8 million compared to \$8.0 million from the first half of fiscal 2003. The increases in percentage and dollar amount during the twenty-six weeks ended February 28, 2004 when compared to the twenty-six weeks ended March 1, 2003 were due primarily to \$950,000 of higher stock-based incentive compensation expense and increases of approximately \$800,000 in management incentive programs in fiscal 2004 and to a reduction in product liability expenses of approximately \$550,000 in the first half of fiscal 2003.

The overall effective income tax rate decreased to 37.5 percent for the first half of fiscal 2004 from 38.8 percent during the first half of fiscal 2003. The decrease was primarily due to a decrease in non-deductible losses in the Winnebago Health Care Management Company. Net income and earnings per diluted share increased by 18.7 percent and 28.0 percent, respectively when comparing the first half of fiscal 2004 to the first half of fiscal 2003. The difference in percentages was primarily due to a lower number of outstanding shares of the Company's common stock during the 26 weeks ended February 28, 2004 as a result of common stock repurchases by the Company. (See Note 9 of the Unaudited Condensed Notes to Consolidated Financial Statements.)

On January 14, 2004, the Company's Board of Directors declared a two-for-one stock split effected in the form of a 100% stock dividend distributed on March 5, 2004 to shareholders of record as of February 20, 2004. All share and per share amounts have been restated to give retroactive effect to the stock split.

LIQUIDITY AND FINANCIAL CONDITION

The Company meets its working capital, capital equipment and other cash requirements with funds generated from operations. The Company's capital equipment requirements for the 26-week periods ended February 28, 2004 and March 1, 2003 were \$5.0 million and \$17.6 million, respectively.

During the six months ended February 28, 2004, the Company's working capital decreased by \$24,626,000. The primary causes of the decrease were the repurchase of shares of the Company's common stock, purchases of property and equipment and payment of cash dividends partially offset by cash generated by the Company's operations.

Net cash provided by operating activities for the 26 weeks ended February 28, 2004 was \$25,687,000, which was relatively consistent with the \$30,841,000 provided by operating activities for the twenty-six weeks ended March 1, 2003. During the 26-week period ended February 28, 2004, operating activities were effected by the following:

Cash from operations of \$33,947,000 and production schedule increases causing larger accounts payable and accrued expense balances providing \$10,568,000, whereas uses of cash were \$23,101,000 for increased inventory levels due to higher production levels and to meet seasonal demand for motor home deliveries and \$11,446,000 for increase trade receivables which historically are collected within eight business days.

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The primary uses of cash for investing activities were for capital equipment requirements. Property and equipment purchases decreased \$12,592,000 from last year due to the completion of the production assembly facility in Charles City, Iowa in the first half of 2003.

Repurchases of the Company's common stock from HCP for \$63,979,000 and payments of \$3,517,000 in quarterly dividends, were the primary uses of cash in financing activities for the period ended February 28, 2004. Company common stock repurchases of \$10,521,000 and the \$1,887,000 payment of semiannual dividends were the primary uses of cash in financing activities for the period ended March 1, 2003.

More complete disclosure of the Company's sources and uses of cash during the 26 weeks, ended February 28, 2004, are set forth in the unaudited consolidated condensed statement of cash flows for that period.

On February 28, 2004 the Company's cash and cash equivalents balance was \$56,716,000. Estimated demands at February 28, 2004 on the Company's liquid assets for the remainder of fiscal 2004 include capital expenditures of approximately \$5,300,000, primarily for production equipment, and approximately \$3,500,000 for the payment of cash dividends. On March 19, 2003, the Board of Directors authorized the repurchase of outstanding shares of the Company's common stock, depending on market conditions, for an aggregate purchase price of up to \$20 million. As of February 28, 2004 (not including the repurchase from HCP which was authorized separately, See Note 9), 691,798 shares had been repurchased under this authorization for an aggregate consideration of approximately \$9,700,000. As of February 28, 2004, there was no contracted obligation between the Company and HCP to repurchase additional shares of the Company's common stock.

COMPANY OUTLOOK

The Company's long-term growth demographics are in its favor as its target market of consumers age 50 and older is expected to increase for the next 30 years. In addition to growth in the target market due to the aging of the baby boom generation, a study conducted by the University of Michigan for the RV industry shows that the age of people interested in purchasing RVs is also expanding to include younger buyers under 35 years of age as well as older buyers over age 75 who are staying healthy and active much later in life. This study also shows an increased interest in owning RVs by a larger percentage of all U.S. households.

Order backlog for the Company's motor homes is as follows:

	February 28, 2004	March 1, 2003	Increase	% Change
Class A motor homes (gas)	1,234	732	502	68.6%
Class A motor homes (diesel)	794	297	497	167.3%
Class C motor homes	905	861	44	5.1%
Total backlog	2,933	1,890	1,043	55.2%

The Company includes in its backlog all accepted purchase orders from dealers shippable within the next six months. Orders in backlog can be canceled or postponed at the option of the purchaser at any time without penalty and, therefore, backlog may not necessarily be an accurate measure of future sales.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of February 28, 2004, the Company had an investment portfolio of short-term investments, which are classified as cash and cash equivalents of \$56,716,000, of which \$50,899,000 are fixed income investments that are subject to interest rate risk and a decline in value if market interest rates increase. However, the Company has the ability to hold its fixed income investments until maturity (which approximates 45 days) and, therefore, the Company would not expect to recognize an adverse impact in income or cash flows in such an event.

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Item 4. CONTROLS AND PROCEDURES

The Company has established disclosure controls and procedures, which are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934 are recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Our Chief Executive Officer and our Chief Financial Officer evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Form 10-Q. Based on their evaluation, they concluded that our disclosure controls and procedures were effective in achieving the objectives for which they were designed.

Furthermore, there have been no changes in our internal control over financial reporting during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially effect, our internal control over financial reporting.

INDEPENDENT ACCOUNTANTS' REPORT

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

We have reviewed the accompanying consolidated balance sheets of Winnebago Industries, Inc. and subsidiaries (the Company) as of February 28, 2004, and the related consolidated statements of income for the 13-week and 26-week periods and the condensed consolidated statements of cash flows for the 26-week periods ended February 28, 2004 and March 1, 2003, respectively. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America (generally accepted auditing standards), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such condensed consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of the Company as of August 30, 2003, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated November 21, 2003, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of August 30, 2003 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP
Minneapolis, Minnesota
April 8, 2004

PART II Other Information

Item 1. Legal Proceedings

Reference is made to Item 3 (Legal Proceedings) in the Company's Annual Report on Form 10-K for the year ended August 30, 2003, for a description of certain litigation entitled Sanft, et al vs. Winnebago Industries, Inc., et al which is incorporated herein by this reference. In late 2003 and early 2004 extensive discovery was conducted by both parties. In February the Company filed its Second Motion for Summary Judgment and the Plaintiffs filed a Motion for Partial Summary Judgment. The Company's Motion suggests that following substantial discovery in the case there can be no dispute that all of the Plaintiffs' claims are barred by the applicable statute of limitations. The Plaintiffs' Motion for Partial Summary Judgment on Count I of their Complaint requests that the Court declare that the amendments made to the Plan in 1994 were illegal and unenforceable. Oral arguments on both such Motions are scheduled to be held before Chief Judge Bennett on April 23, 2004. In the event that such Motions do not dispose of the case, trial is scheduled to commence before Chief Judge Bennett ("bench trial") commencing on June 21, 2004. The Company continues to believe that it has meritorious defenses to the Plaintiffs' substantive claims, including the statute of limitations defense. As of February 28, 2004, the Company had accrued estimated legal fees for the defense of this case. However, no other amounts have been accrued for the case because it is not possible at this time to properly assess the risk of an adverse verdict or the magnitude of possible exposure.

Reference is also made to Item 3 (Legal Proceedings) in the Company's Annual Report on Form 10-K for the year ended August 30, 2003 for a description of certain litigation entitled Jody Bartleson, et al vs. Winnebago Industries, Inc., et al which is incorporated herein by this reference.

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

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

- (a) The Annual Meeting of shareholders was held January 13, 2004.
- (b) The breakdown of votes for the election of two directors was as follows*:

	Votes Cast For	Authority Withheld
Irvin E. Aal (2007)	15,800,575	65,335
Joseph W. England (2007)	15,811,069	54,841

*There were no broker nonvotes.

- (c) Directors whose terms continued after the shareholders meeting:

Gerald E. Boman	(2005)
Jerry N. Currie	(2005)
Frederick M. Zimmerman	(2005)
John V. Hanson	(2006)

() Represents year of Annual Meeting that individual's term will expire.

- (d) The breakdown of votes for the Winnebago Industries, Inc. 2004 Incentive Compensation Plan was as follows:

<u>Votes Cast For</u>	<u>Votes Cast Against</u>	<u>Abstentions and Broker Non-Votes</u>
12,707,949	24,499	1,827,291

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits — See Exhibit Index on page 23.
- (b) 8-K filings during quarter ended February 28, 2004.

On December 12, 2003, the Company filed a report on Form 8-K relating to a press release issued by the Company to announce the anticipated date of its first quarter of fiscal 2004 earnings announcement.

On December 17, 2003, the Company filed a report on Form 8-K relating to a press release issued by the Company to announce its first quarter of fiscal 2004 earnings.

On January 27, 2004, the Company filed a report on Form 8-K to revise its previously announced cash dividend record and payment dates due to an overlap with the timing of the Company's stock split.

On February 13, 2004, the Company filed a report on Form 8-K relating to a press release issued by the Company to announce that Hanson Capital Partners, LLC entered into a written plan relating to future sales of the Company's common stock.

SIGNATURES

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

WINNEBAGO INDUSTRIES, INC.

(Registrant)

Date April 8, 2004

/s/ Bruce D. Hertzke

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

Date April 8, 2004

/s/ Edwin F. Barker

Edwin F. Barker
Senior Vice President – Chief Financial Officer
(Principal Financial Officer)

Exhibit Index

- 3b. Amended bylaws of the Registrant.
- 4b. Limited Guaranty dated February 27, 2004 whereas Winnebago Industries, Inc. will act as the Guarantor to a certain lease agreement between HCC Leasing Corporation (Landlord) and CDI, LLC, an Indiana Limited Liability Company (Tenant).
- 10i. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2002, 2003 and 2004 as amended on March 16, 2004*.
- 10r. Winnebago Industries, Inc. Officers' Long-Term Incentive Plan, fiscal three-year period 2003, 2004 and 2005 as amended on March 16, 2004*.
- 15. Letter regarding Unaudited Interim Financial Statement.
- 20. Item 3 (Legal Proceedings) from Winnebago Industries, Inc.'s Annual Report on Form 10-K for the year ended August 30, 2003.
- 31.1 Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated April 8, 2004.
- 31.2 Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated April 8, 2004.
- 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 April 8, 2004.
- 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 April 8, 2004.

*Management contract or compensation plan or arrangement.

BY-LAWS
OF
WINNEBAGO INDUSTRIES, INC.

AS AMENDED

ARTICLE I. OFFICES

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

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

ARTICLE II. SHAREHOLDERS

Section 1. Annual Meeting

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

Section 2. Notice of Shareholder Business and Nominations

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

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of Section 2(1) of these By-laws, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for shareholder action. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting of shareholders; provided however, that in the event that the date of the annual meeting to which such shareholder's notice relates is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made by the Corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director all information relating to such person that is required to be disclosed

in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 as amended (the "Exchange Act") and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such shareholder and such beneficial owner.

ARTICLE III. BOARD OF DIRECTORS

Section 1. General Powers

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

Section 2. Number, Tenure and Qualifications

The number of directors constituting the Board of Directors of the Corporation shall be not more than fifteen (15) and not less than three (3), the precise number to be determined by resolution of the Board of Directors from time to time.

Effective with the election of the directors at the annual meeting of shareholders to be held in 2000, the directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, with the Board of Directors consisting of eight (8) members existing at the time of the annual meeting of shareholders to be held in 2000 to be classified as follows: Two directors to hold office initially for a term expiring at the annual meeting of shareholders to be held in 2001, three directors to hold office initially for a term expiring at the annual meeting of shareholders to be held in 2002, and three directors to hold office initially for a term expiring at the annual meeting of shareholders to be held in 2003, with the respective members of each class to hold office until their respective successors are elected and qualified. At each annual meeting of shareholders commencing with the annual meeting in 2001, the successors to the class of directors whose term then expires shall be elected to serve a three-year term and until their successors are duly elected and qualified. No decrease in the number of directors shall have the effect of shortening the terms of any incumbent director. Any increase or decrease in the number of directors shall be apportioned among the classes so as to make all classes as nearly equal in number as possible.

Section 3. Regular Meetings

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

Section 4. Special Meetings

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

Section 5. Notice of Meetings

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

Section 6. Committees

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

ARTICLE IV. OFFICERS

Section 1. Number

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

Section 2. Election and Term of Office

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

ARTICLE V. NON-CERTIFICATED STOCK

In accordance with Section 490.626 of Code of Iowa the Board of Directors of the Corporation is hereby authorized at its discretion to issue some or all of the shares of stock of any or all of its classes or series without certificates. With any reasonable time after the issue or transfer of shares without certificates, the Corporation shall send the shareholder a written statement of the information required on certificates by Section 490.625, Subsections 2 and 3, and, if applicable Section 490.627, Code of Iowa. The rights and obligations of shareholders of the Corporation are identical whether or not their shares are represented by certificates.

ARTICLE VI. FISCAL YEAR

The fiscal year of this Corporation shall begin on the next day following the last Saturday in August of any year and end on the last Saturday in August of the succeeding year.

ARTICLE VII. AMENDMENTS

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

LIMITED GUARANTY

Forest City, Iowa

Dated February 27, 2004.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce HCC Leasing Corporation ("Landlord") to enter into a certain Lease-Business Property, ("Lease"), a copy of which is attached hereto and made a part of this Agreement, with CDI, LLC, an Indiana Limited Liability Company ("Tenant") the undersigned, Winnebago Industries, Inc. (the "Guarantor"), hereby guarantees to Landlord the full reimbursement of the interest-only loan payments made during the period of construction of the improvements and the first 60 rental payments of the Lease which Tenant fails to pay pursuant to the terms of the Lease. The attached schedule described as Exhibit A is the sole document reflecting said payment schedule and interest-only payments.

In the event of rental default, Landlord shall give Tenant, Jeffrey W. Schwartz and John V. Bibbo, Jr. written notice, with copy to Guarantor, specifying the rental payment in default and will pursue reasonable means of correcting the default from Tenant, Jeffrey W. Schwartz and John V. Bibbo, Jr. as provided for in the terms of the Lease (Paragraph 21). "Reasonable means" shall include written notice of default given by Landlord to Tenant, Jeffrey W. Schwartz and John V. Bibbo, Jr. as provided herein, but shall not require termination of the lease, notice to quit, forfeiture of the Lease, or filing suit, either at law or in equity, against the Tenant during the sixty day period of Tenant, Jeffrey W. Schwartz and John V. Bibbo, Jr. to correct the rental default.

In the event Tenant, Jeffrey W. Schwartz and John V. Bibbo, Jr. fail to correct said default within sixty (60) days from first notice of default, Landlord shall give Guarantor written notice specifying Tenant's, Jeffrey W. Schwartz's and John V. Bibbo, Jr.'s default and Landlord's intent to terminate said Lease unless remedied by Guarantor. Guarantor shall have thirty (30) days from receipt of said notice in which to take appropriate action to remedy the default. Said remedy shall, at the sole discretion of Guarantor, include but not be limited to: reimbursement to Landlord for default arrearages, assumption of the Lease by Guarantor, or the exercise of the option to purchase said real estate and improvements. Guarantor shall give written notice to Landlord, with copy to Tenant, of its intentions and method to remedy the default within thirty (30) days of receipt of notice of default from Landlord. Tenant's copy represents sufficient legal notice to Jeffrey W. Schwartz and John V. Bibbo, Jr.

In the event of Guarantor's exercise of option to reimburse Landlord for default arrearages, Guarantor shall make prompt payment to Landlord for all overdue rents, including all reasonable penalties, late fees and bank charges associated with the default. Guarantor shall have the right to seek reimbursement from Tenant, Jeffrey W. Schwartz and John V. Bibbo, Jr. for any and all advancements made to remedy the default of the Lease. In the process of seeking reimbursement, Guarantor shall have the right to withhold an amount equal to the payment(s) made to Landlord from its accounts payable to Tenant as a result of services provided to Guarantor in conjunction with the Lease.

In the event Guarantor elects to assume the Lease from Tenant, Guarantor shall provide a Notice of Assignment that it has assumed the Tenant's obligations under the Lease and shall promptly pay all overdue rents, including all penalties, late fees and bank charges associated with the default. Landlord shall have the right to rely on said Notice of Assignment and shall recognize Guarantor as Tenant under the Lease including all rights and privileges as Tenant associated with a capital lease. The Lease will continue unabated until termination and the amortization of the remaining payments due during the term of the Lease. At Guarantor's sole discretion, Guarantor may elect to immediately terminate the occupancy of Tenant or allow Tenant to retain occupancy as a subleasee of the Guarantor.

In the event of Guarantor's exercise of option to purchase the real estate with improvements from Landlord, the price of the real estate shall be the outstanding indebtedness owed by Landlord as of the

date of purchase by Guarantor which Landlord incurred as a direct result of the purchase of said real estate and the construction of the improvements pursuant to the plans and specifications referenced in the Lease. The amortization schedule providing such indebtedness will be the sole document reflecting said indebtedness. Future improvements not contemplated by the Lease but completed as part of Tenant's occupancy shall be included in the purchase at no additional cost unless this Guaranty is specifically amended to reflect the cost of said improvements and Landlord's increased indebtedness. Landlord shall authorize its lender holding the mortgage lien against the real estate that is the subject of the Lease to disclose to Guarantor all information requested by Guarantor in connection with the status of the payments and outstanding balance of the Landlord's indebtedness.

At the commencement of occupancy of the Tenant, Landlord will provide to Guarantor, documented evidence of the actual cost of real estate and improvements and the indebtedness incurred as a result. Included in the documentation shall be a listing of all expenditures relating to the acquisition of said real estate and construction of the improvements. Also included in the documentation shall be a copy of the indebtedness arranged with any financial authority and the amortization schedule to retire said indebtedness. Subject to the terms and conditions of this Limited Guaranty, Landlord covenants that all monthly installments of principal and interest due and payable on the mortgage indebtedness shall be paid in a timely manner when due and the amortization of said indebtedness will continue unabated.

Landlord shall, within a reasonable time after receipt of notice of exercise of option to purchase, provide to Guarantor an Abstract of Title continued to the current date. After receipt of the Abstract, Guarantor shall be allowed up to thirty (30) days for performance of due diligence and examination of title and the making of objections thereto. Said objections shall be made in writing or deemed to be waived. If any objections are so made, Landlord shall be allowed up to ninety (90) days to make such title marketable. If said title is not marketable and is not made so within ninety (90) days or less from the date of written objection thereto, as above provided, any agreement to purchase resulting from the exercise of such option shall, at

the option of the Guarantor, become null and void. In the event that Guarantor elects to purchase the real estate, Guarantor shall bring all past due rental payments current, including penalties, late fees and bank charges associated with the default, and continue to timely pay all monthly rental payments which become due until closing. For the purpose of this paragraph, both Landlord and Guarantor will pursue their representative obligations in good faith and with due diligence in an effort to expedite the referenced transaction.

Landlord shall, upon receiving from Guarantor the purchase price, execute and deliver a Warranty Deed conveying marketable title to the property, free and clear of all encumbrances subject only to restrictions and easements of record as of the date of the exercise of the option to purchase. Landlord shall assign to Guarantor at closing all of Landlord's right, title and interest in its Lease to the Guarantor. The closing of said sale, pursuant to the aforementioned exercise of option, shall be at the conclusion of Landlord's period to make title marketable unless an earlier date is agreed upon in writing by the parties. Real estate taxes which would be delinquent if not paid shall be paid current as of the date of closing, but shall not be prorated to date of closing.

Landlord shall have the right to place a mortgage against the leased premises as security for a loan to be obtained by Landlord; however, said loan shall expressly recognize and refer to this Guaranty and the rights of the Guarantor hereunder, and shall not allow the lender to add to, alter or modify the terms of this Guaranty. Landlord shall have the right to assign, for security purposes, all of its right, title and interest in this Guaranty to its Lender. However, such assignment will not affect the rights, obligations and duties of each party to this Agreement.

Landlord hereby agrees during the term of this Guaranty and the term of the lease, not to attempt to refinance or alter the terms of its loan for the indebtedness of the real estate with improvements without the express written consent of Guarantor.

This Guaranty contains the entire agreement between the parties concerning the subject matter hereof, and supercedes any and all previous agreements, whether oral or written. Any modification of the terms of this Agreement shall be ineffective to change, modify, discharge, or effect an abandonment

of it, in whole or in part, unless modification is in writing and signed by the parties against whom enhancement of the modification is sought.

IN WITNESS WHEREOF, this Guaranty has been duly executed by the undersigned the day and year first written above.

WINNEBAGO INDUSTRIES, INC.

By: /s/ Ed Barker
Its: Sr. Vice President – Chief Financial Officer

Concur:
**HCC LEASING
CORPORATION**

By: /s/ Charles S. Holland
Its: President

Concur:
CDI, LLC

By: /s/ Jeff Schwartz
Its: Member

By: /s/ John Bibbo
Its: Member

Exhibit 10i



OFFICERS LONG-TERM INCENTIVE PLAN

FISCAL THREE-YEAR PERIOD

2002, 2003 and 2004

WINNEBAGO INDUSTRIES, INC. OFFICERS LONG-TERM INCENTIVE PLAN Fiscal Three-Year Period 2002, 2003 and 2004

1. **Purpose.** The purpose of the Winnebago Industries, Inc. Officers Long-Term Incentive Plan (the "Plan") is to promote the long-term growth and profitability of Winnebago Industries, Inc. (the "Company") by providing its officers with an incentive to achieve long-term corporate profit objectives and to attract and retain officers who will contribute to the achievement of growth and profitability of the Company.
2. **Administration.**
 - a. **Human Resources Committee.** The Plan shall be administered by a Committee (the "Committee") appointed by the Board of Directors.
 - b. **Powers and Duties.** The Committee shall have sole discretion and authority to make any and all determinations necessary or advisable for administration of the Plan and may amend or revoke any rule or regulation so established for the proper administration of the Plan. All interpretations, decisions, or determinations made by the Committee pursuant to the Plan shall be final and conclusive.
 - c. **Annual Approval.** The Committee must approve the Plan prior to the beginning of each new fiscal three (3) year plan period. Each year a new plan will be established for a new three-year period.
3. **Participation Eligibility.**
 - a. Participants must be an officer of the Company with responsibilities that can have a real impact on the Corporation's end results.
 - b. The Committee will approve all initial participation prior to the beginning of each new program except as provided for in section c. below.
 - c. The President of Winnebago Industries, Inc. will make the determination on participation for new participants, for partial awards due to retirement or disability and other related partial year participation issues necessary to maintain routine and equitable administration of the Plan.
4. **Nature of the Plan.** The long-term incentive award is based upon financial performance of the Corporation as established by the three (3) year Management Plan. The Plan is a three (3) year (fiscal) program that provides for an opportunity for an

incentive award based on the achievement of long-term performance results as measured at the end of the three (3) year fiscal period.

The financial performance measurements for this Plan will be earnings per share and return on equity of the Company for this period. These financial performance measurements will provide an appropriate balance between quality and quantity of earnings. The Company's formal three-year financial plan will be the basis on which actual performance will be measured. The beginning of the fiscal year stockholders' equity at the first year of this period will be used as the base figure for the calculation of return on equity. Any stock repurchase program, adopted or completed outside of the three (3) year Management Plan will not be considered in the earnings per share and the return on equity calculations.

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5. **Method of Payment.** The long-term incentive award will be paid in cash. The amount of the participants' long-term incentive award for the three (3) year fiscal period shall be in direct proportion to the financial performance expressed as a percentage (Financial Factor) against predetermined award targets for each participant. The results for the fiscal three (3) year period will be used in identifying the Financial Factor to be used for that plan period when calculating the participants long-term incentive awards.

The long-term incentive for the officers provides for an opportunity of 25% of the annualized base salary (Target) to be awarded in cash at 100% achievement of the financial long-term objectives of earnings per share and return on equity. The annualized base salary figure used shall be the salary in place for each participant as of January 2002. A unit target opportunity shall be established by dividing the base salary target by the mean stock price as of the first business day of the three (3) year fiscal period. The resultant unit opportunity (at 100% of Plan) will be adjusted up or down as determined by first, the actual financial performance expressed as a percentage (Financial Factor) and second, the resulting units will be valued at the mean stock price at the end of the three (3) year fiscal period.

A participant must be employed by Winnebago Industries, Inc. at the end of the fiscal three (3) year period to be eligible for any long-term incentive award except as waived by the President of Winnebago Industries, Inc. for normal retirement and disability.

6. **Change in Control.** In the event the Company undergoes a change in control during the fiscal three (3) year plan period including, without limitation, an acquisition or merger involving the Corporation ("Change in Control"), the Committee shall, prior to the effective date of the Change in Control (the "Effective Date"), make a good faith estimate with respect to the achievement of the financial performance through the end of the Plan three (3) year period. In making such estimate, the Committee may compare the achievement of the financial performance against the forecast through the Plan three (3) year period and may consider such other factors as it deems appropriate. The Committee shall exclude from any such estimate any and all costs and expenses arising out of or in connection with the Change in Control. Based on such estimate, the Committee shall make a full three (3) year Plan award within 15 days after the Effective date to all participants.

"Change in Control" for the purposes of the Officers Long-Term Incentive Plan shall mean 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 definition "Change of Control:"

- (a) "Continuing Director" means (i) any member of the Board of Directors of the Company, while such person is a member of the Board, who is not an Affiliate or Associate of any Acquiring Person or of any such Acquiring Person's Affiliate or Associate and was a member of the Board prior to the time when such Acquiring Person shall have become an Acquiring Person, and (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, except that the term "Acquiring Person" shall not include a Hanson Family Member or an Affiliate or Associate of a Hanson Family Member.
 - (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) "Hanson Family Member" means John K. Hanson and Luise V. Hanson (and the executors or administrators of their estates), their lineal descendants (and the executors or administrators of their estates), the spouses of their lineal descendants (and the executors or administrators of their estates) and the John K. and Luise V. Hanson Foundation.
 - (f) "Company" means Winnebago Industries, Inc., an Iowa corporation.
 - (g) "Person" means an individual, corporation, limited liability company, partnership, association, joint stock company, trust, unincorporated organization or government or political subdivision thereof.
7. **Governing Law.** Except to the extent preempted by federal law, the consideration and operation of the Plan shall be governed by the laws of the State of Iowa.
8. **Employment Rights.** Nothing in this Plan shall confer upon any employee the right to continue in the employ of the Company, or affect the right of the Company to terminate an employee's employment at any time, with or without cause.

Approved by:

/s/ Bruce D. Hertzke

Chairman of the Board, CEO and President

/s/ Frederick M. Zimmerman

Human Resources Committee Chairman

February 17, 2004

Dated

February 16, 2004

Dated

Exhibit 10r



OFFICERS LONG-TERM INCENTIVE PLAN

FISCAL THREE-YEAR PERIOD

2003, 2004 and 2005

WINNEBAGO INDUSTRIES, INC. OFFICERS LONG-TERM INCENTIVE PLAN Fiscal Three-Year Period 2003, 2004 and 2005

1. **Purpose.** The purpose of the Winnebago Industries, Inc. Officers Long-Term Incentive Plan (the "Plan") is to promote the long-term growth and profitability of Winnebago Industries, Inc. (the "Company") by providing its officers with an incentive to achieve long-term corporate profit objectives and to attract and retain officers who will contribute to the achievement of growth and profitability of the Company.
2. **Administration.**
 - a. **Human Resources Committee.** The Plan shall be administered by a Committee (the "Committee") appointed by the Board of Directors.
 - b. **Powers and Duties.** The Committee shall have sole discretion and authority to make any and all determinations necessary or advisable for administration of the Plan and may amend or revoke any rule or regulation so established for the proper administration of the Plan. All interpretations, decisions, or determinations made by the Committee pursuant to the Plan shall be final and conclusive.
 - c. **Annual Approval.** The Committee must approve the Plan prior to the beginning of each new fiscal three (3) year plan period. Each year a new plan will be established for a new three-year period.
3. **Participation Eligibility.**
 - a. Participants must be an officer of the Company with responsibilities that can have a real impact on the Corporation's end results.
 - b. The Committee will approve all initial participation prior to the beginning of each new program except as provided for in section c. below.
 - c. The President of Winnebago Industries, Inc. will make the determination on participation for new participants, for partial awards due to retirement, disability or death. Unless otherwise specified, participants must be employed as of the end of the three (3) year fiscal period to be eligible for any incentive award.
4. **Nature of the Plan.** The long-term incentive award is based upon financial performance of the Corporation as established by the three (3) year Management Plan. The Plan is a three (3) year (fiscal) program that provides for an opportunity for an

incentive award based on the achievement of long-term performance results as measured at the end of the three (3) year fiscal period.

The financial performance measurements for this Plan will be earnings per share and return on equity of the Company for this period. These financial performance measurements will provide an appropriate balance between quality and quantity of earnings. The Company's formal three-year financial plan will be the basis on which actual performance will be measured. The beginning of the fiscal year stockholders' equity at the first year of this period will be used as the base figure for the calculation of return on equity. Any stock repurchase program, adopted or completed outside of the three (3) year Management Plan will not be considered in the earnings per share and the return on equity calculations.

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5. **Method of Payment.** The long-term incentive award will be paid in cash. The amount of the participants' long-term incentive award for the three (3) year fiscal period shall be in direct proportion to the financial performance expressed as a percentage (Financial Factor) against predetermined award targets for each participant. The results for the fiscal three (3) year period will be used in identifying the Financial Factor to be used for that plan period when calculating the participants long-term incentive awards.

The long-term incentive for the officers provides for an opportunity of 25% of the annualized base salary (Target) to be awarded in cash at 100% achievement of the financial long-term objectives of earnings per share and return on equity. The annualized base salary figure used shall be the salary in place for each participant as of January 2003. A unit target opportunity shall be established by dividing the base salary target by the mean stock price as of the first business day of the three (3) year fiscal period. The resultant unit opportunity (at 100% of Plan) will be adjusted up or down as determined by first, the actual financial performance expressed as a percentage (Financial Factor) and second, the resulting units will be valued at the mean stock price at the end of the three (3) year fiscal period.

A participant must be employed by Winnebago Industries, Inc. at the end of the fiscal three (3) year period to be eligible for any long-term incentive award except as waived by the President of Winnebago Industries, Inc. for normal retirement and disability.

6. **Change in Control.** In the event the Company undergoes a change in control during the fiscal three (3) year plan period including, without limitation, an acquisition or merger involving the Corporation ("Change in Control"), the Committee shall, prior to the effective date of the Change in Control (the "Effective Date"), make a good faith estimate with respect to the achievement of the financial performance through the end of the Plan three (3) year period. In making such estimate, the Committee may compare the achievement of the financial performance against the forecast through the Plan three (3) year period and may consider such other factors as it deems appropriate. The Committee shall exclude from any such estimate any and all costs and expenses arising out of or in connection with the Change in Control. Based on such estimate, the Committee shall make a full three (3) year Plan award within 15 days after the Effective date to all participants.

"Change in Control" for the purposes of the Officers Long-Term Incentive Plan shall mean 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 definition "Change of Control:"

- (a) "Continuing Director" means (i) any member of the Board of Directors of the Company, while such person is a member of the Board, who is not an Affiliate or Associate of any Acquiring Person or of any such Acquiring Person's Affiliate or Associate and was a member of the Board prior to the time when such Acquiring Person shall have become an Acquiring Person, and (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, except that the term "Acquiring Person" shall not include a Hanson Family Member or an Affiliate or Associate of a Hanson Family Member.
- (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) "Hanson Family Member" means John K. Hanson and Luise V. Hanson (and the executors or administrators of their estates), their lineal descendants (and the executors or administrators of their estates), the spouses of their lineal descendants (and the executors or administrators of their estates) and the John K. and Luise V. Hanson Foundation.
 - (f) "Company" means Winnebago Industries, Inc., an Iowa corporation.
 - (g) "Person" means an individual, corporation, limited liability company, partnership, association, joint stock company, trust, unincorporated organization or government or political subdivision thereof.
7. **Governing Law.** Except to the extent preempted by federal law, the consideration and operation of the Plan shall be governed by the laws of the State of Iowa.
8. **Employment Rights.** Nothing in this Plan shall confer upon any employee the right to continue in the employ of the Company, or affect the right of the Company to terminate an employee's employment at any time, with or without cause.

Approved by:

/s/ Bruce D. Hertzke

Chairman of the Board, CEO and President

/s/ Frederick M. Zimmerman

Human Resources Committee Chairman

February 17, 2004

Dated

February 16, 2004

Dated

Winnebago Industries, Inc.
Forest City, Iowa

We have performed a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim financial information of Winnebago Industries, Inc. and subsidiaries for the periods ended February 28, 2004 and March 1, 2003 as indicated in our report dated April 8, 2004; because we did not perform an audit, we express no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended February 28, 2004, is incorporated by reference in Registration Statements No. 2-40316, No. 2-82109, No. 33-21757, No. 33-59930, and No. 333-31595 on Form S-8.

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

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP
Minneapolis, Minnesota

April 8, 2004

ITEM 3. Legal Proceedings

The Company and the Winnebago Industries, Inc. Deferred Compensation Plan, Winnebago Industries, Inc. Deferred Incentive Formula Bonus Plan and Winnebago Industries, Inc. Deferred Compensation Plan and Deferred Bonus Plan Trust are Defendants in an action titled Sanft, et al vs. Winnebago Industries, Inc., et al which was filed in the United States District Court, Northern District of Iowa, Central Division, on August 30, 2001 and is currently pending. The Complaint includes claims by 21 of the participants in the Winnebago Industries, Inc. Deferred Compensation Plan and the Winnebago Industries, Inc. Deferred Incentive Formula Bonus Plan (the “Plans”) and alleges 23 separate causes of action including Federal common law breach of contract and unjust enrichment, breach of fiduciary duty and violation of ERISA vesting provisions and ERISA funding requirements. The suit seeks to negate certain amendments made to the Plans in 1994 which reduced the benefits which some participants would receive under the Plans. Shortly after this suit was filed, the Company moved for summary judgment on the basis that the applicable statute of limitations barred the claims of the Plaintiff and the putative class and on May 24, 2002, Chief Judge Mark W. Bennett, U.S. District Court, Northern District of Iowa, entered an Order Denying the Motion for Summary Judgment and he also denied the Company’s request for an interlocutory appeal on this issue. On January 31, 2003, the United States Magistrate Judge Paul A. Zoss, granted Plaintiff Sanft’s Motion to Amend the Complaint to add Edward Luppen as a second named representative plaintiff in this matter and also on January 31, 2003 the Plaintiffs filed a Motion for Class Certification and the Company subsequently filed a Resistance thereto. Chief Judge Bennett entered a Memorandum Opinion and Order Regarding Plaintiffs’ Motion for Class Certification on May 7, 2003 in which he denied the Plaintiffs’ Motion for Class Certification. The Plaintiffs thereafter on May 12, 2003 filed a Motion for Amendment of Order Denying Class Certification in which they requested that Chief Judge Bennett reconsider his decision to deny class certification or in the event that class certification was still denied, allow Plaintiffs’ counsel to notify the other participants in the Plan who were adversely affected by the 1994 amendments of the pendency of the litigation and their ability to join the suit as additional plaintiffs. On July 28, 2003 Chief Judge Bennett entered an Order ruling on such Motion in which he again refused to allow Class Certification but he did provide that Plaintiffs’ counsel could contact the other participants in the Plan who were adversely affected by the 1994 amendments. The Plaintiffs, on October 15, 2003, filed a Motion for Leave to Amend Complaint in which they requested that 19 additional Plan participants (of approximately 46 potential plaintiffs) be added as additional plaintiffs and by Order dated October 21, 2003, Magistrate Judge Zoss allowed such Motion. The Company believes that it has meritorious defenses to the Plaintiffs’ substantive claims including the statute of limitations defense which the Defendants plan to resubmit to the Court prior to trial which is currently scheduled for June, 2004. As of August 30, 2003, the Company had accrued estimated legal fees for the defense of this case. However, no other amounts have been accrued for the case because it is not possible at this time to properly assess the risk of an adverse verdict or the magnitude of possible exposure.

The Company is the Defendant in a class action entitled Jody Bartleson, et al vs. Winnebago Industries, Inc., which was filed in the United States District Court, Northern District of Iowa, Central Division on January 28, 2002. In the Complaint Ms. Bartleson, on her own behalf and as a representative of “others similarly situated,” alleges that such Plaintiffs were wrongfully classified by the Company as exempt employees when in fact they were non-exempt employees entitled to recover overtime compensation for work performed during the preceding three years. This suit was brought under the Federal Fair Labor Standards Act as an “opt in” class action, 21 people have joined the suit to date as plaintiffs. On October 24, 2003, the Magistrate Judge Paul A. Zoss entered an order approving an amendment to the Complaint whereby Plaintiffs’ counsel sought to add a claim under the Iowa Wage Payment Collection Act. The sole purpose of the

amendment is to attempt to change the nature of the case from “opt in” class action where individual Plaintiffs must take an affirmative act to join the lawsuit to an “opt out” class, where all persons who have been exempt salaried employees over the past three years are included as plaintiffs unless they individually seek to “opt out” of the lawsuit. Even though the amendment was granted, the Court has not yet certified the action as an “opt out” class action. The Company believes that it has meritorious defenses to the Plaintiffs’ substantive claims. Trial of this case is currently scheduled to commence on September 13, 2004. As of August 30, 2003, the Company had accrued estimated legal fees for the defense of this case. However, no other amounts have been accrued for the case because it is not possible at this time to properly assess the risk of an adverse verdict or the magnitude of possible exposure.

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

Exhibit 31.1
CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce D. Hertzke, Chief Executive Officer of Winnebago Industries, Inc., certify that:

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

Date: April 8, 2004

By: /s/ Bruce D. Hertzke

Bruce D. Hertzke
Chief Executive Officer

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, Edwin F. Barker, Chief Financial Officer of Winnebago Industries, Inc., certify that:

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

Date: April 8, 2004

By: /s/ Edwin F. Barker

Edwin F. Barker
Chief Financial Officer

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

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

- (a) This Quarterly Report on Form 10-Q ("periodic report") of Winnebago Industries, Inc. (the "issuer"), for the quarter ended February 28, 2004 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: April 8, 2004

By: /s/ Bruce D. Hertzke

Bruce D. Hertzke
Chief Executive Officer
and President

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

Edwin F. Barker, Chief Financial Officer, certifies that pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (a) This Quarterly Report on Form 10-Q (“periodic report”) of Winnebago Industries, Inc. (the “issuer”), for the quarter ended February 28, 2004 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: April 8, 2004

By: /s/ Edwin F. Barker

Edwin F. Barker
Chief Financial Officer
