

HOME



AWAY FROM HOME



Safe Harbor Statement

This presentation contains certain forward-looking statements and information based on the beliefs of Fleetwood's management as well as assumptions made by, and information currently available to, Fleetwood's management. Such statements reflect the current views of Fleetwood with respect to future events and are subject to certain risks, uncertainties, and assumptions, including risk factors identified in Fleetwood's 10-K and other SEC filings. These risks and uncertainties include, without limitation, the lack of assurance that we will regain sustainable profitability in the foreseeable future; the effect of ongoing weakness in both the manufactured housing and recreational vehicle markets; the effect of a decline in home equity values, volatile fuel prices and interest rates, global tensions, employment trends, stock market performance, availability of financing generally, and other factors that can have a negative impact on consumer confidence, which in turn may reduce demand for our products, particularly recreational vehicles; the availability and cost of wholesale and retail financing for both manufactured housing and recreational vehicles; our ability to comply with financial tests and covenants on existing debt obligations; our ability to obtain, on reasonable terms if at all, the financing we will need in the future to execute our business strategies and to meet the repayment terms of our outstanding convertible debt instruments, including the \$100 million 5% convertible senior subordinated debentures, some or all of which the Company may be obligated to repurchase in December 2008; potential dilution associated with future equity financings we may undertake to raise additional capital and the risk that the equity pricing may not be favorable; the cyclical and seasonal nature of both the manufactured housing and recreational vehicle industries; expenses and uncertainties associated with the entry into new business segments or the manufacturing, development, and introduction of new products; the potential for excessive retail inventory levels in the manufactured housing and recreational vehicle industries; the volatility of our stock price; repurchase agreements with floorplan lenders, which could result in increased costs; potential increases in the frequency of product liability, wrongful death, class action, and other legal actions; and the highly competitive nature of our industries.

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Company Overview

Recreational Vehicles



Factory-Built Housing



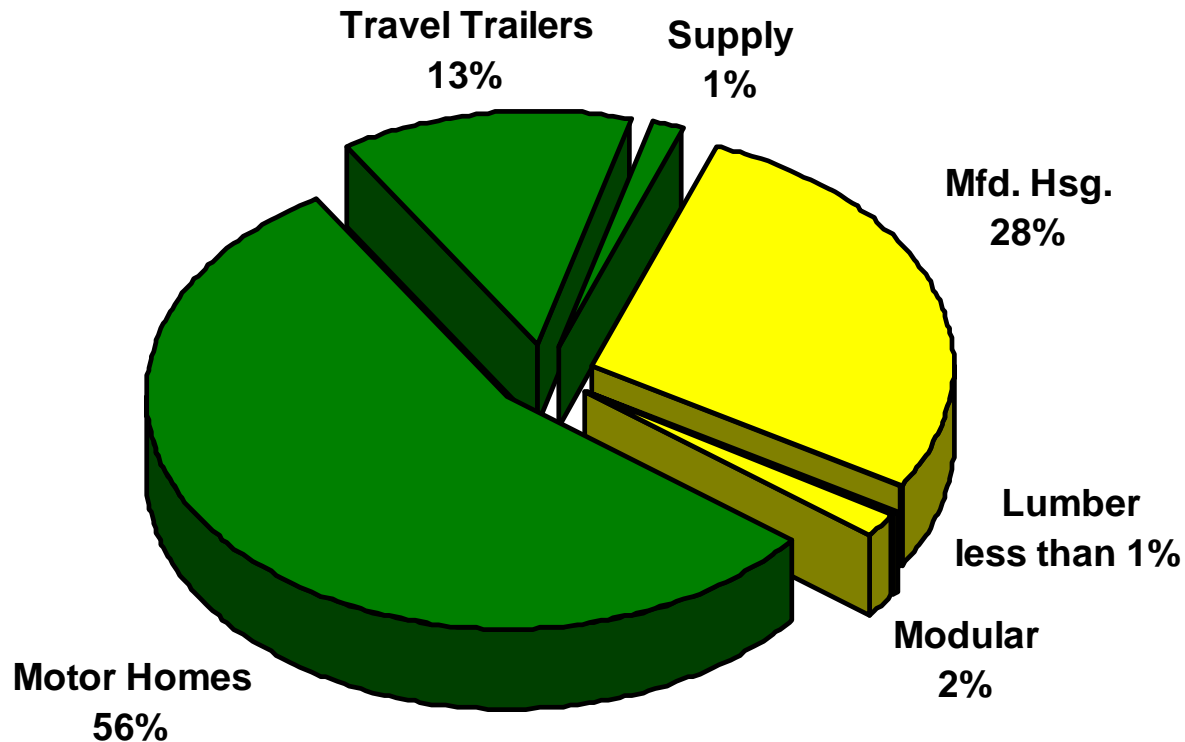
Background and History

- ❑ Recognized leader in both recreational vehicle (RV) and factory-built housing industries
- ❑ #1 market share in Class A motor homes, #2 share in motor homes overall and #2 market share in manufactured housing
- ❑ More than 55 years of successful operating history in core manufacturing businesses
- ❑ Experienced management team



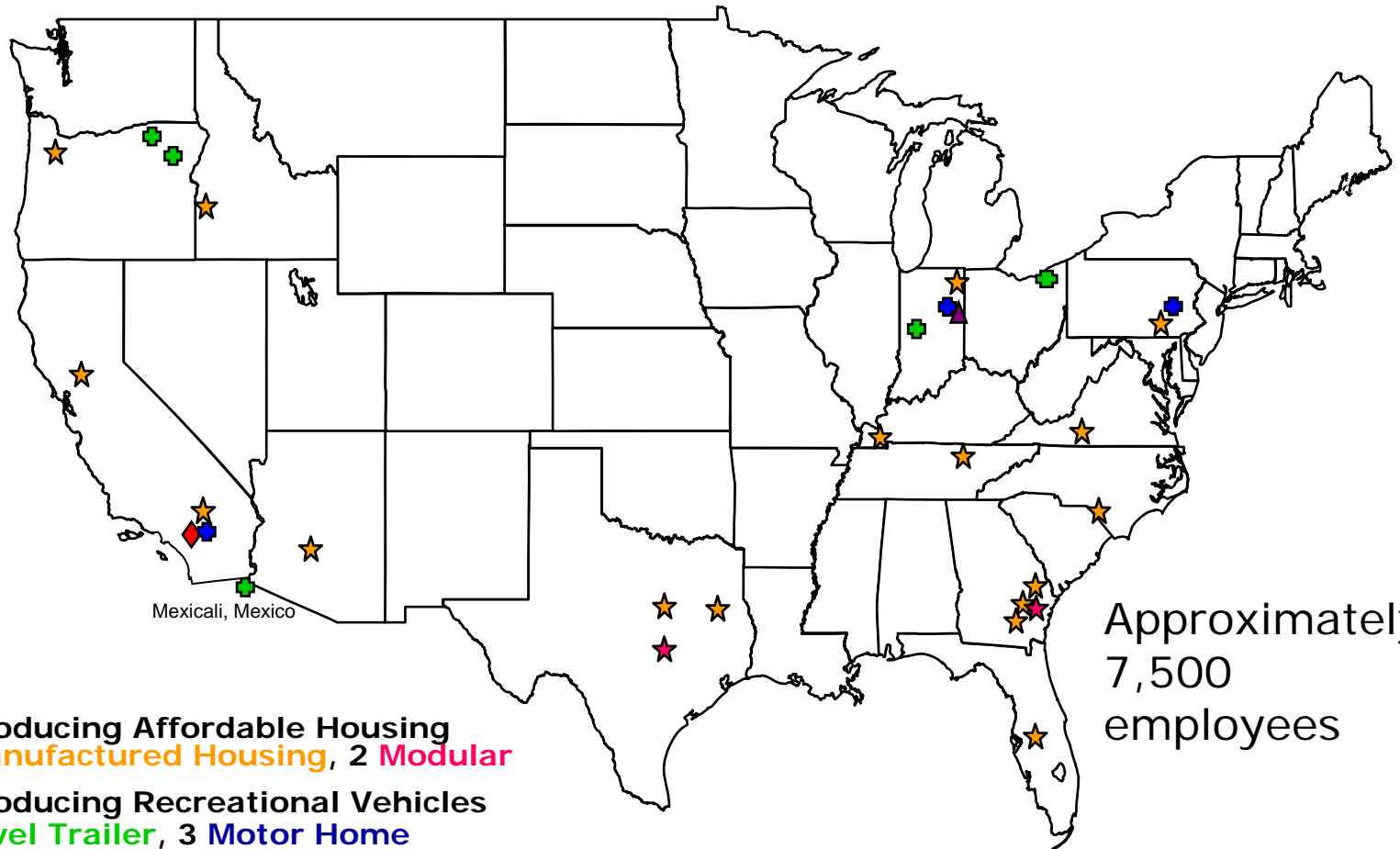
Leading Producer of Recreational Vehicles & Manufactured Housing

Revenue Distribution



Fiscal Year
'08 Sales:
***\$1.7
billion***

Facilities Are Strategically Located



- ★ Plants Producing Affordable Housing
17 **Manufactured Housing**, 2 **Modular**
- Plants Producing Recreational Vehicles
5 **Travel Trailer**, 3 **Motor Home**
- ▲ Plants Producing Components
1 Facility
- ◆ Corporate Office

Historical Perspective

- ❑ In 1999 and 2000, a prolonged manufactured housing slump began, and the RV market experienced a sharp but brief downturn
- ❑ Prior management adopted centralized, functional operational structure
- ❑ The combination set off several years of net losses
- ❑ These results led to a series of management changes
- ❑ Current leadership in place since March 2005
- ❑ Last three years in turnaround mode
- ❑ Significant progress made in organizational structure, products, operations, costs and balance sheet

Operating Strategy

- ❑ Concentrate on core businesses
 - Manufacturing high-quality, high-value RVs & homes
- ❑ Decentralize operations
 - Empowering those closest to the customer
- ❑ Increase market share
 - Targeting areas of greatest sales & profit potential
- ❑ Reduce costs/improve efficiencies
- ❑ Match manufacturing capacity to demand
- ❑ Focus energy & resources on regaining consistent profitability
- ❑ Develop and implement financial strategies that improve liquidity and reduce debt

Three Years of Restructuring Actions

- ❑ Sold or closed non-core businesses
 - Stemmed losses and/or eliminated distractions
 - Housing retail & finance; certain supply operations; folding trailers
- ❑ Closed or consolidated plant locations; realigned product mix
 - Improved capacity utilization and labor efficiency
- ❑ Organized operations into market-focused profit centers
 - Two stand-alone business units in RV Group; two regional divisions in Housing Group
- ❑ Lowered operating expenses by \$33M in FY '06; additional \$55M in FY '07
 - Average reduction of approximately \$10M per quarter through first three quarters of FY '08

Three Years of Restructuring Actions, cont'd.

- ❑ Reorganized sales force
 - RV sales aligned by brand; Housing sales aligned by plant-specific products
- ❑ Decentralized service and warranty
- ❑ Pushed authority for product development down
 - Decisions made closer to customers at division, regional or plant level rather than Group or Corporate level
- ❑ Expanded business units' authority
 - Sales, materials, manufacturing, environmental, and operational IT functions
- ❑ Increased revenue per associate by 15%
- ❑ Reduced corporate officers: 24 to 9

Current Status

- ❑ Major turnaround initiatives are largely in place
- ❑ Expect to see full annual impact of reductions in cost structure throughout fiscal 2009
- ❑ Other changes will be ongoing
 - Continued improvements in products, sales, manufacturing, service, with sustained positive financial impact expected
- ❑ Immediate actions focused by business unit
 - Initiatives to increase market share, improve volume and capacity utilization, and reach acceptable profitability in each
- ❑ Near-term strategic plans going forward
 - Expansion of RV product offerings to cover additional price points and niches with significant profit potential
 - Continued pursuit of opportunities in modular housing market
 - Aggressive approach to turning or closing non-performing business units and selling idle assets to bolster liquidity, reduce debt
- ❑ Developing future growth strategies

RV Group



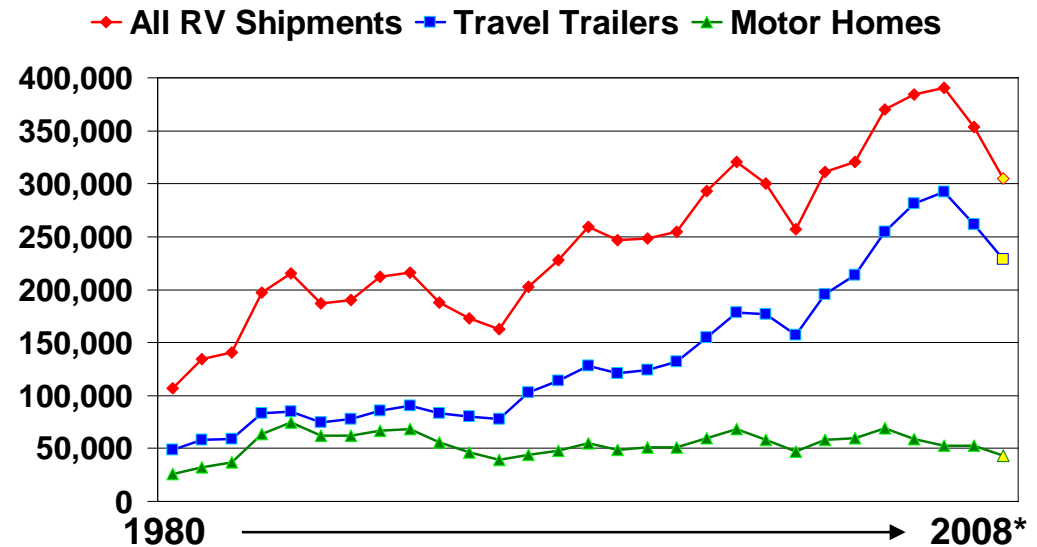
RV Group Overview

- ❑ Fleetwood is a leading producer of recreational vehicles in North America
- ❑ The business is organized into two primary divisions: motor homes and travel trailers
- ❑ FY 2008 sales of \$1.40 billion; 18,100 units shipped
- ❑ More than 1.7 million Fleetwood RVs sold since Company's inception
- ❑ Strong, well-established dealer networks and brands
 - More than 700 independent dealer locations

Favorable Long-Term Industry Trends

□ Travel data continues to be positive

- RVing remains relatively inexpensive mode of vacation travel
- However, fuel prices are short-term financial factor
- Lower consumer confidence affecting sales
- Most recently reported RV rental activity indicated growth of 30% in 2007
- RVers enjoy 16K+ campgrounds & resorts, plus other destination sites
- 2007 shipments of 353,400 were the fourth-highest in 30 years

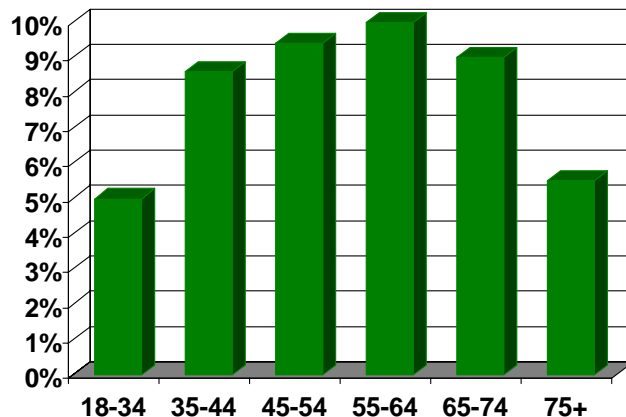


Source: Recreation Vehicle Industry Association (www.RVIA.org) and RV Rental Association Survey

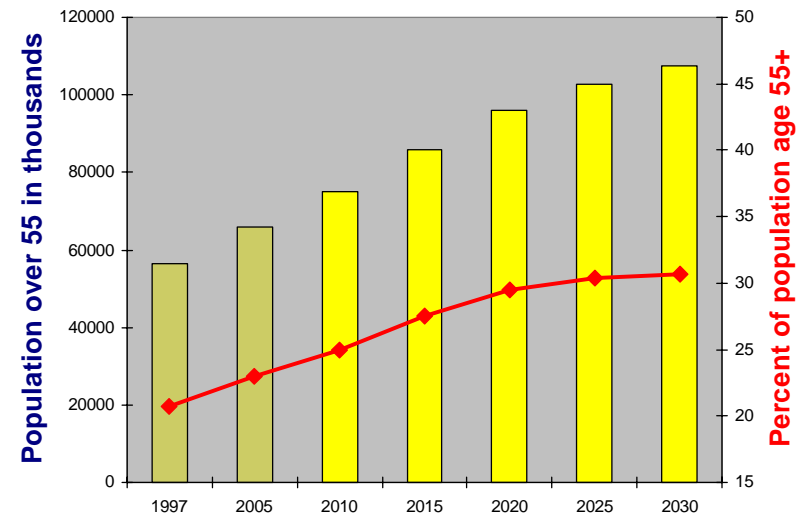
Favorable Long-Term Industry Trends, Cont'd.

- ❑ Demographics support promising long-term outlook
 - Baby boomers entering prime age range for purchase of RVs
- ❑ Expanding market
 - People living longer; entering RV market at younger age

RV Ownership by Age Groups



People Over Age of 55



Source: University of Michigan 2005 Survey; U.S. Census Bureau

Industry-Leading Position

- ❑ #2 motor home manufacturer overall (16.9% retail market share)
- ❑ #1 Class A motor home manufacturer (20.4% retail market share)
- ❑ #4 Class C motor home manufacturer (10.9% retail market share)
- ❑ #4 travel trailer manufacturer (4.6% retail market share)



Class A



Class C



Travel Trailer

Statistical Surveys, Inc. Data Through March 2008 (motor homes); February 2008 (trailers)

Motor Homes



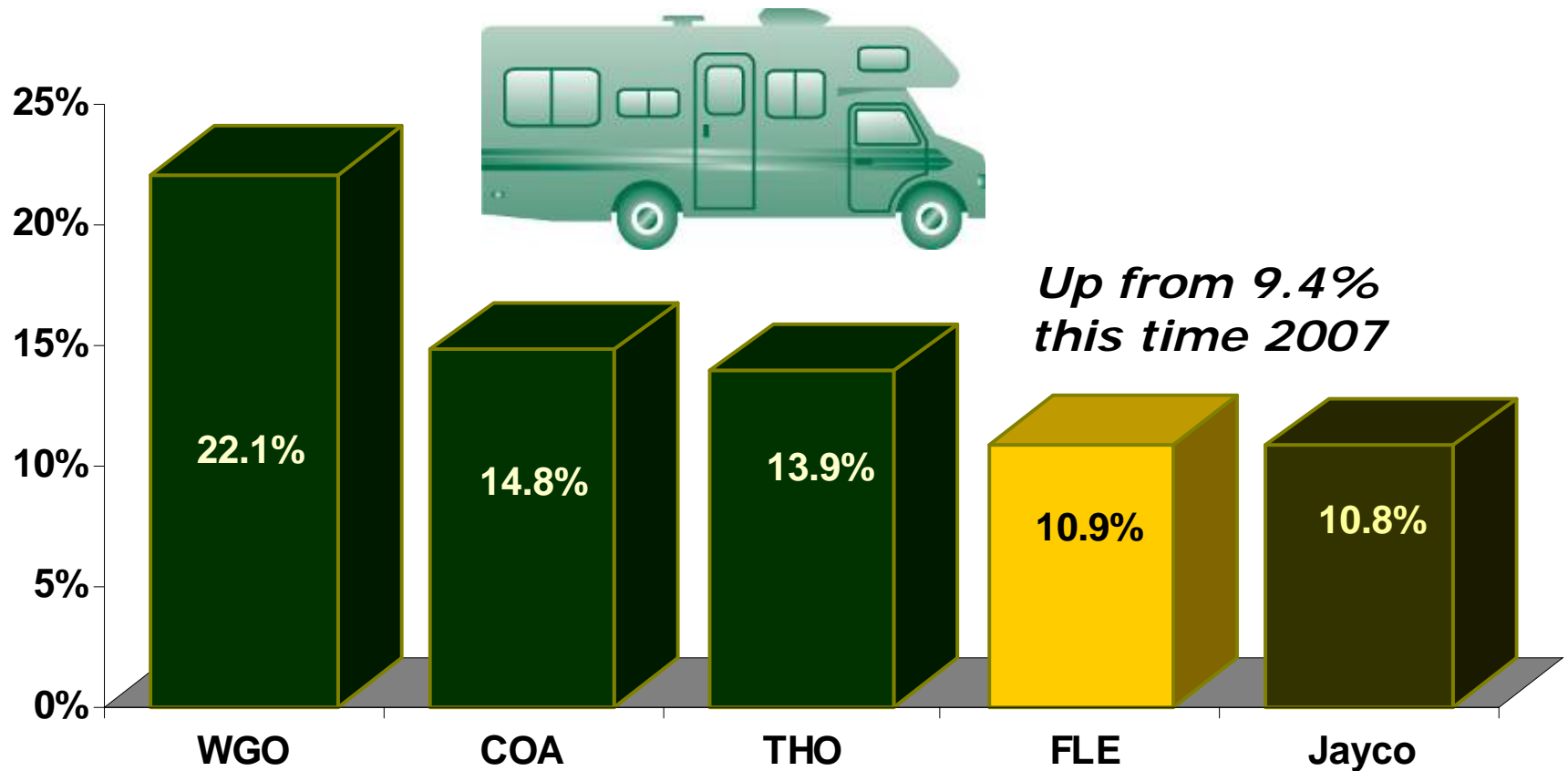
Motor Homes

- ❑ Cyclical downturn began in 2005
 - Rising fuel prices and uncertainty about interest rates led to lower consumer confidence
- ❑ Early CY 2007 shipments rebounded; subprime woes halted progress by fall
- ❑ FY 2008 Fleetwood sales of \$922 million (79% of RV Group sales)
- ❑ Increased product offerings:
 - New floor plans; more multiple slide-outs offered
 - Expanded use of our leading full-wall slide-out technology
 - New entry-level Class A models
 - New more fuel-efficient (Pulse/Icon) and affordable (Ranger/Sport) Class C models



Motor Home Leaders

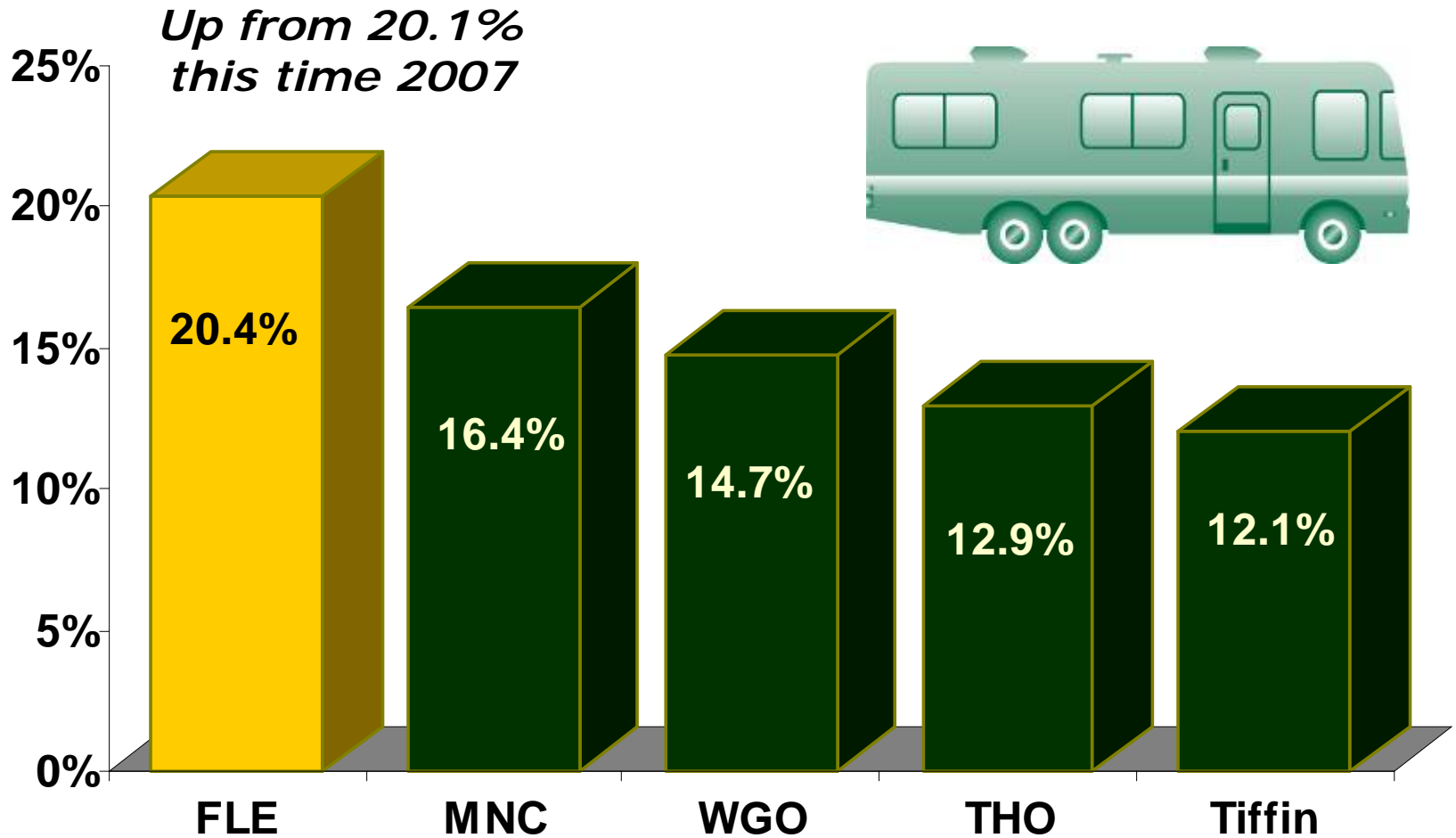
Retail Market Share (Class C)



Source: Statistical Surveys, Inc. Data Through March 2008

Motor Home Leaders

Retail Market Share (Class A)



Source: Statistical Surveys, Inc. Data Through March 2008

Travel Trailers



Travel Trailers

- ❑ FY 2008 sales of \$218 million (19% of RV Group)
- ❑ Industry downturn began in late fall 2006
- ❑ Challenging competitive market environment
- ❑ Fleetwood has lost market share in core products
 - Closed plants, discontinued product lines, dealers lowered inventory by 5,000+ units

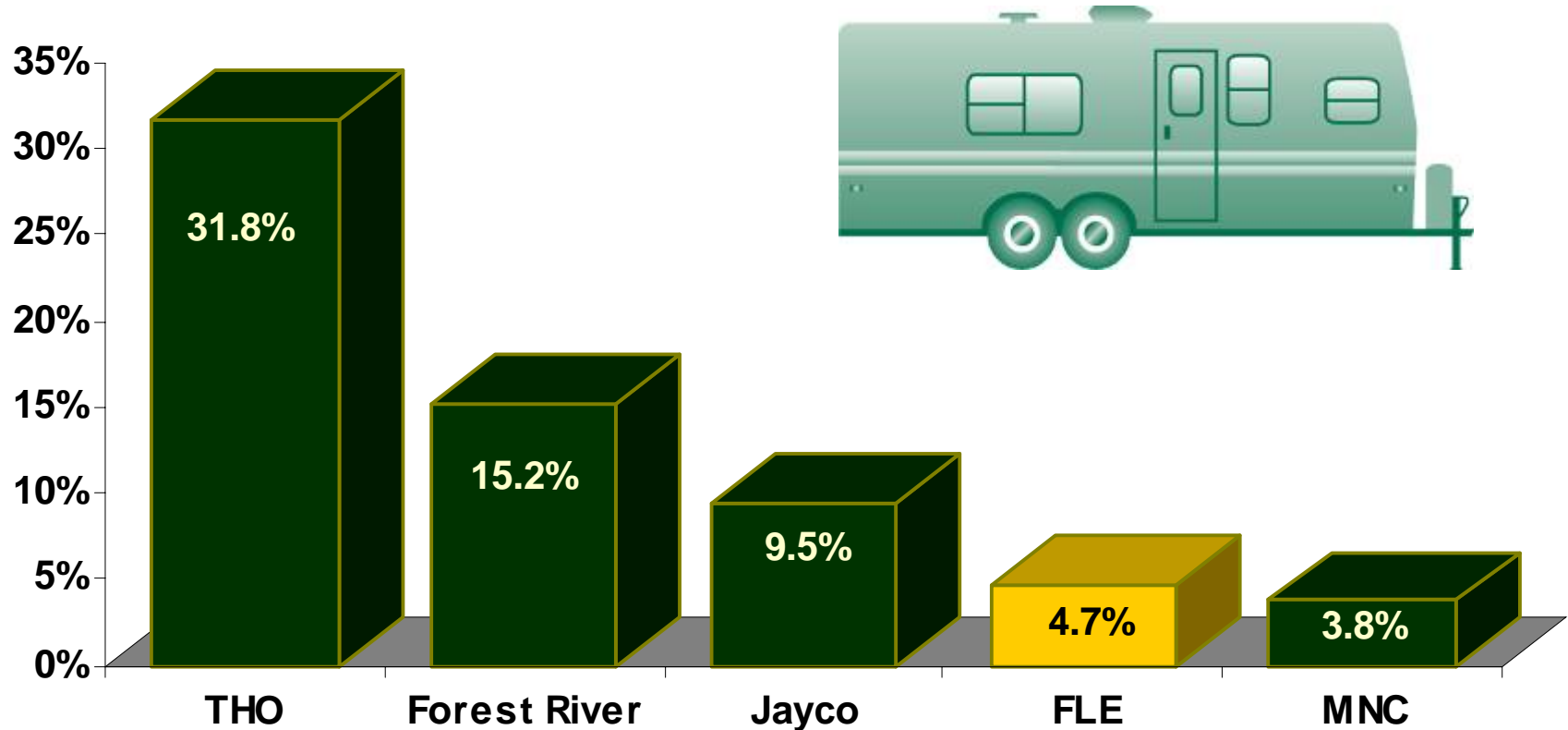


Travel Trailer Turnaround Actions

- ❑ Ongoing product innovation to provide improved, more competitive products
 - New models to be introduced Spring '08
- ❑ Restructuring initiatives in process
 - Closed five underperforming plants; redistributed product manufacturing throughout country to increase efficiencies
 - Discontinued slower-turning floor plans and models
 - Opened cost-efficient plant in Mexicali May '07 to build entry-level products
 - Negative impact of restructuring on FY '08 results greater than expected
 - Realized sustainable reductions in material, warranty and overhead costs
 - Additional restructuring in January '08 to yield annualized savings of \$4M
- ❑ CY 2008 labor efficiencies are best in more than five years, ex-FEMA production
- ❑ Continued improvements in capacity utilization, operating results, and revenues expected

Travel Trailer Leaders

Retail Market Share



Source: Statistical Surveys, Inc. Data Through February 2008

Recent Accomplishments – RV Group

- Successful product introductions
 - Motor home market share has held steady
 - Minimal discounting in a competitive environment
 - Introduced new motor home brands to fill gaps in Class C market and entry-level Class A's
 - Travel trailer market share decline has stabilized
- Product planning and development process significantly improved
- New strategic alliance to provide RV financing
 - Bank of America & Fleetwood formed Fleetwood Financial Services (FFS) in March
 - RV dealers provided with access to lower flooring costs and competitive retail financing for their customers
 - B of A has a leading share of financing in the RV industry

Housing Group



Single-Section



Multi-Section



Designer Interiors



Modular/Military

Housing Group Overview

- Single and multi-section homes built at plants nationwide
 - Building in a factory provides advantages in cost, speed, labor efficiency and use of materials
- Manufactured housing unit builds residential homes to the HUD code
 - Homes are primarily distributed through traditional independent dealers
- New modular business — Trendsetter Homes — builds residential multi-family homes and military barracks
 - Complies with model building codes adopted by states and municipalities, similar to site-built codes
 - Distribution includes builders/developers and government, including military
- Housing Group has remained profitable in very difficult environment

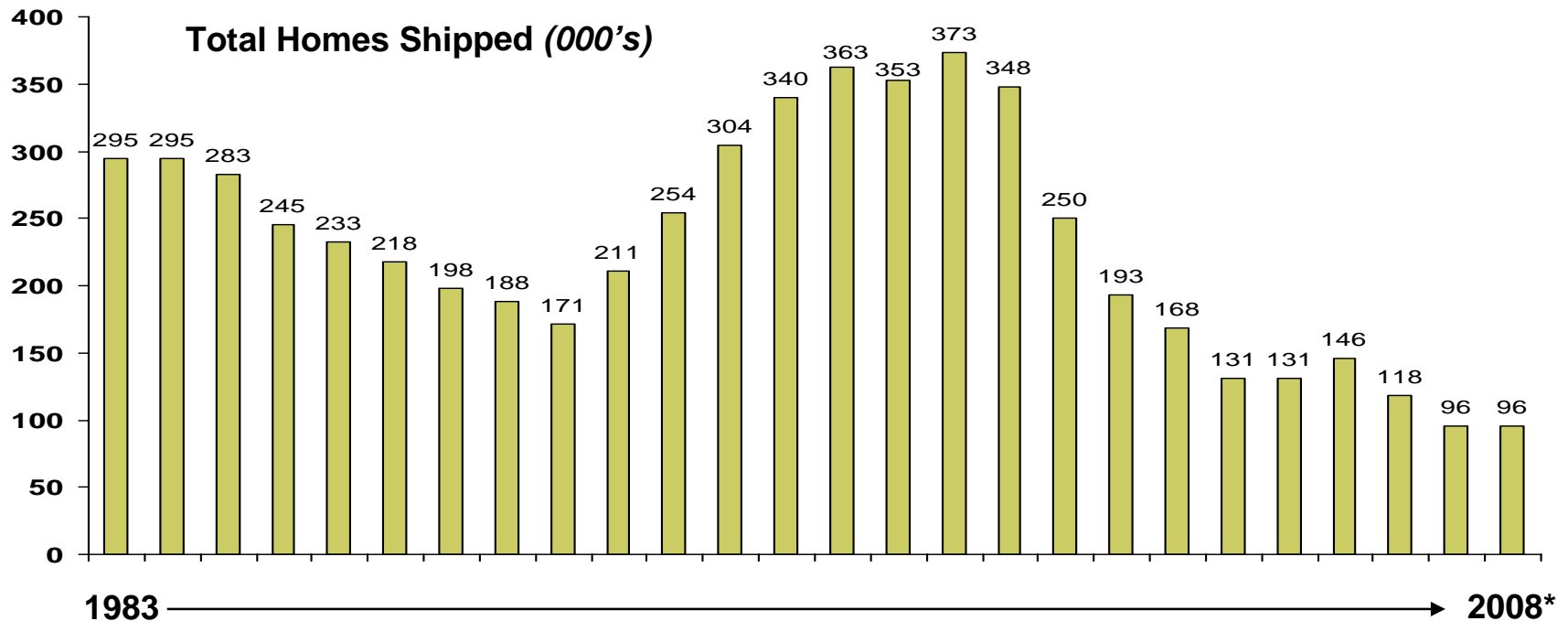
Advantages of Building in Factories

- ❑ Lower cost per square foot for similar home compared to site-built
- ❑ Speed of delivery
 - Averages half the time from decision to completion
- ❑ Availability of labor
- ❑ Controlled manufacturing environment
- ❑ More environmentally friendly
- ❑ Positive demographics in key segments
 - Immigrants, empty nesters, first-time buyers

Manufactured Housing Industry Conditions

- ❑ Retail demand is highly correlated to availability of competitive financing
- ❑ Industry experienced its “subprime crisis” in late '90s
- ❑ Result was fewer lenders with tighter underwriting standards
 - Lenders require high FICO scores, as well as higher interest rates and higher down payments than mortgage lenders
 - Land/home loan terms more competitive, but qualification still difficult
 - Our traditional customers, often first-time homebuyers or seniors downsizing their homes, frequently found monthly payments lower on site-built homes or condos due to subprime lending
- ❑ Reduced industry manufacturing capacity, dealer locations, and retail inventory

Manufactured Housing Shipments



Source: Manufactured Housing Institute; Company estimate for 2008

Manufactured Housing Industry Outlook

- ❑ Constant, growing demand in U.S. for affordable housing
 - Glut of site-built foreclosures and developer inventories is likely to delay growth opportunity
- ❑ Improved competitive position
 - Tightening lending policies on site-built homes will help factory-built housing
 - Declining vacancies and higher rents in apartments
- ❑ Favorable opportunities for potential lenders
- ❑ Continuing product improvements
 - Aesthetics, functionality, durability and set-up all improved since industry peak and continue to be a focus

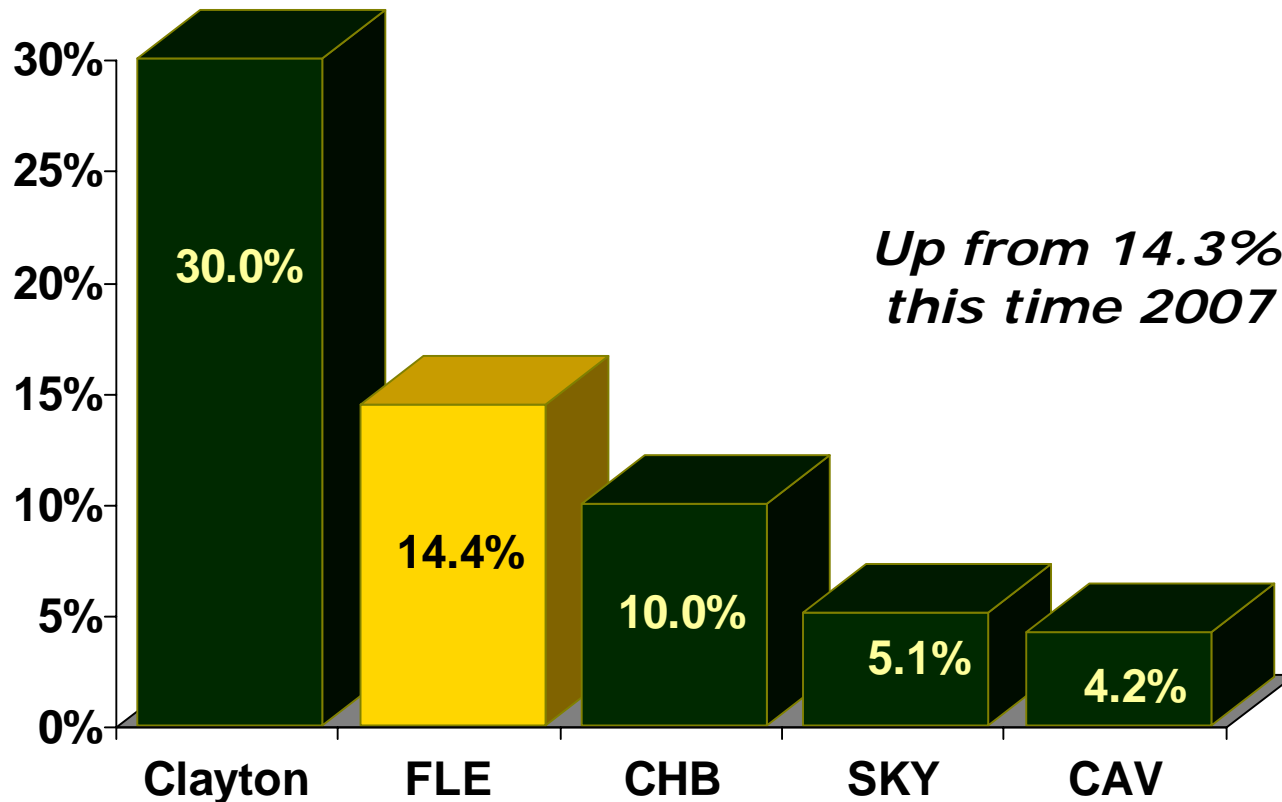
Manufactured Housing Division

- ❑ Second largest manufactured housing builder
- ❑ Sales of \$502 million in FY '08
- ❑ 12,810 Fleetwood manufactured homes built in calendar 2007
- ❑ More than 1.3 million Fleetwood homes sold since Company's inception
- ❑ Dramatically improving customer satisfaction indices
- ❑ 19 strategically located facilities
- ❑ 1,400 strong, independent retailers



Manufactured Housing Leaders

2008 YTD Retail Market Share



Source: Statistical Surveys, Inc. through February 2008

Modular Division

- ❑ Military barracks and other housing
 - Fleetwood has completed three barracks projects
 - Bidding process is proceeding on several others

- ❑ Modular home and condominium projects
 - Fleetwood is pursuing business with developers and builders
 - One condominium project finished; completed 36 units in another



- ❑ Positive outlook for modular housing expansion in areas where Fleetwood is positioned

Current Initiatives

- ❑ Priority on increasing market share, with accompanying higher volumes and improved labor efficiency
- ❑ Regional product development
 - Local handling of service and warranty
 - Closer relationships with distribution network
 - Improved oversight of home set-up through “Welcome Home” initiative
- ❑ Improved quality and service
 - Customer Satisfaction Index and Dealer Satisfaction Index provide objective measurement of progress
- ❑ Continued pursuit of modular housing opportunities



Financial Overview

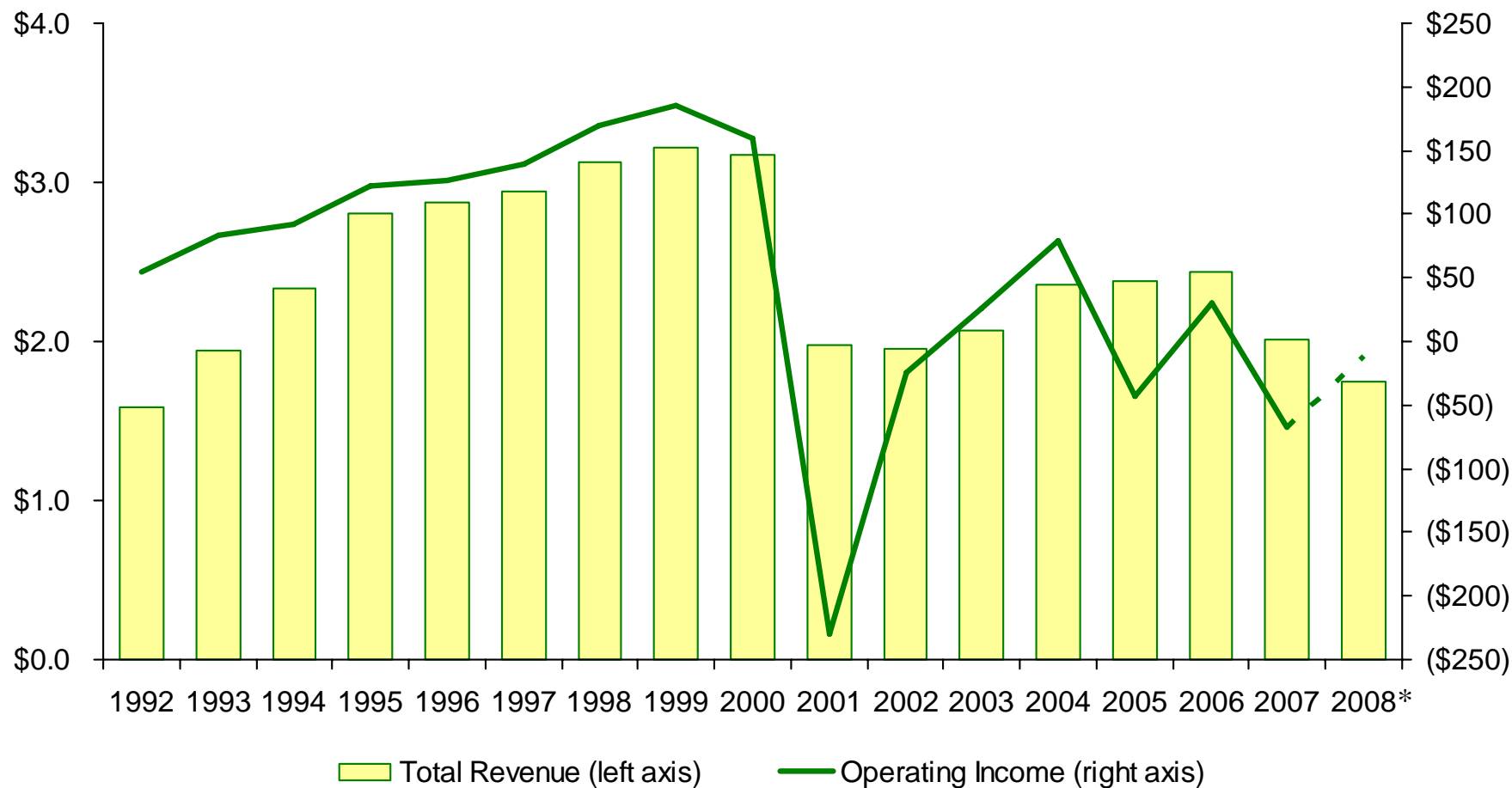


Revenues and Operating Income

(Not Adjusted for Discontinued Operations)

Revenue (\$ in billions)

Operating Income (\$ in millions)



* Operating income through Q3

Financial Progress

- ❑ Improved balance sheet
 - Disposition of Housing retail and finance operations
 - Disposition of 13 idle facilities since end of FY 2007
 - Disposition of folding trailer division
 - Payment of \$58.8 million accrued interest on 6% CTPS
 - Reduction in borrowing levels on revolving credit facility
 - Repurchase of \$50 million face value of 6% convertible debt for \$31 million
 - ❑ Reduced interest expense by \$3 million annually
 - ❑ Boosted shareholders' equity by ~\$15 million

Financial Progress, Cont'd.

- Restructuring initiatives yielding improvements
 - Operating costs reduced by \$33 million and \$55 million during FY '06 and FY '07, respectively
 - Focus on labor efficiencies, SG&A expenses and inventory controls
 - Additional reduction of approximately \$10M per quarter through first three quarters of FY '08
- Credit agreement revised, extended until July 2010
 - Terms include improved pricing schedule, lower fees and lower requirements for liquidity test and springing covenant
 - Recent modifications to permit sale of folding trailer division and prepayment of 5% debentures

December 2008 Put (5% Convertible Debentures)

- Holders of \$100M 5% convertible debentures likely to exercise put in December 2008
 - Can satisfy in cash and/or with stock
- Generated approximately \$60M of proceeds from real estate transactions in FY'08 (\$33.5M in fourth quarter)
 - Potential for additional proceeds of \$10-20M before December 15, 2008
- Several alternatives exist to address remaining debentures
 - Real estate financing
 - Mortgage financing on unencumbered properties (up to \$30M)
 - Second lien facility (expensive, less desirable)
 - Equity or equity-linked raise (new or exchange)
 - Only moderate dilution if needs are \$50M or less

Condensed Balance Sheets

(Amounts in thousands)

	<u>Jan 27, 2008</u>	<u>Apr 29, 2007</u>
<u>ASSETS</u>		
Cash and Investments	\$ 45,079	\$ 76,289
Receivables	118,717	123,535
Inventories	183,236	174,910
Other Assets	281,832	328,437
TOTAL ASSETS	<u>\$ 628,864</u>	<u>\$ 703,171</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Short-Term Borrowings	\$ 108,362	\$ 7,314
Other Current Liabilities	200,729	248,004
TOTAL CURRENT LIABILITIES	309,091	255,318
Other Long-Term Liabilities	78,370	86,050
Long-Term Debt	17,482	117,508
Convertible Subordinated Debentures	160,142	160,142
TOTAL LIABILITIES	<u>565,085</u>	<u>619,018</u>
SHAREHOLDERS' EQUITY	<u>63,779</u>	<u>84,153</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 628,864</u>	<u>\$ 703,171</u>

Note: not updated for recent sale of folding trailer division

Recent Results by Segment

(Amounts in millions)

	FY ENDED 4/27/08	FY ENDED 4/29/07	Q3 FY08 1/27/08	Q3 FY07 1/28/07
	<i>preliminary</i>			
REVENUES				
RV Group	\$ 1,164.0	\$ 1,400.9	\$ 243.0	\$ 320.1
Housing Group	502.0	518.4	96.7	108.7
TOTAL REVENUES	\$ 1,666.0	\$ 1,919.3	\$ 339.7	\$ 428.8
OPERATING INCOME (LOSS)				
RV Group		\$ (51.6)	\$ (5.0)	\$ (12.5)
Housing Group		(2.5)	(2.5)	(8.2)
Corporate and Other		(3.7)	(2.5)	(0.7)
TOTAL OPERATING INCOME (LOSS)		\$ (57.8)	\$ (10.0)	\$ (21.4)

Summary

- ❑ A leader in both the RV and factory-built housing industries
- ❑ Market expansion opportunities in both industries
- ❑ Primary businesses have favorable demographic trends
- ❑ Focus on product innovation; quality manufacturing
- ❑ Improving prospects for consistent profitability
- ❑ Strong brand recognition
- ❑ Improved financial position and reduced debt
- ❑ Operating leverage and large NOL provide upside earnings potential as manufactured housing and RV markets turn

