

THOR
INDUSTRIES, INC.

MEMORANDUM

TO: ALL DIRECTORS, RV HEADS AND INDUSTRY ANALYSTS

FROM: Wade F. B. Thompson

DATE: December 20, 2007

RE: **U.S. RV DEALER INVENTORIES DOWN 21,200 UNITS THIS YEAR**

The attached chart shows the significant decline of 21,200 units in U.S. dealer inventories this year through October 31, 2007. It shows clearly that dealers have substantially reduced inventories in line with declines in the industry which is good news and bodes well for a positive 2008.

NOTE:

RV wholesale shipments reported by RVIA include shipments to Canada. Statistical Surveys retail numbers do not include Canada. Wholesale shipments have been reduced based on the % of 2006 (latest available) shipments to Canada. We are confident that U.S. shipments to Canada in 2007 are higher than in 2006 due to the 14% devaluation of the U.S. dollar against the Canadian dollar this year. Therefore, U.S. wholesale shipments are probably understated, resulting in even higher declines in dealer inventories than shown.

U.S. RV INDUSTRY
WHOLESALE vs. RETAIL YTD OCTOBER 31, 2007

<u>Travel Trailers</u>	<u>Units/Thousands</u>
Wholesale shipments (16% deducted for Canada)	132.9
Retail	<u>149.6</u>
<u>Reduction in U.S. dealer inventories</u>	<u>(16.7)</u>

<u>Fifth Wheels</u>	
Wholesale shipments (16% deducted for Canada)	59.5
Retail	<u>64.6</u>
<u>Reduction in U.S. dealer inventories</u>	<u>(5.1)</u>

<u>As</u>	
Wholesale shipments (6% deducted for Canada)	26.6
Retail	<u>25.8</u>
<u>Increase in U.S. dealer inventories</u>	<u>.8</u>

<u>Cs</u>	
Wholesale shipments (6% deducted for Canada)	16.0
Retail	<u>16.2</u>
<u>Reduction in U.S. dealer inventories</u>	<u>(.2)</u>

Total Inventory Change YTD October 31, 2007

Travel trailers	(16.7)
Fifth Wheels	(5.1)
A motorhomes	.8
C motorhomes	<u>(.2)</u>
<u>Total reduction in U.S. dealer inventories</u>	<u>(21.2)</u>

Source: Wholesale shipments-RVIA YTD October 2007
Retail sales-Stat Surveys YTD October 2007