

Strong RV Sales Drive Thor Earnings

By JOHN KELL

Thor Industries Inc.'s profit surged for its fiscal first quarter as sales rose for recreational vehicles and buses and margins were helped by aggressive cost cutting.

"We were profitable in all business segments in the quarter, including motor homes, and our backlog remains at record levels for this time of year," said Chairman and Chief Executive Peter B. Orthwein.

The RV industry has been hit hard by higher gasoline prices and tight credit, although it was the second consecutive quarter that the world's largest maker of RVs posted a dramatically higher profit on improved margins and cost cutting.

The company's cost cutting and structure dominated by many small factories has helped it avoid the financial disasters that led to bankruptcy filings by its two big rivals, Fleetwood Enterprises Inc. and Monaco Coach Corp.

Thor reported earnings of \$23.4 million, or 42 cents a share, for the quarter ended Oct. 31, up from \$5.1 million, or nine cents a share, a year earlier.

Sales climbed 15% to \$502.6 million, rising 18% for RVs and 4% for buses.

RV earnings rose more than five-fold from last year, while bus earnings rose 18%.

Gross margins jumped to 13.9% from 9.2%.

Thor's former chairman, Wade F.B. Thompson, died of cancer in November. Mr. Thompson founded the company in 1980 with Mr. Orthwein.