

# **THOR**

## **INDUSTRIES, INC.**

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### **NEWS RELEASE**

Date: November 29, 2010  
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#### **THOR ANNOUNCES FIRST QUARTER FISCAL 2011 SALES, NET INCOME, E.P.S.**

Thor Industries, Inc. (NYSE:THO) announced results for the first quarter ended October 31, 2010. Sales for the quarter were \$606,684,000, up 21% from \$502,552,000 last year. After expenses including those related to the acquisition of Heartland RV on September 16, 2010, net income for the quarter was \$23,688,000, up 1% from \$23,429,000 last year. E.P.S. for the quarter were \$0.44 versus \$0.42 last year.

RV sales in the quarter were \$506,563,000, up 30% from \$389,929,000 last year. Towable RV sales in the quarter were \$422,449,000, up 23% from \$342,136,000 last year. Towable RV sales for the quarter ended October 31, 2010 include \$50,119,000 of sales from Heartland RV. Motorized RV sales in the quarter were \$84,114,000, up 76% from \$47,793,000 last year. Bus segment sales in the quarter were \$100,121,000, down 11% from \$112,623,000 last year.

RV income before tax in the quarter was \$34,104,000, up 8% from \$31,642,000 last year. Towable RV income before tax in the quarter was \$33,100,000 up 5% from \$31,540,000 last year. Motorized RV income before tax in the quarter was \$1,004,000, up significantly from \$102,000 last year. Bus segment income before tax in the quarter was \$9,419,000, up 12% from \$8,380,000 last year. Corporate net costs were \$9,737,000 in the quarter versus \$2,769,000 last year and included legal and professional expenses related to the acquisition of Heartland RV and the company's ongoing SEC review totaling \$3,503,000. In the towable RV segment, margins were adversely impacted by purchase accounting costs related to the Heartland acquisition, including expensing of inventory step-up costs, amortization of Heartland's backlog, and amortization of certain intangible assets totaling \$2,477,000. In the motorized RV segment, the company incurred a trademark impairment charge of \$2,036,000 related to the combination of its Thor Motor Coach operations. Bus segment margins were positively impacted by a gain on involuntary conversion related to property and business interruption insurance. Thor's lower tax rate in the quarter reflects a favorable state tax settlement.

"In the first quarter Thor invested heavily in growth and future profitability through the acquisition of Heartland RV, capital expenditures of approximately \$16,500,000, and development of exciting new products which will

be shown at this week's RVIA Expo in Louisville, KY," said Peter B. Orthwein, Thor chairman. "Beyond the costs related to Thor's acquisition of Heartland RV, gross margins were impacted by increased discounting as dealers remained cautious entering the slowest season of the year. Thor's retail RV sales continue to be strong which is encouraging," he added.

Thor is the world's largest manufacturer of recreation vehicles and a major builder of commercial buses.

This release includes certain statements that are "forward looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements involve uncertainties and risks. There can be no assurance that actual results will not differ from our expectations. Factors which could cause materially different results include, among others, additional issues that may arise in connection with the findings of the completed investigation by the Audit Committee of the Board of Directors of Thor Industries, Inc. (the "Company") and the SEC's requests for additional information and the discussion of possible settlement with the SEC relating to the matters raised by the Audit Committee's investigation, fuel prices, fuel availability, lower consumer confidence, interest rate increases, tight lending practices, increased material costs, the success of new product introductions, the pace of acquisitions, cost structure improvements, the impact of auction market failures on our liquidity, competition and general economic conditions and the other risks and uncertainties discussed more fully in Item 1A of the Company's Annual Report on Form 10-K for the year ended July 31, 2010 and Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the period ended October 31, 2010. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained in this release or to reflect any change in the Company's expectations after the date of this release or any change in events, conditions or circumstances on which any statement is based except as required by law.

**THOR INDUSTRIES, INC.**  
**STATEMENT OF INCOME FOR THE 3 MONTHS ENDED OCTOBER 31, 2010 and 2009**  
(\$000 except per share - unaudited)

	<b>3 MONTHS ENDED OCTOBER 31,</b>			
	<b>2010</b>	<b>%</b>	<b>2009</b>	<b>%</b>
<u>Net sales</u>	\$ 606,684		\$ 502,552	
Gross profit	\$ 76,578	12.6%	\$ 69,771	13.9%
Selling, general and administrative	\$ 44,891	7.4%	\$ 34,767	6.9%
Amortization of intangibles	\$ 2,075	0.3%	\$ 91	0.0%
Impairment of trademarks	\$ 2,036	0.3%	\$ -	0.0%
Interest income (net)	\$ 953	0.2%	\$ 1,571	0.3%
Gain on involuntary conversion	\$ 4,802	0.8%	\$ -	0.0%
Other income	\$ 455	0.1%	\$ 769	0.2%
<u>Income before taxes</u>	\$ 33,786	5.6%	\$ 37,253	7.4%
Taxes	\$ 10,098	1.7%	\$ 13,824	2.8%
<u>Net income</u>	\$ 23,688	3.9%	\$ 23,429	4.7%
<u>E.P.S. - basic</u>	44¢		42¢	
<u>E.P.S. - diluted</u>	44¢		42¢	
Avg. common shares outstanding-basic	53,621,890		55,436,924	
Avg. common shares outstanding-diluted	53,708,104		55,516,772	

**SUMMARY BALANCE SHEETS - OCTOBER 31, (\$000) (unaudited)**

	<b>2010</b>	<b>2009</b>		<b>2010</b>	<b>2009</b>
Cash and equivalents	\$ 141,747	\$ 223,202	Current liabilities	\$ 245,849	\$ 219,599
Investments, short term	-	92,200	Other liabilities	82,583	62,561
Accounts receivable	140,323	134,706	Stockholders' equity	767,686	696,960
Inventories	181,100	134,029			
Deferred income tax and other	47,488	48,897			
Total current assets	510,658	633,034			
Fixed assets	161,273	139,949			
Long term investments	3,390	13,334			
Goodwill	245,766	148,411			
Other intangible assets	134,873	13,862			
Other assets	40,158	30,530			
Total	\$ 1,096,118	\$ 979,120		\$ 1,096,118	\$ 979,120