THOR INDUSTRIES INC
Form 10-K
September 26, 2012
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-K

(Mark one)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended July 31, 2012, Commission File Number 1-9235

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 1-9235

THOR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	93-0768752 (I.R.S. Employer Identification Number)
419 West Pike Street, Jackson Center, Ohio (Address of principal executive offices)	45334-0629 (Zip Code)

Registrant s telephone number, including area code: (937) 596-6849

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class:	Name of each exchange on which registered:
Common Stock (par value $.10 per share)	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ¨ No x

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 the filing requirements for the past 90 days. Yes x No ¨

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes ¨ No x

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

Large accelerated Filer þ	Accelerated Filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 126-2 of the Exchange Act.)

Yes ¨ No x

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of January 31, 2012 was $1,090,511,937 based on the closing price of the registrant s common shares on January 31, 2012, the last business day of the registrant s most recently completed second fiscal quarter. Solely for the purpose of this calculation and for no other purpose, the non-affiliates of the registrant are assumed to be all shareholders of the registrant other than (i) directors of the registrant (ii) current executive officers of the registrant who are identified as named executive officers pursuant to Item 11 of the registrant s Form 10-K for the fiscal year ended July 31, 2011 and (iii) any shareholder that beneficially owns 10% or more of the registrant s common stock. Such exclusion is not intended, nor shall it be deemed, to be an admission that such persons are affiliates of the registrant. The number of common shares of registrant s stock outstanding as of September 14, 2012 was 52,923,010.

Documents incorporated by reference:

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on December 11, 2012 are incorporated by reference in Part III of this Annual Report on Form 10-K.

Table of Contents

TABLE OF CONTENTS

PART I

Unless otherwise indicated, all dollar amounts are presented in thousands except per share data.

ITEM 1. BUSINESS

General Development of Business

Our company was founded in 1980 and manufactures and sells a wide range of recreation vehicles and small and mid-size buses in the United States and Canada. We are incorporated in Delaware and are the successor to a corporation of the same name which was incorporated in Nevada on July 29, 1980. Our principal executive office is located at 419 West Pike Street, Jackson Center, Ohio 45334 and our telephone number is (937) 596-6849. Our Internet address is *www.thorindustries.com.* We maintain copies of our recent filings with the Securities and Exchange Commission (SEC), available free of charge, on our web site. Unless the context otherwise requires or indicates, all references to Thor , the Company , we , our and us refer to Thor Industries, Inc. and its subsidiaries.

Our principal recreation vehicle operating subsidiaries are Airstream, Inc. (*Airstream*), CrossRoads RV *(CrossRoads)*, Dutchmen Manufacturing, Inc. (*Dutchmen*), Thor Motor Coach, Inc. (*Thor Motor Coach*), Keystone RV Company (*Keystone*) and Heartland Recreational Vehicles, LLC *(Heartland)*. Our principal bus operating subsidiaries are Champion Bus, Inc. (*Champion*), ElDorado National California, Inc. (*ElDorado California*), ElDorado National Kansas, Inc. (*ElDorado Kansas*) and Goshen Coach, Inc. *(Goshen Coach).*

On March 1, 2010, we acquired 100% of SJC Industries, Corp. (SJC), a privately-held manufacturer of ambulances based in Elkhart, Indiana, for $19,756 in cash and $325 in future cash obligations for a total purchase price of $20,081. We believe that the ambulance business is a natural fit with our bus business and have included the operations of SJC in our Buses reportable segment.

Effective September 8, 2010, the operations of Four Winds and Damon were combined to form Thor Motor Coach to optimize operations and garner cost efficiencies.

On September 16, 2010, we acquired 100% of Towable Holdings, Inc., the parent company of Heartland Recreational Vehicles, LLC (Heartland) pursuant to a stock purchase agreement for $99,732 in cash and 4,300,000 shares of our common stock. Heartland is located in Elkhart, Indiana and is a major manufacturer of towable recreation vehicles. Under our ownership, Heartland continues as an independent operation, in the same manner as our existing recreation vehicle and bus companies, and its operations are included in our Towables reportable segment.

Effective January 1, 2011, the operations of Breckenridge and Komfort were transferred into Dutchmen to form a single operating entity. The combination of these operations is intended to reduce overall costs and align management teams.

Effective January 21, 2011, the operations of Goshen Coach and SJC were combined under one management team. This reorganization was made in an effort to reduce overall costs and align management teams. There were no changes to the associated legal entities of Goshen Coach, Inc. and SJC Industries, Corp. In September 2011, the operations of Goshen Coach and SJC were combined within one facility.

Recreation Vehicles

We believe that we are the largest unit and revenue manufacturer of recreation vehicles (RVs) in North America based on retail statistics published by Statistical Surveys, Inc. and publicly reported results.

Airstream

Our Airstream subsidiary manufactures and sells premium and medium-high priced travel trailers and motorhomes under the trade name *Airstream*. Airstream vehicles are distinguished by their rounded shape and bright aluminum finish and, in our opinion, constitute the most recognized product in the recreation vehicle industry. Airstream manufactures and sells travel trailers under the trade names *Airstream International, Classic Limited, Sport, Flying Cloud* and *Eddie Bauer*. Airstream also sells the *Interstate* Class B motorhome.

CrossRoads

Our CrossRoads subsidiary manufactures and sells conventional travel trailers and fifth wheels under the trade names *Cruiser, Rushmore, Zinger* and *Sunset Trail,* luxury fifth wheels under the trade name *Redwood* and park trailers under the trade name *Hampton.*

Dutchmen

Our Dutchmen subsidiary manufactures and sells conventional travel trailers, fifth wheels and park models primarily under the trade names *Dutchmen*, *Aerolite, Kodiak, Denali, Komfort*, *Voltage, Aspen Trail, Coleman, Infinity* and *Breckenridge.*

Park models are factory built second homes designed for recreational living. They are towed to a destination site such as a lake, woods or park and are considered a country cottage.

Thor Motor Coach

Thor Motor Coach manufactures and sells gasoline and diesel Class A and Class C motorhomes. Its products are sold under trade names such as *Four Winds*, *Hurricane*, *Windsport, Chateau, Daybreak, Challenger, Tuscany, Outlaw, Palazzo* and *A.C.E.*

Keystone

Our Keystone subsidiary manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Montana*, *Springdale*, *Hornet*, *Sprinter*, *Outback*, *Laredo*, *Alpine*, *Mountaineer*, *Avalanche, Raptor, Passport* and *Cougar*.

Heartland

Our Heartland subsidiary manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Landmark, Bighorn, Sundance, Elk Ridge, Trail Runner, Cyclone, Prowler and Wilderness.*

Buses

We believe that our bus segment is the largest manufacturer of small and mid-size transit and commercial buses in North America (those up to 35 feet) based on statistics published by the Mid-Size Bus Manufacturers Association. We also build 40-foot buses for transit and airport shuttle use. Additionally, through our Goshen Coach operations, we manufacture and sell ambulances.

ElDorado National

ElDorado National, comprised of our ElDorado Kansas and ElDorado California subsidiaries, manufactures and sells buses and mobility vans for transit, airport car rental and hotel/motel shuttles, paramedical transit for hospitals and nursing homes, tour and charter operations and other uses. ElDorado National manufactures and sells buses under trade names such as *Aerolite*, *AeroElite*, *Aerotech*, *Escort*, *MST*, *Transmark*, *EZ Rider, AeroAccess II, Advantage, Passport* and *Axess,* its 40 foot bus.

Champion Bus

Champion manufactures and sells small and mid-size buses under trade names such as *Challenger*, *Defender*, *CTS-RE, Crusader*, *American Crusader, American Coach,* and *EZ Street.*

Goshen Coach

Effective January 21, 2011, the operations of Goshen Coach and SJC were combined under one management team. Goshen Coach manufactures and sells small and mid-size buses under trade names such as *GC II, G-Force* and *Pacer*. Ambulances are sold under trade names such as *McCoy Miller* and *Marque*.

Product Line Sales and Segment Information

We have three reportable segments: 1) towable recreation vehicles, 2) motorized recreation vehicles and 3) buses. The towable recreation vehicle reportable segment consists of product lines from the following operating segments that have been aggregated: Airstream, CrossRoads, Dutchmen, Heartland (since its acquisition on September 16, 2010) and Keystone. The motorized recreation vehicle reportable segment consists of product lines from the following operating segments that have been aggregated: Airstream and Thor Motor Coach.

The buses reportable segment consists of the following operating segments that have been aggregated: Champion Bus, ElDorado California, ElDorado Kansas and Goshen Coach (including SJC, since its acquisition on March 1, 2010).

The table below sets forth the contribution of each of the Company s segments to net sales in each of the last three fiscal years:

	%	%	%

	2012 Amount		2011 Amount		2010 Amount	
Recreation Vehicles:						
Towables	$ 2,285,863	74	$ 1,977,416	72	$ 1,556,591	68
Motorized	353,935	12	363,026	13	291,958	13
Total Recreation Vehicles	2,639,798	86	2,340,442	85	1,848,549	81
Buses	444,862	14	415,066	15	428,008	19
Total Net Sales	$ 3,084,660	100	$ 2,755,508	100	$ 2,276,557	100

2

Table of Contents

Recreation Vehicles

Overview

We manufacture and sell a wide variety of recreation vehicles throughout the United States and Canada, as well as related parts and accessories. Recreation vehicle classifications are based upon standards established by the Recreation Vehicle Industry Association (RVIA) and park model classifications are based upon standards established by the Recreation Park Trailer Industry Association (RPTIA). The principal types of recreation vehicles that we produce include conventional travel trailers, fifth wheels, park models, and Class A, Class C and Class B motorhomes.

Travel trailers are non-motorized vehicles which are designed to be towed by passenger automobiles, pickup trucks, SUVs or vans. Travel trailers provide comfortable, self-contained living facilities for short periods of time. We produce conventional and fifth wheel travel trailers. Conventional trailers are towed by means of a frame hitch attached to the towing vehicle. Fifth wheel trailers, designed to be towed by pickup trucks, are constructed with a raised forward section that is attached to a receiver in the bed area of the pickup truck.

Park models are recreational dwellings towed to a permanent site such as a lake, woods or park. The maximum size of park models in the United States is 400 square feet. They provide comfortable self-contained living and are second homes for their owners, according to RPTIA.

A motorhome is a self-powered vehicle built on a motor vehicle chassis. Motorhomes are self-contained with their own lighting, heating, cooking, refrigeration, sewage holding and water storage facilities, so that they can be lived in without being attached to utilities.

Class A motorhomes, constructed on medium-duty truck chassis, are supplied complete with engine and drivetrain components by motor vehicle manufacturers such as Ford and Freightliner. We design, manufacture and install the living area and driver s compartment of Class A motorhomes. Class C and Class B motorhomes are built on a Ford, General Motors or Mercedes Benz small truck or van chassis which includes an engine, drivetrain components and a finished cab section. We construct a living area which has access to the driver s compartment and attaches to the cab section. Although they are not designed for permanent or semi-permanent living, motorhomes can provide comfortable living facilities for short periods of time.

Production

In order to minimize finished inventory, our recreation vehicles generally are produced to dealer order. Our facilities are designed to provide efficient assembly line manufacturing of products. Capacity increases can be achieved at relatively low cost, largely by increasing the number of production employees or by acquiring or leasing additional facilities and equipment.

We purchase in finished form many of the components used in the production of our recreation vehicles. The principal raw materials used in the manufacturing processes for motorhomes and travel trailers are aluminum, lumber, plywood, plastic, fiberglass and steel purchased from numerous suppliers. We believe that, except for chassis and key towable RV components sourced from a major supplier, Drew Industries, Inc. (Drew), substitute sources for raw materials and components are available with no material impact on our operations.

Our relationship with our chassis suppliers is similar to our other vendor relationships in that no long-term contractual commitments are engaged in by either party. Historically, Ford and General Motors resort to an industry-wide allocation system during periods when chassis supply is restricted. These allocations would be based on the volume of chassis previously purchased. Sales of motorhomes and small buses rely on these chassis and would be affected accordingly.

We do not expect the current condition of the U.S. auto industry to have a significant impact on our supply of motorhome chassis. Supply of chassis is adequate for now and we believe that available inventory would compensate for changes in supply schedules if they occur. To date, we have not noticed any unusual cost increases from our chassis suppliers. If the condition of the U.S. auto industry were to significantly deteriorate, this could result in supply interruptions and a decrease in our sales and earnings while we obtain replacement chassis from other sources.

Generally, all of our operating subsidiaries introduce new or improved lines or models of recreation vehicles each year. Changes typically include new sizes and floor plans, different decors or design features and engineering improvements.

Seasonality

Since recreation vehicles are used primarily by vacationers and campers, our recreation vehicle sales are seasonal and, in most geographical areas, tend to be significantly lower during the winter months than in other periods. As a result, recreation vehicle sales are historically lowest during our second fiscal quarter, which ends on January 31 of each year.

Marketing and Distribution

We market our recreation vehicles through independent dealers located throughout the United States and Canada. Each of our recreation vehicle operating subsidiaries maintains its own dealer organization, with some dealers carrying more than one of our product lines. As of July 31, 2012, there were approximately 1,600 dealers carrying our products in the U.S. and Canada. We believe that close working relationships between our management and sales personnel and the many independent dealers we work with provide us with valuable information on customer preferences and the quality and marketability of our products. Additionally, by maintaining substantially separate dealer networks for each of our subsidiaries, our products are targeted to be competing against competitors products in similar price ranges rather than against our other products. Park models are typically sold by park model dealers as well as by some travel trailer dealers.

Each of our recreation vehicle operating subsidiaries has an independent sales force to call on their dealers. Our most important sales promotions occur at the major recreation vehicle shows which take place throughout the year at different locations across the country. We benefit from the recreation vehicle awareness advertising and major marketing programs sponsored by the RVIA in national print media and television. We engage in a limited amount of consumer-oriented advertising for our recreation vehicles, primarily through industry magazines, product brochures, direct mail advertising campaigns and the internet.

In our selection of individual dealers, we emphasize the dealer s ability to maintain a sufficient inventory of our products, as well as their financial stability, credit worthiness, reputation, experience and ability to provide service. Many of our dealers carry the recreation vehicle lines of one or more of our competitors. Generally, each of our operating subsidiaries has sales agreements with their dealers and these agreements are subject to annual review.

During fiscal 2012, 2011 and 2010, one of our dealers, FreedomRoads, LLC, accounted for 14%, 14% and 18% of our consolidated recreation vehicle net sales and 12%, 12% and 15% of our consolidated net sales, respectively. This dealer also accounted for 20% of the Company s consolidated trade accounts receivable at July 31, 2012 and 14% at July 31, 2011. In January 2009, we entered into two credit agreements with Stephen Adams, in his individual capacity, and Stephen Adams and his successors, as trustee under the Stephen Adams Living Trust (the Trust and, together with each of the foregoing persons, the Borrowers), pursuant to which we made two $10,000 loans to the Borrowers. The first loan matures on January 15, 2014. The second loan was scheduled to mature on June 30, 2012, however, this loan was paid in fiscal year 2012 prior to maturity. In addition, in December 2009, we entered into a credit agreement with Marcus Lemonis, Stephen Adams, in his individual capacity, and Stephen Adams and his successors, as trustee under the Trust (collectively, the Third Loan Borrowers), pursuant to which we made a $10,000 loan to the Third Loan Borrowers that matures on December 22, 2014. The Borrowers and the Third Loan Borrowers own, directly or indirectly, a controlling interest in FreedomRoads Holding Company, LLC, the parent company of FreedomRoads, LLC.

Most of our sales to dealers are made on terms requiring cash on delivery or within 15 days of the invoice date. We generally do not finance dealer purchases. Most dealers are financed on a floor plan basis by an unrelated bank or financing company which lends the dealer all or substantially all of the wholesale purchase price and retains a security interest in the vehicles purchased. As is customary in the recreation vehicle industry, we will execute a repurchase agreement with a lending institution financing a dealer s purchase of our products upon the lending institution s request. Repurchase agreements provide that, for up to 18 months after a unit is financed, and in the event of default by the dealer and notification from the lending institution of the dealer default, we will repurchase all the dealer units repossessed by the lending institution for the amount then due, which is often less than 100% of the dealer s cost. The risk of loss under repurchase agreements is spread over numerous dealers and is further reduced by the resale value of the units which we would be required to repurchase. We believe that any future losses under these agreements would not have a material adverse effect on our Company. The losses incurred due to repurchase were approximately $360, $853 and $1,336 in fiscal 2012, 2011 and 2010, respectively.

Joint Venture

In March 1996, our Company and Cruise America, Inc. formed a 50/50 owned joint venture, CAT Joint Venture LLC (CAT), to make short-term rentals of motorized recreation vehicles to the public. Our total investment in this joint venture at July 31, 2012 is $1,739.

Backlog

As of July 31, 2012, the backlog for towable and motorized recreation vehicle orders was $224,603 and $110,757, respectively, compared to $187,946 and $39,427, respectively, at July 31, 2011. Backlog represents unfilled dealer orders on a particular day which can and do fluctuate on a seasonal basis. In the recreation vehicle business our manufacturing time is relatively short. The existing backlog of towable and motorized recreation vehicles is expected to be filled in fiscal 2013.

Historically, the amount of our current backlog compared to our backlog in previous periods reflects general economic and industry conditions and, together with other relevant factors such as continued acceptance of our products by the consumer, may be an indicator of our revenues in the near term.

Product Warranties

We generally provide retail purchasers of our recreation vehicles with a one-year limited warranty against defects in materials and workmanship and a standard two-year limited warranty on certain major components separately warranted by the suppliers of these components. The chassis and engines of our motorhomes are warranted for three years or 36,000 miles by their manufacturers.

4

Table of Contents

Buses

Overview

We manufacture and sell small and mid-size bus products which consist of units used by mass transit, airport shuttles, nursing and retirement homes, church organizations and other commercial and tourist uses. Our larger *Axess* bus, which is available in various lengths up to 40 feet, is designed for transit and airport shuttle uses. Our ambulances are used by public and private rescue squads.

Production

Our bus production facilities in Salina, Kansas; Riverside, California; Imlay City, Michigan and Elkhart, Indiana are designed to provide efficient assembly line manufacturing of our buses. The vehicles are produced according to specific orders which are normally obtained from transit agencies and dealers.

Some of the chassis, all of the engines and auxiliary units, all of the seating and most other components used in the production of our small and mid-size buses are purchased in finished form. Our Riverside, California facility assembles chassis for our rear engine buses from industry standard components and assembles these buses directly on the chassis.

The principal raw materials used in the manufacturing of our buses are fiberglass, steel, aluminum, plywood and plastic. We purchase most of the raw materials and components from numerous suppliers. We purchase most of our bus chassis from Ford, Navistar, Mercedes Benz and General Motors and engines from Cummins. We believe that, except for chassis, raw materials and components could be purchased from other sources, if necessary, with no material impact on our operations.

We do not expect the current condition of the U.S. auto industry to have a significant impact on our supply of bus chassis. Supply of bus chassis is adequate for now and we believe that available inventory would compensate for changes in supply schedules if they occur. To date, we have not noticed any unusual cost increases from our chassis suppliers. If the condition of the U.S. auto industry were to significantly deteriorate, this could result in supply interruptions and a decrease in our sales and earnings while we obtain replacement chassis from other sources.

Marketing and Distribution

We market our small and mid-size buses through a network of approximately 70 independent dealers in the United States and Canada. We select dealers using several criteria, including financial stability, credit worthiness, geographic location and suitable premises.

During fiscal 2012, two of our dealers accounted for 28% of the Company s consolidated bus net sales. We also sell our small and mid-size buses directly to certain national accounts such as major rental car companies and hotel chains. Most of our bus sales are derived from contracts with state and local transportation authorities, in some cases with partial funding from federal agencies.

Terms of sale are typically cash on delivery or through national floor plan financing institutions. Sales to some state transportation agencies and other government agencies may be on longer terms.

Backlog

As of July 31, 2012, the backlog for bus orders was $222,152, compared to $204,217 at July 31, 2011. The time for fulfillment of bus orders is substantially longer than in the recreation vehicle industry because generally buses are made to customer specification. The existing backlog of bus orders is expected to be filled in fiscal 2013.

Historically, the amount of our current backlog compared to our backlog in previous periods reflects general economic and industry conditions and, together with other relevant factors such as continued acceptance of our products by the customer, may be an indicator of our revenues in the near term.

Product Warranties

We generally provide retail purchasers of our buses with a limited warranty for one year or 12,000 miles against defects in materials and workmanship, excluding only certain specified components which are separately warranted by suppliers. We provide body structure warranty on buses ranging from 2 years or 50,000 miles to 5 years or 75,000 miles. The chassis and engines of our small buses are warranted for 3 years or

36,000 miles by their manufacturers. The chassis and engines of our mid-size buses are warranted for 2 years and unlimited miles by their manufacturers.

Regulation

We are subject to the provisions of the National Traffic and Motor Vehicle Safety Act (NTMVSA) and the safety standards for recreation vehicles, buses and recreation vehicle and bus components which have been promulgated thereunder by the U.S. Department of Transportation. Because of our sales in Canada, we are also governed by similar laws and regulations issued by the Canadian government.

Table of Contents

We are a member of the RVIA, a voluntary association of recreation vehicle manufacturers which promulgates recreation vehicle safety standards. We place an RVIA seal on each of our recreation vehicles to certify that the RVIA s standards have been met.

Both federal and state authorities have various environmental control standards relating to air, water and noise pollution which affect our business and operations. For example, these standards, which are generally applicable to all companies, control our choice of paints, discharge of air compressor, waste water and noise emitted by our factories. We rely upon certifications obtained by chassis manufacturers with respect to compliance by our vehicles with all applicable emission control standards.

We are also subject to the regulations promulgated by the Occupational Safety and Health Administration (OSHA). Our plants are periodically inspected by federal agencies concerned with health and safety in the work place, and by the RVIA, to ensure that our plants and products comply with applicable governmental and industry standards.

We believe that our products and facilities comply in all material respects with applicable vehicle safety, environmental, RVIA and OSHA regulations.

We do not believe that ongoing compliance with the regulations discussed above will have a material effect on our capital expenditures, earnings or competitive position.

Competition

Recreation Vehicles

The recreation vehicle industry is generally characterized by ease of entry, although the codes, standards and safety requirements introduced in recent years are a deterrent to new competitors. The need to develop an effective dealer network also acts as a barrier to entry. The recreation vehicle market is intensely competitive with a number of other manufacturers selling products which compete directly with our products. Competition in the recreation vehicle industry is based upon price, design, value, quality and service. We believe that the quality, design and price of our products and the warranty coverage and service that we provide allow us to compete favorably for retail purchasers of recreation vehicles. There are approximately 65 RV manufacturers in the U.S. and Canada.

Our primary competitors within the towables segment include Forest River, Inc. and Jayco, Inc. while our primary competitors within the motorized segment are Winnebago Industries, Inc. and Forest River, Inc. We estimate that we are the largest recreation vehicle manufacturer in terms of units produced and revenue. According to Statistical Surveys, Inc., for the six months ended June 30, 2012 our U.S. market share for travel trailers and fifth wheels was 38% and our U.S. market share for motorhomes was 21%.

Small and Mid-Size Buses

Our competitors offer lines of buses which compete with all of our products. Price, quality and delivery are the primary competitive factors. There are approximately 15 North American bus manufacturers with which we compete. Our primary competitors within the bus segment are Forest River, Inc. and Supreme Industries, Inc. As with recreation vehicles, we believe that the quality, design and price of our small and mid-size buses, the warranty coverage and service that we provide and the loyalty of our customers allow us to compete favorably with similar products of our competitors. We estimate that we have a 35% market share of the U.S. and Canadian small and mid-size bus market, according to the Mid-Size Bus Manufacturers Association.

Trademarks and Patents

We have registered United States and Canadian trademarks or licenses carrying the principal trade names and model lines under which our products are marketed. We are not dependent upon any patents or technology licenses of others for the conduct of our business.

Employee Relations

At July 31, 2012, we had approximately 8,800 full-time employees in the United States of which approximately 1,300 were salaried. None of our employees are represented by certified labor organizations. We believe that we maintain a good working relationship with our employees.

Information About Foreign and Domestic Operations and Export Sales

Export sales to Canada from our U.S. operations were $463,130, $444,364 and $364,105 in fiscal 2012, 2011 and 2010, respectively. We sold our only foreign operations (Canada) in April 2010.

Table of Contents

Forward Looking Statements

This Annual Report on Form 10-K 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, fuel prices, lower consumer confidence and the level of discretionary consumer spending, interest rate increases, restrictive lending practices, increased material and component costs, recent management changes, the success of new product introductions, the pace of acquisitions, cost structure improvements, competition and general economic conditions and the other risks and uncertainties discussed more fully in ITEM 1A. RISK FACTORS below. We disclaim any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained in this Annual Report on Form 10-K or to reflect any change in our expectations after the date of this Annual Report on Form 10-K or any change in events, conditions or circumstances on which any statement is based, except as required by law.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports and the Proxy Statement for our Annual Meeting of Stockholders are made available, free of charge, on our website, *www.thorindustries.com*, as soon as reasonably practicable after such reports have been filed with or furnished to the SEC. You may also read and copy any materials that we file with the SEC at the SEC s Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website that contains reports, proxy and information statements and other information that is filed electronically with the SEC. The website can be accessed at *www.sec.gov*.

ITEM 1A. RISK FACTORS

The following risk factors should be considered carefully in addition to the other information contained in this filing.

The risks and uncertainties described below are not the only ones we face and represent some of the risks that our management believes are material to our Company and our business. If any of the following risks actually occur, our business, financial condition or results of operations could be harmed.

Risks Relating To Our Business

The recreation vehicle and small and mid-size bus industries are highly competitive.

The recreation vehicle and bus industries that we are currently engaged in are highly competitive and we have numerous existing and potential competitors. The recreation vehicle industry is generally characterized by ease of entry, although the codes, standards and safety requirements introduced in recent years are a deterrent to new competitors. The need to develop an effective dealer network also acts as a barrier to entry. Competition in these industries is based upon price, design, value, quality and service. Competitive pressures, especially in the recreation vehicle market for towables and motorhomes, have, from time to time, resulted in a reduction of our profit margins. Sustained increases in these competitive pressures could have a material adverse effect on our results of operations. There can be no assurance that existing or new competitors will not develop products that are superior to our recreation vehicles or small or mid-size buses or that achieve better consumer acceptance, thereby adversely affecting our market share, sales volume and profit margins.

Our businesses are cyclical and this can lead to fluctuations in our operating results.

The industries in which we operate are cyclical and there can be substantial fluctuations in our production levels, shipments and operating results. Consequently, the results for any prior period may not be indicative of results for any future period.

Our recreation vehicle business is seasonal and this leads to fluctuations in sales, production and net income.

We have experienced, and expect to continue to experience, significant variability in sales, production and net income as a result of seasonality in our businesses. Since recreation vehicles are used primarily by vacationers and campers, demand in the recreation vehicle industry generally declines during the winter season, while sales and profits are generally highest during the spring and summer months. In addition, unusually severe weather conditions in some markets may delay the timing of shipments from one quarter to another.

Our businesses may be affected by certain external factors beyond our control.

Companies within the recreation vehicle and bus industries are subject to volatility in operating results due to external factors such as general economic conditions, including credit availability, consumer confidence, employment rates, prevailing interest rates, inflation, other economic conditions affecting consumer attitudes and disposable consumer income generally, demographic changes and political changes. Specific factors affecting the recreation vehicle and bus industries include:

Table of Contents

- overall consumer confidence and the level of discretionary consumer spending;
- inventory levels, including the level of retail sales by our dealers;
- general economic conditions;
- demographics, such as the retirement of baby boomers ;
- interest rates and the availability of credit;
- employment trends;
- industry demand;
- public policy and government appropriation involving mass transit; and
- increases in raw material costs.

The loss of one or more of our significant dealers could have a significant effect on our business.

Two dealers accounted for an aggregate of 28% of our consolidated bus sales for fiscal year 2012. The loss of either of these dealers could have a significant effect on our bus business. Another dealer, FreedomRoads, LLC, accounted for 14% of our consolidated recreation vehicle net sales and 12% of our consolidated net sales for fiscal 2012. The loss of this dealer could have a significant adverse effect on our business. In addition, deterioration in the liquidity or credit worthiness of FreedomRoads, LLC could negatively impact our sales and accounts receivable and could trigger repurchase obligations under our repurchase agreements.

Certain of our notes receivable may have collectability risk.

In January 2009, we entered into two credit agreements with Stephen Adams, in his individual capacity, and Stephen Adams and his successors, as trustee under the Stephen Adams Living Trust (the Trust and, together with each of the foregoing persons, the Borrowers), pursuant to which we made two $10,000 loans to the Borrowers. The first loan matures on January 15, 2014. The second loan was scheduled to mature on June 30, 2012, however, this loan was paid in fiscal year 2012 prior to maturity.

In addition, in December 2009, we entered into a credit agreement with Marcus Lemonis, Stephen Adams, in his individual capacity, and Stephen Adams and his successors, as trustee under the Trust (collectively, the Third Loan Borrowers), pursuant to which we made a $10,000 loan to the Third Loan Borrowers that matures on December 22, 2014. The Borrowers and the Third Loan Borrowers own, directly or indirectly, a controlling interest in FreedomRoads Holding Company, LLC, the parent company of FreedomRoads, LLC, our largest dealer. While we believe that the notes receivable from the Borrowers and the Third Loan Borrowers are collectable, deterioration in the liquidity or credit worthiness of the Borrowers or the Third Loan Borrowers could impact the collectability of the notes receivable.

A significant portion of our sales of small and mid-size buses is derived from state and local transportation authorities.

Approximately 65% of our bus sales for fiscal year 2012 were derived from contracts with state and local transportation authorities, in most cases with partial funding from federal agencies. There can be no assurance that these authorities will not reduce their expenditures for our buses in the future as a result of budgetary constraints, decreased tax revenues or otherwise. A reduction in the purchase of our buses by these authorities could have an adverse effect on our business and results of operations.

Fuel shortages, or high prices for fuel, could have a negative effect on sales of our recreation vehicles and buses.

Gasoline or diesel fuel is required for the operation of recreation vehicles and most of our buses. There can be no assurance that the supply of these petroleum products will continue uninterrupted, that rationing will not be imposed or that the price of or tax on these petroleum products will not significantly increase in the future. Shortages of gasoline and diesel fuel and substantial increases in the price of fuel have had a material adverse effect on the recreation vehicle industry as a whole in the past and could have a material adverse effect on our business in the future.

Table of Contents

Our business is affected by the availability and terms of financing to dealers and retail purchasers.

Our business is affected by the availability and terms of financing to dealers and retail purchasers. Generally, recreation vehicle dealers finance their purchases of inventory with financing provided by lending institutions. A decrease in the availability of this type of wholesale financing can prevent dealers from carrying adequate levels of inventory, which limits product offerings and could lead to reduced demand. In addition, two of the major financial flooring institutions held approximately 85% of our portion of our dealers total floored dollars outstanding at July 31, 2012. Substantial increases in interest rates and decreases in the general availability of credit have also had an adverse impact upon our business and results of operations in the past and may do so in the future. In particular, credit availability may have a significant impact on our business. Further, a decrease in availability of consumer credit resulting from unfavorable economic conditions may cause consumers to reduce discretionary spending which could, in turn, reduce demand for our products and negatively affect our profitability.

Changes in consumer preferences for our products or our failure to gauge those preferences could lead to reduced sales and additional costs.

We cannot be certain that historical consumer preferences for our products in general, and recreation vehicles in particular, will remain unchanged. We believe that the introduction of new features, designs and models will be critical to the future success of our recreation vehicle operations. Delays in the introduction or market acceptance of new models, designs or product features could have a material adverse effect on our business. Products may not be accepted for a number of reasons, including changes in consumer preferences or our failure to properly gauge consumer preferences. Further, we cannot be certain that new product introductions will not reduce revenues from existing models and adversely affect our results of operations. In addition, there can be no assurance that any of these new models or products will be introduced to the market on time or that they will be successful when introduced.

If the frequency and size of product liability and other claims against us rise, our business, results of operations and financial condition may be harmed.

We are subject, in the ordinary course of business, to litigation involving product liability and other claims against us, including wrongful death, personal injury and warranties. We generally self-insure our product liability and other claims and also purchase product liability and other insurance in the commercial insurance market. We cannot be certain that our insurance coverage will be sufficient to cover all future claims against us. We have a self-insured retention (SIR) for products liability and personal injury matters of $5,000 per occurrence. Beginning April 1, 2012, this SIR for bus related matters is $7,500.

Amounts above the SIR, up to a certain dollar amount, are covered by our excess insurance policy. Currently, we maintain excess liability insurance aggregating $50,000 with outside insurance carriers to minimize our risks related to catastrophic claims in excess of our self-insured positions for products liability and personal injury matters. Any material change in the aforementioned factors could have an adverse impact on our operating results. Any increase in the frequency and size of these claims, as compared to our experience in prior years, may cause the premium that we are required to pay for insurance to rise significantly. It may also increase the amounts we pay in punitive damages, not all of which are covered by our insurance.

When we introduce new products into the marketplace we may incur expenses that we did not anticipate, which, in turn, can result in reduced earnings.

The introduction of new models of recreation vehicles and buses is critical to our future success. We may incur unexpected expenses, however, when we introduce new models of recreation vehicles and buses. For example, we may experience unexpected engineering or design flaws that will force a recall of a new product. The costs resulting from these types of problems could be substantial and could have a significant adverse effect on our earnings.

Our repurchase agreements with floor plan lenders could result in increased costs.

In accordance with customary practice in the recreation vehicle industry, upon the request of a lending institution financing a dealer s purchase of our products, we will execute a repurchase agreement with the lending institution. Repurchase agreements provide that, for up to 18 months after a recreation vehicle is financed and in the event of default by the dealer, we will repurchase the recreation vehicle repossessed by the lending institution for the amount then due, which is usually less than 100% of the dealer s cost. The difference between the gross repurchase price and the price at which the repurchased product can then be resold, which is typically at a discount to the original sale price, is an expense to us. Thus, if we were obligated to repurchase a substantially greater number of recreation vehicles in the future, this would increase our costs. In difficult economic times this amount could become material.

For some of our components we depend on a small group of suppliers and the loss of any of these suppliers could affect our ability to obtain components at competitive prices which would decrease our margins.

Most recreation vehicle and bus components are readily available from a variety of sources. However, a few components are currently produced by only a small group of quality suppliers that have the capacity to supply large quantities on a national basis. Primarily, this occurs in the case of 1) chassis for our motorhomes and buses, where Ford Motor Company and General Motors are dominant suppliers, and 2) windows and doors, chassis and slide-out mechanisms, axles and upholstered furniture for our recreation vehicles, where Drew is a major supplier for these items within the RV industry.

The recreation vehicle industry as a whole has, from time to time, experienced shortages of chassis due to the concentration or allocation of available resources by suppliers of chassis to the manufacturers of vehicles other than recreation vehicles or for other causes. Historically, in the event of an industry-wide restriction of supply, Ford Motor Company and General Motors have allocated chassis among us and our competitors based on the volume of chassis previously purchased. If Ford Motor Company or General Motors were to discontinue the manufacturing of motorhome or bus chassis, or if, as a group, all of our chassis suppliers significantly reduced the availability of chassis to the industry, our business could be adversely affected. Similarly, shortages at, or production delays or work stoppages by the employees of Ford Motor Company, General Motors or other chassis suppliers, could have a material adverse effect on our sales. The supply of chassis is currently adequate; we are unaware of any conditions in the U.S. auto industry which are likely to cause a significant negative impact on the availability of chassis; and we believe that available inventory would compensate for changes in supply schedules if they occur. To date, we have not experienced any unusual cost increases from our chassis suppliers. If the condition of the U.S. auto industry were to significantly deteriorate, this could result in supply interruptions and a decrease in our sales and earnings while we obtain replacement chassis from other sources.

Drew is a major supplier of a number of key components of our towable recreation vehicles such as windows and doors, chassis and slide-out mechanisms, axles and upholstered furniture. We have not experienced any significant shortages or delays in delivery related to these items; however, if industry demand were to increase faster than Drew can respond, or other factors impact their ability to continue to supply our needs for these key components, our business could be adversely affected.

Finally, as is standard in the industry, arrangements with chassis and other suppliers such as Ford Motor Company, General Motors and Drew are terminable at any time by either our Company or the supplier. If we cannot obtain an adequate supply of chassis or key components, this could result in a decrease in our sales and earnings.

Our business is subject to numerous federal, state and local regulations.

We are subject to numerous federal, state and local regulations governing the manufacture and sale of our products, including the provisions of the National Traffic and Motor Vehicle Safety Act (NTMVSA) and the safety standards for recreation vehicles, buses and recreation vehicle and bus components which have been promulgated under the NTMVSA by the Department of Transportation. The NTMVSA authorizes the National Highway Traffic Safety Administration to require a manufacturer to recall and repair vehicles which contain certain hazards or defects. Any recalls of our vehicles, voluntary or involuntary, could have a material adverse effect on our Company.

We are also subject to federal and numerous state consumer protection and unfair trade practice laws and regulations relating to the sale, transportation and marketing of motor vehicles, including so-called lemon laws . Federal and state laws and regulations also impose upon vehicle operators various restrictions on the weight, length and width of motor vehicles, including buses and motorhomes, that may be operated in certain jurisdictions or on certain roadways. Certain jurisdictions also prohibit the sale of vehicles exceeding length restrictions. Finally, federal and state authorities also have various environmental control standards relating to air, water, noise pollution and hazardous waste generation and disposal which affect our business and operations.

As a publicly-traded Company, we are subject to the regulations promulgated by the Securities and Exchange Commission and the rules of the New York Stock Exchange.

Failure to comply with any of the foregoing laws or regulations could have an adverse impact on our business. Additionally, amendments to these regulations and the implementation of new regulations could increase the cost of manufacturing, purchasing, operating or selling our products and therefore could have an adverse impact on our business.

Changes in accounting standards could affect our reported financial results.

New accounting standards or pronouncements or changes in interpretations of existing standards that may be announced from time to time that are applicable to our Company could have a significant impact on our reported results.

Our risk management policies and procedures may not be fully effective in achieving their purposes.

Our policies, procedures, controls and oversight to monitor and manage our enterprise risks may not be fully effective in achieving their purpose and may leave exposure to identified or unidentified risks. Past or future misconduct by our employees or vendors could result in violations of law by us, regulatory sanctions and/or serious reputational harm or financial harm. The Company monitors its policies, procedures and controls; however, there can be no assurance that our policies, procedures and controls will be sufficient to prevent all forms of misconduct. We review our compensation policies and practices as part of our overall enterprise risk management program, but it is possible that our compensation policies could incentivize inappropriate risk taking or misconduct. If such inappropriate risks or misconduct occurs, it is possible that it could have a material adverse affect on our results of operations and/or our financial condition.

Table of Contents

Interruption of information service or misappropriation or breach of our cyber systems could cause disruption and damage to our reputation.

Our business relies on information systems and other technology (information systems) to support our business operations, including but not limited to procurement, supply chain, manufacturing, distribution, invoicing and collection of payments. We use information systems to report and audit our operational results. Additionally, we rely upon information systems in our marketing and communication efforts. Due to our reliance on our information systems, our business processes may be negatively impacted in the event of substantial disruption of service. Further, misuse, leakage or falsification of information could result in a violation of privacy laws and damage to our reputation which could, in turn, have a negative impact on our results.

We may not be able to protect our intellectual property and may be subject to infringement claims.

We rely on certain trademarks and patents, including contractual rights with third parties. We endeavor to protect our rights; however, third parties may infringe upon our intellectual property rights. We may be forced to take steps to protect our rights, including through litigation. This could result in a diversion of resources. The inability to protect our intellectual property rights could have a material adverse affect on our business. We may also be subject to claims by third parties, seeking to enforce their claimed intellectual property rights.

We could incur asset impairment charges for goodwill, intangible assets or other long-lived assets.

We have a significant amount of goodwill, intangible assets and other long-lived assets. At least annually, we review goodwill for impairment. Long-lived assets, identifiable intangible assets and goodwill are also reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable from future cash flows. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of the business or other factors. If the carrying value of a long-lived asset is considered impaired, an impairment charge is recorded for the amount by which the carrying value of the long-lived asset exceeds its fair value. Our determination of future cash flows, future recoverability and fair value of our long-lived assets includes significant estimates and assumptions. Changes in those estimates or assumptions or lower than anticipated future financial performance may result in the identification of an impaired asset and a non-cash impairment charge, which could be material. Any such charge could adversely affect our operating results and financial condition.

Our operations are dependent upon the services of key individuals, the loss of whom could materially harm us.

We rely upon the knowledge, experience and skills of our employees to compete effectively in our businesses and manage our operations. In addition, our future success will depend on, among other factors, our ability to attract and retain executive management, key employees and other qualified personnel. Upon the departure of key employees, our success may depend upon the existence of adequate succession plans. The loss of key employees or the failure to attract or retain employees could have a material adverse effect on us in the event that our succession plans prove inadequate. If we are unable to attract and retain qualified employees, our operations could be materially adversely affected.

Risks Relating To Our Company

Provisions in our charter documents and of Delaware law may make it difficult for a third party to acquire our Company and could depress the price of our common stock.

Our Restated Certificate of Incorporation contains certain supermajority voting provisions that could delay, defer or prevent a change in control of our Company. These provisions could also make it more difficult for shareholders to elect directors, amend our Restated Certificate of Incorporation and take other corporate actions.

We are also subject to certain provisions of the Delaware General Corporation Law that could delay, deter or prevent us from entering into an acquisition, including provisions which prohibit a Delaware corporation from engaging in a business combination with an interested shareholder unless specific conditions are met. The existence of these provisions could limit the price that investors are willing to pay in the future for shares of our common stock and may deprive investors of an opportunity to sell shares at a premium over prevailing prices.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

11

Table of Contents

ITEM 2. PROPERTIES

We own or lease approximately 6,109,000 square feet of manufacturing plant and office space. We believe that our present facilities, consisting primarily of steel clad, steel or wood frame and masonry construction, and the machinery and equipment contained in these facilities, are well maintained and in good condition. We believe that these facilities are adequate for our current and foreseeable purposes and that we would be able to obtain replacements for our leased premises at acceptable costs should our leases not be renewed.

The following table describes the location, number and size of our principal manufacturing plants and other materially important physical properties as of July 31, 2012:

Locations	Owned or Leased	No. of Buildings	Approximate Building Area Square Feet
RVs:			
Jackson Center, OH (Airstream) (4)(5)	Owned	9	299,000
Middlebury, IN (Dutchmen) (4)	Owned	1	90,000
Burley, ID (Dutchmen) (4)	Owned	5	162,000
Goshen, IN (Dutchmen) (4)	Owned	7	387,000
Bristol, IN (Dutchmen) (1)(4)	Owned	1	54,000
Syracuse, IN (Dutchmen) (4)	Owned	1	50,000
Clackamas, OR (Dutchmen) (4)	Owned	1	107,000
Nappanee, IN (Dutchmen) (4)	Owned	2	144,000
Elkhart, IN (Thor Motor Coach) (5)	Owned	9	710,000
Elkhart, IN (Thor Motor Coach) (2)(5)	Leased	1	23,000
Elkhart, IN (Thor Motor Coach) (3)(5)	Leased	2	26,000
Topeka, IN (CrossRoads) (4)	Owned	5	250,000
Syracuse, IN (CrossRoads) (4)	Owned	1	105,000
Elkhart, IN (Heartland) (4)	Owned	6	518,000
Elkhart, IN (Heartland) (1)(4)	Owned	2	89,000
Elkhart, IN (Heartland) (4)	Leased	6	319,000
Elkhart, IN (Heartland) (3)(4)	Leased	2	75,000
Goshen, IN (Keystone) (4)	Owned	17	1,468,000
Pendleton, OR (Keystone) (4)	Owned	7	404,000
Buses:			
Salina, KS (ElDorado Kansas) (6)	Owned	2	255,000
Riverside, CA (ElDorado California) (6)	Owned	1	227,000
Imlay City, Michigan (Champion Bus) (6)	Owned	5	186,000
Elkhart, IN (Goshen Coach) (6)	Owned	3	161,000
Total		96	6,109,000

(1) These locations are vacant and have been placed on the market.

(2) This location is occupied under a net lease expiring in fiscal 2014 with an option to purchase the building.

(3) These locations are under net leases expiring in fiscal 2013. Locations are currently vacant and are on the market for sub-leasing.

(4) Included in the towable recreation vehicles reportable segment.

(5) Included in the motorized recreation vehicles reportable segment.

(6) Included in the buses reportable segment.

ITEM 3. LEGAL PROCEEDINGS

In addition to the matter described below, the Company is involved in certain litigation arising out of its operations in the normal course of its business, most of which is based upon state lemon laws , warranty claims and vehicle accidents (for which the Company carries insurance above a specified self-insured retention or deductible amount). The outcomes of legal proceedings and claims brought against the Company are subject to significant uncertainty. There is significant judgment required in assessing both the probability of an adverse outcome and the determination as to whether an exposure can be reasonably estimated. In management s opinion, the ultimate disposition of any current legal proceedings or claims against the Company will not have a material effect on the Company s financial condition, operating results or cash flows, except that an adverse outcome in a significant litigation matter could have a material effect on the operating results of a particular reporting period.

FEMA Trailer Formaldehyde Litigation

Beginning in 2006, a number of lawsuits were filed against numerous trailer and manufactured housing manufacturers, including complaints against the Company. The complaints were filed in various state and federal courts throughout Louisiana, Alabama, Texas and Mississippi on behalf of Gulf Coast residents who lived in travel trailers, park model trailers and manufactured homes provided by the Federal Emergency Management Agency (FEMA) following Hurricanes Katrina and Rita in 2005. The complaints generally allege that residents who occupied FEMA supplied emergency housing units, such as travel trailers, were exposed to formaldehyde emitted from the trailers. The plaintiffs allege various injuries from exposure, including health issues and emotional distress. Most of the initial cases were filed as class action suits. The Judicial Panel on Multidistrict Litigation (the MDL panel) has the authority to designate one court to coordinate and consolidate discovery and pretrial proceedings in a proceeding known as multidistrict litigation (MDL). The MDL panel transferred the actions to the United States District Court for the Eastern District of Louisiana (the MDL Court) because the actions in different jurisdictions involved common questions of fact. The MDL Court denied class certification in December 2008, and consequently, the cases are now being administered as a mass joinder of claims (the MDL proceeding). There are approximately 4,100 suits currently pending in the MDL Court.

Table of Contents

The number of cases currently pending against the Company is approximately 500. Many of these lawsuits involve multiple plaintiffs, each of whom have brought claims against the Company. A number of cases against the Company have been dismissed for various reasons, including duplicative and unmatched lawsuits and failure of plaintiffs to appear or prosecute their claims. In the event a case does not settle or is not dismissed during the MDL proceeding, it is remanded back to the original court for disposition or trial. In September 2009, the MDL Court commenced hearing both bellwether jury trials and bellwether summary jury trials. The summary jury trial process is an alternative dispute resolution method which is non-binding and confidential. The Company has participated in one confidential summary jury trial.

On December 21, 2011, the MDL Court issued an Order that, among other matters, mandated certain manufacturing defendants in the litigation, including the Company and several of its RV subsidiaries, to participate in mediation in January 2012. The Company s Heartland subsidiary participated in a mediation on January 27, 2012 and reached an agreement in principle to resolve the pending claims against it on February 2, 2012. The other Thor RV subsidiaries involved in the MDL proceeding collectively participated in a mediation on January 19, 2012 and during a second mediation session held on February 10, 2012 reached an agreement in principle to resolve the litigation. On March 27, 2012, Heartland and its insurance carriers entered into a Memorandum of Understanding (MOU) memorializing the February 2, 2012 settlement. On March 30, 2012, Thor Industries, Inc., for itself and on behalf of its other RV subsidiaries involved in the MDL proceeding, and its insurance carriers, entered into an MOU memorializing the settlement reached on February 10, 2012.

As previously reported on April 19, 2012 by the Company on its Form 8-K, the Company and its RV subsidiaries involved in the MDL proceeding, their respective insurance carriers, several unaffiliated manufacturers of RVs and their insurers, and legal representatives of the plaintiffs each executed a Stipulation of Settlement in April 2012 (the Stipulation of Settlement). As set forth more fully in the Stipulation of Settlement, if the MDL Court grants final approval, the claims against the Company will be dismissed with prejudice and released, such that every member of the settlement class will be forever barred from asserting against the Company any claims alleged in the MDL proceeding. In furtherance of the settlement, a payment of $6,250 was made by the Company and its insurance carriers for the benefit of the settlement class into the registry of the court, and a payment of $553 was made by Heartland, a subsidiary of the Company, and its insurance carriers for the benefit of the settlement class.

On May 31, 2012, the MDL Court granted preliminary approval of the proposed settlement class. The Company had previously recorded adequate amounts for this settlement and paid $4,700 into the Registry of the United States District Court for the Eastern District of Louisiana on June 1, 2012.

On September 6, 2012, pursuant to an Order of the MDL Court, counsel for the plaintiffs produced the list of members of the class who requested exclusion from the proposed settlement. Only one individual making a claim against the Company and/or its RV subsidiaries requested to be excluded from the proposed class settlement.

On September 27, 2012, the MDL Court is scheduled to conduct a Fairness Hearing during which final approval of the proposed settlement will be evaluated. In the event that the MDL Court finds the proposed settlement to be reasonable, it is expected that all claims made in the litigation, excepting only the single claim that requested exclusion from proposed settlement, will be finally resolved in accordance with the terms of the Stipulation of Settlement identified above.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company s Common Stock, par value $0.10 per share (the Common Stock), is traded on the New York Stock Exchange (NYSE). Set forth below is the range of high and low prices for the Common Stock for each quarter during the Company s two most recent fiscal years, as quoted in the NYSE Monthly Market Statistics and Trading Reports:

	Fiscal 2012		Fiscal 2011	
	High	**Low**	**High**	**Low**
First Quarter	$ 29.08	$ 17.62	$ 35.50	$ 22.50
Second Quarter	31.82	22.25	37.45	29.15
Third Quarter	34.56	29.81	39.12	29.31
Fourth Quarter	34.70	26.27	33.79	24.22

Table of Contents

Holders

As of September 14, 2012, the number of holders of record of the Common Stock was 113.

Dividends

In fiscal 2012, we paid a $.15 per share dividend in each quarter. In fiscal 2011, we paid a $.10 per share dividend in each quarter. On September 6, 2012, we increased the quarterly dividend to $.18 per share.

The Company s Board currently intends to continue quarterly cash dividend payments in the future. The declaration of future dividends and the establishment of the per share amounts, record dates and payment dates for any such future dividends are subject to the determination of the Board, and will be dependent upon future earnings, cash flows and other factors.

There are no limitations on the Company s ability to pay dividends pursuant to any credit facility.

Equity Compensation Plan Information see ITEM 12

ITEM 6. SELECTED FINANCIAL DATA

	Fiscal Years Ended July 31,				
	2012	**2011(1)(2)(3)**	**2010(3)(4)**	**2009(5)**	**2008(6)**
Income statement data:					
Net sales	$ 3,084,660	$ 2,755,508	$ 2,276,557	$ 1,521,896	$ 2,640,680
Net income	121,739	106,273	110,064	17,143	92,706
Earnings per common share					
Basic	2.26	1.92	2.08	0.31	1.67
Diluted	2.26	1.92	2.07	0.31	1.66
Dividends declared and paid per common share	0.60	0.40	0.78	0.28	2.28
Balance sheet data:					
Total assets	$ 1,243,054	$ 1,198,070	$ 964,073	$ 951,124	$ 996,562

(1) Selected financial data for 2011 includes non-cash trademark impairments of $2,036 and $1,430, respectively, for trademarks associated with subsidiaries in our motorized and bus segments.

(2) Selected financial data for 2011 includes expenses of $6,333 attributable to legal and professional fees in connection with the Heartland acquisition and costs associated with the resolution of an SEC matter.

(3) Selected financial data for 2011 and 2010 includes gains on the involuntary conversion of assets of $9,417 and $7,593, respectively, related to the fiscal 2010 fire at a subsidiary in our bus segment.

(4) Selected financial data for 2010 includes a non-cash trademark impairment of $500 for a trademark associated with a subsidiary in our towables segment.

(5) Selected financial data for 2009 includes non-cash goodwill and trademark impairments of $9,717 and $564, respectively, for the goodwill and trademarks associated with subsidiaries in our motorized segment.

(6) Selected financial data for 2008 includes a non-cash goodwill impairment of $7,535 for the goodwill associated with a subsidiary within our motorized segment, an impairment of $1,962 to adjust certain properties to fair market value and provisions of $5,411 recorded in connection with the sale of our Thor California travel trailer and fifth wheel business.

ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Management s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the Company s Consolidated Financial Statements and Notes thereto included in ITEM 8 of this Report.

Executive Overview

We were founded in 1980 and have grown to be the largest manufacturer of RVs and a major manufacturer of commercial buses in North America. Our U.S. market share in the travel trailer and fifth wheel portion of the towable segment is approximately 38% for the calendar year to date period ended June 30, 2012. In the motorized segment of the RV industry, we have a U.S. market share of approximately 21% for the calendar year to date period ended June 30, 2012. Our U.S. and Canadian market share in small and mid-size buses is approximately 35% for the calendar year to date period ended June 30, 2012. We also manufacture and sell 40 foot buses at our facility in Southern California and ambulances at our Goshen Coach facility in Elkhart, Indiana.

Table of Contents

Our business model includes decentralized operating units and we compensate operating management primarily with cash, based upon the profitability of the business unit which they manage. Our corporate staff provides financial management, insurance, legal, human resource, risk management and internal audit functions. Senior corporate management interacts regularly with operating management to assure that corporate objectives are understood and are monitored appropriately.

Our RV products are sold to dealers who, in turn, retail those products. Our buses are sold through dealers to municipalities and private purchasers such as rental car companies and hotels. We generally do not finance dealers directly, but do provide repurchase agreements to the dealers floor plan lenders.

Our growth has been internal and by acquisition. Our strategy has been to increase our profitability in North America in the RV industry and in the bus business through product innovation, service to our customers, manufacturing quality products, improving our facilities and acquisitions. We have not entered unrelated businesses and have no plans to do so in the future.

We rely on internally generated cash flows from operations to finance our growth although we may borrow to make an acquisition if we believe the incremental cash flows will provide for rapid payback. Capital acquisitions of $10,442 in fiscal 2012 were made primarily for building improvements and to replace machinery and equipment used in the ordinary course of business.

Recent Significant Events

During the year ended July 31, 2012, we purchased a combined total of 3,000,000 shares of the Company s common stock and held them as treasury stock at a total cost of $77,000. Of the 3,000,000 shares, 2,000,000 were repurchased from the Estate of Wade F.B. Thompson (the Estate) in two separate private transactions at a total cost of $48,500. Both of these transactions were evaluated and approved by members of our board of directors who are not affiliated with the Estate. In a third separate private transaction, we repurchased 1,000,000 shares from Catterton Partners VI, L.P., Catterton Partners VI Offshore, L.P., CP6 Interest Holdings, L.L.C., and CPVI Coinvest, L.L.C. at a total cost of $28,500. We used available cash to purchase all of these shares, which collectively represented 5.4% of our issued and outstanding common stock prior to the repurchases. Each of these transactions is more fully discussed in Note 14 to the Consolidated Financial Statements.

On September 16, 2010, we acquired 100% of Towable Holdings, Inc., the parent company of Heartland Recreational Vehicles, LLC (Heartland), pursuant to a stock purchase agreement. Heartland is located in Elkhart, Indiana and is a major manufacturer of towable recreation vehicles. Under our ownership, Heartland continues as an independent operation, in the same manner as our existing recreation vehicle and bus companies, and its operations are included in our Towables reportable segment.

On March 1, 2010, we acquired SJC Industries Corp. (SJC), a privately-held manufacturer of ambulances based in Elkhart, Indiana. We have included the operations of SJC in our buses reportable segment because we believe the ambulance business is a natural fit with our bus business. SJC has similar economic characteristics to our bus businesses and the nature of products, production processes, types of customers, distribution channels and regulatory environment are also similar to those for our bus businesses. Effective January 21, 2011, the operations of SJC were combined with Goshen Coach under one management team. In September 2011, the operations of Goshen Coach and SJC were combined within one facility.

Industry Outlook

The Company monitors the industry conditions in the RV market through the use of monthly wholesale shipment data as reported by the Recreation Vehicle Industry Association (RVIA) which is typically issued on a one month lag and represents the manufacturers RV production and delivery to dealers. In addition, the Company also utilizes monthly retail sales trends as reported by Statistical Surveys, Inc. (Stat Surveys). Stat Surveys data is typically issued on a month and a half lag. The Company believes that monthly RV retail sales data is important as consumer purchases impact future dealer orders and ultimately our production.

After declining wholesale shipments in calendar years 2008 and 2009, industry conditions in the RV market substantially improved in calendar year 2010, with RV wholesale shipments of travel trailers, fifth wheels and motorized RVs up 48.1% for the twelve months ended December 31, 2010, according to RVIA. This large increase in shipments in calendar year 2010 was attributable to a number of forces in the market including: RV dealers restocking of depleted lot inventories, improved floor plan financing availability to RV dealers and improved retail sales to consumers. Calendar year 2011 wholesale shipments slowed to a year over year increase of 5.9% as a result of the restocking that was completed in calendar year 2010, coupled with continuing lower consumer confidence and uncertain economic conditions. Calendar year 2012 wholesale shipments of travel trailers, fifth wheels and motorized RVs have posted a 10.5% gain through July 31, 2012 compared to the same period of 2011 according to RVIA, with travel trailers and fifth wheels posting a gain of 11.7% and motorized RVs posting a gain of 0.7%.

We believe our dealer inventory is at appropriate levels for seasonal consumer demand, with dealers remaining cautious given continuing economic uncertainties and the upcoming RV Open House in September 2012. Thor s RV backlog as of July 31, 2012 increased 47% to $335,360 from $227,373 as of July 31, 2011.

Table of Contents

Industry Wholesale Statistics

Key wholesale statistics for the RV industry, as reported by RVIA (rounded to nearest hundred) are as follows:

	U.S. and Canada Wholesale Shipments			
	Calendar Year			
	2011	2010	Increase (Decrease)	Change
Towables - Units (1)	212,900	199,200	13,700	6.9%
Motorized - Units	24,800	25,200	(400)	(1.6)%
Total	237,700	224,400	13,300	5.9%

	U.S. and Canada Wholesale Shipments			
	Calendar Year			
	2010	2009	Increase (Decrease)	Change
Towables - Units (1)	199,200	138,300	60,900	44.0%
Motorized - Units	25,200	13,200	12,000	90.9%
Total	224,400	151,500	72,900	48.1%

(1) Excluding folding camp trailers and truck campers, which the Company does not manufacture.

According to the RVIA, 2012 calendar year wholesale shipments for all RV categories are forecast to total 273,600 units, an 8.4% increase over calendar year 2011, with most of the 2012 growth expected in travel trailers and fifth wheels. Travel trailers and fifth wheels are expected to account for 85% of all RV shipments in 2012. The outlook for calendar 2012 growth in RV sales is based on slow but consistent income growth and improving unemployment during the remainder of 2012. RVIA has also forecast that 2013 calendar year shipments will total 275,300 units, a 1% increase from the expected 2012 wholesale shipments.

We believe that retail demand is the key to continued improvement in the RV industry. With appropriate levels of dealer inventory currently, we believe that RV industry wholesale shipments will generally be on a one-to-one replenishment ratio with retail sales going forward. We also believe that current levels of discounting will continue in the near term due to current economic conditions and competitive pressures.

Industry Retail Statistics

Key retail statistics for the RV industry, as reported by Stat Surveys, Inc., are as follows:

	U.S. and Canada Retail Registrations			
	Calendar Year			
	2011	2010	Increase (Decrease)	Change
Towables - Units (1)	200,216	189,068	11,148	5.9%
Motorized - Units	23,983	24,006	(23)	(0.1)%
Total	224,199	213,074	11,125	5.2%

	U.S. and Canada Retail Registrations		
	Calendar Year		
	2010	2009	Change

			Increase (Decrease)	
Towables - Units (1)	189,068	167,178	21,890	13.1%
Motorized - Units	24,006	22,150	1,856	8.4%
Total	213,074	189,328	23,746	12.5%

(1) Excluding camping trailers, which the Company does not manufacture.

Note: Data reported by Statistical Surveys, Inc. is based on official state records. This information is subject to adjustment and is continuously updated.

Table of Contents

Company Wholesale and Retail Statistics

For the calendar years 2011, 2010 and 2009, the Company s wholesale RV shipments, including Heartland since its acquisition in September 2010, were as follows:

	U.S. and Canada Wholesale Shipments Calendar Year			
	2011	2010	Increase (Decrease)	Change
Towables - Units	84,089	73,179	10,910	14.9%
Motorized -Units	4,620	4,516	104	2.3%
Total	88,709	77,695	11,014	14.2%

	U.S. and Canada Wholesale Shipments Calendar Year			
	2010	2009	Increase (Decrease)	Change
Towables - Units	73,179	50,689	22,490	44.4%
Motorized - Units	4,516	2,512	2,004	79.8%
Total	77,695	53,201	24,494	46.0%

Retail shipments of the Company s RV products, as reported by Statistical Surveys, Inc., including Heartland since its acquisition in September 2010, were as follows for calendar years 2011, 2010 and 2009:

	U.S. and Canada Retail Registrations Calendar Year			
	2011	2010	Increase (Decrease)	Change
Towables - Units	76,425	67,126	9,299	13.9%
Motorized - Units	4,595	4,190	405	9.7%
Total	81,020	71,316	9,704	13.6%

	U.S. and Canada Retail Registrations Calendar Year			
	2010	2009	Increase (Decrease)	Change
Towables - Units	67,126	52,224	14,902	28.5%
Motorized - Units	4,190	3,446	744	21.6%
Total	71,316	55,670	15,646	28.1%

Note: Data reported by Statistical Surveys, Inc. is based on official state records. This information is subject to adjustment and is continuously updated.

For the fiscal years ended July 31, 2012 and 2011, the Company s wholesale RV shipments were as follows:

	U.S. and Canada Wholesale Shipments			
	Fiscal Year Ended July 31,			
	2012	2011	Increase (Decrease)	Change
Towables - units	87,872	81,234	6,638	8.2%
Motorized - units	4,720	4,975	(255)	(5.1)%
Total	92,592	86,209	6,383	7.4%

Retail shipments of the Company s RV products, as reported by Statistical Surveys, Inc., were as follows for the six month periods ended June 30, 2012 and 2011:

	U.S. and Canada Retail Registrations			
	Six-Months Ended June 30,			
	2012	2011	Increase (Decrease)	Change
Towables - units	44,113	41,920	2,193	5.2%
Motorized - units	2,874	2,852	22	0.8%
Total	46,987	44,772	2,215	4.9%

Note: Data reported by Statistical Surveys, Inc. is based on official state records. This information is subject to adjustment and is continuously updated.

Our outlook for future retail sales is tempered by the continuing uncertain economic conditions faced by consumers related to fuel prices, the rate of unemployment, the level of consumer confidence, the income growth of consumers, credit availability, the pace of recovery in the housing market and the likelihood of rising taxes, all of which could negatively impact the pace of RV sales. However, if consumer confidence improves, retail and wholesale credit remain available, interest rates remain low and economic uncertainties begin to dissipate, we would expect to see an improvement in RV sales and expect to benefit from our ability to increase production. In addition, a positive longer-term outlook for the RV segment is supported by favorable demographics as more people reach the age brackets that historically have accounted for the bulk of retail RV sales. The number of consumers between the ages of 55 and 70 will total 56 million by 2020, 27% higher than in 2010 according to the RVIA.

Economic or industry-wide factors affecting our RV business include the costs of commodities used in the manufacture of our products. Material cost is the primary factor determining our cost of products sold. Commodity cost increases witnessed early in calendar year 2011 partially abated late in the calendar year for steel, aluminum and copper, while thermoplastic prices held steady at the higher cost levels. Although calendar year 2012 raw material prices began the year lower than the same period in 2011 for most commodities, we have recently incurred increased costs in certain raw materials and components (wood, lumber and resin products) and any future increases in raw material costs would impact our profit margins negatively if we were unable to raise prices for our products by corresponding amounts. Historically, we have been able to pass along those cost increases to consumers.

Government entities are the primary purchasers or end users of our buses. Demand in this segment is subject to fluctuations in government spending on transit. In addition, hotel, rental car and parking lot operators, nursing and retirement homes and church organizations are also major users of our small and mid-sized buses and therefore travel is an important indicator for this market. The majority of our buses have useful lives of 5 7 years and are being continuously replaced by operators. According to the Mid Size Bus Manufacturers Association (MSBMA), unit sales of small and mid-sized buses decreased 7.5% for the twelve months ended December 31, 2011 compared with the same period in 2010, while unit sales have increased 7.9% for the six months ended June 30, 2012 compared with the same period in 2011. Federal stimulus funds helped the transit industry in the recent economic downturn, however, that funding has expired. Municipal budgets have been reduced and transit agencies operating costs have increased. We have, however, recently started to see public agencies and private operators begin to replace their fleets. As of July 31, 2012, our buses reportable segment backlog increased by 9% to $222,152 as compared to $204,217 as of July 31, 2011. Longer term, we expect positive trends in our bus segment, which we believe will be supported by increased federal funding for transit, the replacement cycle for buses among public and private bus customers and the introduction of new bus products.

The supply of chassis, used in both motorized RV and bus production, is currently adequate for current production levels; we are unaware of any conditions in the U.S. auto industry which are likely to cause a significant negative impact on the availability of chassis and we believe that available inventory would compensate for changes in supply schedules if they occur. To date, we have not experienced any unusual cost increases from our chassis suppliers. If the condition of the U.S. auto industry were to deteriorate, this could result in supply interruptions and a decrease in our sales and earnings while we obtain replacement chassis from other sources.

Table of Contents

FISCAL 2012 VS. FISCAL 2011

	Fiscal 2012	Fiscal 2011	Change Amount	Change %
NET SALES				
Recreation Vehicles				
Towables	$ 2,285,863	$ 1,977,416	$ 308,447	15.6
Motorized	353,935	363,026	(9,091)	(2.5)
Total Recreation Vehicles	2,639,798	2,340,442	299,356	12.8
Buses	444,862	415,066	29,796	7.2
Total	$ 3,084,660	$ 2,755,508	$ 329,152	11.9
# OF UNITS				
Recreation Vehicles				
Towables	87,872	81,234	6,638	8.2
Motorized	4,720	4,975	(255)	(5.1)
Total Recreation Vehicles	92,592	86,209	6,383	7.4
Buses	6,600	6,248	352	5.6
Total	99,192	92,457	6,735	7.3

	Fiscal 2012	% of Segment Net Sales	Fiscal 2011	% of Segment Net Sales	Change Amount	Change %
GROSS PROFIT						
Recreation Vehicles						
Towables	$ 283,039	12.4	$ 264,698	13.4	$ 18,341	6.9
Motorized	36,491	10.3	34,238	9.4	2,253	6.6
Total Recreation Vehicles	319,530	12.1	298,936	12.8	20,594	6.9
Buses	37,246	8.4	34,199	8.2	3,047	8.9
Total	$ 356,776	11.6	$ 333,135	12.1	$ 23,641	7.1
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES						
Recreation Vehicles						
Towables	$ 114,080	5.0	$ 109,005	5.5	$ 5,075	4.7
Motorized	18,016	5.1	19,421	5.3	(1,405)	(7.2)
Total Recreation Vehicles	132,096	5.0	128,426	5.5	3,670	2.9
Buses	20,177	4.5	18,665	4.5	1,512	8.1
Corporate	16,881		33,767		(16,886)	(50.0)
Total	$ 169,154	5.5	$ 180,858	6.6	$ (11,704)	(6.5)

INCOME (LOSS) BEFORE INCOME TAXES &nbs