HSBC HOLDINGS PLC
Form IRANNOTICE
February 28, 2014

U.S. Securities and Exchange Commission

100 F Street, N.E.

Washington, DC 20549

USA

February 28, 2014

Re: Notice of disclosure filed in Securities Exchange Act Annual Report under Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 and Section 13(r) of the Exchange Act

Ladies and Gentlemen:

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 and Section 13(r) of the Securities Exchange Act of 1934, as amended, notice is hereby provided that HSBC Holdings plc has made disclosure pursuant to those provisions in its Annual Report on Form 20-F for the year ended December 31, 2013, which was filed with the U.S. Securities and Exchange Commission on February 28, 2014.

Respectfully submitted,

/s/ Stuart Levey
Stuart Levey
Chief Legal Officer

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ily:ARIAL" SIZE="2">Our growth has been internal and by acquisition. Our strategy has been to increase our profitability in North America in the RV industry through product innovation, service to our customers, manufacturing quality products, improving the efficiencies of our facilities and by acquisitions. We have no plans to enter unrelated businesses in the future.

We have relied on internally generated cash flows from operations to finance substantially all our growth, although we may borrow to make an acquisition if we believe the incremental cash flows will provide for rapid payback. Capital expenditures of $16,161 for the six months ended January 31, 2015 were made primarily for land and production building additions and improvements, as well as for replacing machinery and equipment used in the ordinary course of business.

Recent Events

On January 5, 2015, the Company closed on a Stock Purchase Agreement (CRV/DRV SPA) for the acquisition of all the outstanding membership units of towable recreational vehicle manufacturer Cruiser RV, LLC (CRV) and luxury fifth wheel towable recreational vehicle manufacturer DRV, LLC (DRV) by its Heartland Recreational Vehicles, LLC subsidiary (Heartland). In accordance with the CRV/DRV SPA, the closing was deemed effective as of January 1, 2015. As contemplated in the CRV/DRV SPA, the Company also acquired, in a series of integrated transactions, certain real estate used in the ongoing operations of CRV and DRV. The initial cash consideration for this acquisition was $47,412, subject to adjustment. The Company purchased CRV and DRV to expand its towable recreational vehicle market share and to supplement and expand its existing lightweight travel trailer and luxury fifth wheel product offerings and dealer base.

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 manufacturers RV production and delivery to dealers. In addition, we also monitor monthly retail sales trends as reported by Stat Surveys, whose 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.

We believe our dealer inventory levels are appropriate for seasonal consumer demand. RV dealer inventory of Thor products as of January 31, 2015 increased 27.1% to 76,441 units from 60,149 units as of January 31, 2014, partially attributable to acquisitions since the prior year and to winter weather conditions which hampered deliveries in January 2014. Thor s backlog as of January 31, 2015 increased 11.5% to $942,060 from $845,178 as of January 31, 2014, also partially attributable to acquisitions since the prior year.

Industry Wholesale Statistics

Key wholesale statistics for the RV industry, as reported by RVIA, are as follows:

	U.S. and Canada Wholesale Unit Shipments			
	Calendar Year			%
	2014	2013	Increase	Change
Towable Units	312,784	282,795	29,989	10.6
Motorized Units	43,951	38,332	5,619	14.7
Total	356,735	321,127	35,608	11.1

According to the RVIA, calendar year 2015 shipments for towables and motorized units will approximate 315,200 and 46,200 units, respectively, which are 0.8% and 5.1% higher than the calendar year 2014 wholesale shipments noted above and the highest combined total since the record levels of 2006. Travel trailers and fifth wheels are expected to account for 83% of all RV shipments in calendar year 2015. The outlook for calendar year 2015 growth in RV sales is based on rising consumer confidence, rising home and stock values, improved credit availability and continued gains in job and disposable income prospects.

Industry Retail Statistics

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.

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

	U.S. and Canada Retail Unit Registrations			
	Calendar Year			%
	2014	2013	Increase	Change
Towable Units	287,478	268,019	19,459	7.3
Motorized Units	38,690	33,462	5,228	15.6
Total	326,168	301,481	24,687	8.2

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

Company Wholesale Statistics

The Company s wholesale RV shipments, for the calendar year periods through December 31, 2014 and 2013 to correspond to the industry periods denoted above, were as follows:

	U.S. and Canada Wholesale Unit Shipments			
	Calendar Year			%
	2014	2013	Increase	Change
Towable Units	108,704	97,244	11,460	11.8
Motorized Units	10,923	8,446	2,477	29.3
Total	119,627	105,690	13,937	13.2

Company Retail Statistics

Retail statistics of the Company s RV products, as reported by Stat Surveys, for the calendar year periods through December 31, 2014 and 2013 to correspond to the industry periods denoted above (and adjusted to include results of acquisitions only from the date of acquisition forward), were as follows:

	U.S. and Canada Retail Unit Registrations			
	Calendar Year			%
	2014	2013	Increase	Change
Towable Units	102,540	94,686	7,854	8.3
Motorized Units	9,164	7,788	1,376	17.7
Total	111,704	102,474	9,230	9.0

Our outlook for future growth in retail sales is dependent upon various economic conditions faced by consumers such as the rate of unemployment, the level of consumer confidence, the growth in disposable income of consumers, changes in interest rates, credit availability, the pace of recovery in the housing market, the impact of rising taxes and fuel prices. With continued improvement in consumer confidence, availability of retail and wholesale credit, low interest rates and the absence of negative economic factors, we would expect to see additional incremental improvements in RV sales and expect to benefit from our ability to increase production to meet increasing demand. In recent years, the industry has benefited from growing retail sales to younger consumers with new product offerings targeted to younger, more active families. In addition, a positive longer-term outlook for the RV business 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 74 will total 78 million by 2025, 24% higher than in 2012 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, and any future increases in raw material costs would impact our profit margins negatively if we were unable to raise the prices for our products by corresponding amounts. Historically, we have been able to pass along cost increases to customers.

To date, we have not experienced any unusual cost increases from our chassis suppliers. The recreational vehicle industry has, from time to time, experienced shortages of chassis due to various causes such as component shortages, production delays or work stoppages at the chassis manufacturers which has impacted our sales and earnings. We believe that the current supply of chassis used in our motorized RV production is adequate for current production levels and that available inventory would compensate for short-term changes in supply schedules if they occur.

Three Months Ended January 31, 2015 vs. Three Months Ended January 31, 2014

	Three Months Ended January 31, 2015	Three Months Ended January 31, 2014	Change Amount	% Change
NET SALES:				
Recreational Vehicles				
Towables	$ 675,090	$ 472,474	$ 202,616	42.9
Motorized	177,326	162,856	14,470	8.9
Total	$ 852,416	$ 635,330	$ 217,086	34.2
# OF UNITS:				
Recreational Vehicles				
Towables	24,795	17,108	7,687	44.9
Motorized	2,181	2,037	144	7.1
Total	26,976	19,145	7,831	40.9

		% of Segment Net Sales		% of Segment Net Sales	Change Amount	% Change
GROSS PROFIT:						
Recreational Vehicles						
Towables	$ 80,694	12.0	$ 50,641	10.7	$ 30,053	59.3
Motorized	21,306	12.0	19,686	12.1	1,620	8.2
Total	$ 102,000	12.0	$ 70,327	11.1	$ 31,673	45.0
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:						
Recreational Vehicles						
Towables	$ 36,517	5.4	$ 28,572	6.0	$ 7,945	27.8
Motorized	9,433	5.3	8,493	5.2	940	11.1
Total Recreational Vehicles	45,950	5.4	37,065	5.8	8,885	24.0
Corporate	8,352		6,701		1,651	24.6
Total	$ 54,302	6.4	$ 43,766	6.9	$ 10,536	24.1
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES:						
Recreational Vehicles						
Towables	$ 40,320	6.0	$ 18,915	4.0	$ 21,405	113.2
Motorized	11,867	6.7	11,193	6.9	674	6.0
Total Recreational Vehicles	52,187	6.1	30,108	4.7	22,079	73.3
Corporate	(8,050)		(6,206)		(1,844)	29.7
Total	$ 44,137	5.2	$ 23,902	3.8	$ 20,235	84.7

	As of January 31, 2015	As of January 31, 2014	Change Amount	% Change
ORDER BACKLOG:				
Recreational Vehicles				
Towables	$ 626,052	$ 501,882	$ 124,170	24.7
Motorized	316,008	343,296	(27,288)	(7.9)
Total	$ 942,060	$ 845,178	$ 96,882	11.5

CONSOLIDATED

Consolidated net sales for the three months ended January 31, 2015 increased $217,086, or 34.2%, compared to the three months ended January 31, 2014. Consolidated gross profit increased $31,673, or 45.0%, compared to the three months ended January 31, 2014. Consolidated gross profit was 12.0% of consolidated net sales for the three months ended January 31, 2015 and 11.1% for the three months ended January 31, 2014. Selling, general and administrative expenses for the three months ended January 31, 2015 increased 24.1% compared to the three months ended January 31, 2014. Income from continuing operations before income taxes for the three months ended January 31, 2015 was $44,137, as compared to $23,902 for the three months ended January 31, 2014, an increase of $20,235 or 84.7%. The reasons for the changes in net sales, gross profit, selling, general and administrative expenses and income before income taxes are addressed in the segment reporting that follows.

Corporate costs included in selling, general and administrative expenses increased $1,651 to $8,352 for the three months ended January 31, 2015 compared to $6,701 for the three months ended January 31, 2014. The increase is attributable to an increase in professional fees of $717, and an increase in bonuses of $619 in correlation with the increase in income from continuing operations before income taxes. Stock-based compensation also increased by $490.

Corporate interest income and other income and expense was $302 of income for the three months ended January 31, 2015 compared to $495 of income for the three months ended January 31, 2014. The $193 decrease is due to a decrease in overall interest income of $69, primarily due to reduced interest income on notes receivable as a result of lower note balances. In addition, the market value appreciation on the Company s deferred compensation plan assets was $21 in the current year as compared to appreciation of $110 in the prior year, an unfavorable decrease of $89.

The overall effective income tax rate for the three months ended January 31, 2015 was 31.4% compared with 28.0% for the three months ended January 31, 2014. The primary reason for the increase in the effective income tax rate is due to uncertain tax benefits that settled favorably in the three months ended January 31, 2014 while no such settlements occurred in the three months ended January 31, 2015. For the three months ended January 31, 2015, the Company recorded a tax benefit from the retroactive reinstatement of the federal research and development credit and other credits that were enacted on December 19, 2014.

Segment Reporting

TOWABLE RECREATIONAL VEHICLES

Analysis of the change in net sales for the three months ended January 31, 2015 vs. the three months ended January 31, 2014:

	Three Months Ended January 31, 2015	% of Segment Net Sales	Three Months Ended January 31, 2014	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
Towables						
Travel Trailers	$ 344,812	51.1	$ 225,325	47.7	$ 119,487	53.0
Fifth Wheels	328,689	48.7	242,832	51.4	85,857	35.4
Other	1,589	0.2	4,317	0.9	(2,728)	(63.2)
Total Towables	$ 675,090	100.0	$ 472,474	100.0	$ 202,616	42.9

	Three Months Ended January 31, 2015	% of Segment Shipments	Three Months Ended January 31, 2014	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
Towables						
Travel Trailers	17,071	68.8	10,919	63.8	6,152	56.3
Fifth Wheels	7,569	30.5	5,940	34.7	1,629	27.4
Other	155	0.7	249	1.5	(94)	(37.8)
Total Towables	24,795	100.0	17,108	100.0	7,687	44.9

Impact of Change in Mix and Price on Net Sales:	% Increase (Decrease)
Towables	
Travel Trailers	(3.3)
Fifth Wheels	8.0
Other	(25.4)
Total Towables	(2.0)

The increase in total towables net sales of 42.9% compared to the prior year quarter resulted from a 44.9% increase in unit shipments and a 2.0% decrease in the impact of the change in the overall net price per unit. The overall industry increase in combined travel trailer and fifth wheel wholesale unit shipments for the three months ended January 31, 2015 was 20.5% compared to the same period last year according to statistics published by RVIA.

The decrease in the overall net price per unit within the travel trailer product lines of 3.3% is primarily due to product mix, as sales in the current period include a higher concentration of entry-level to mid-level product lines as compared to the prior year period, which is partially attributable to recent acquisitions. The increase in the overall net price per unit within the fifth wheel product lines of 8.0% is primarily due to net price increases and changes in product mix since the comparable prior year period.

Cost of products sold increased $172,563 to $594,396, or 88.0% of towables net sales, for the three months ended January 31, 2015 compared to $421,833, or 89.3% of towables net sales, for the three months ended January 31, 2014. The change in material, labor, freight-out and warranty comprised $163,885 of the $172,563 increase in cost of products sold due to increased sales volume. Material, labor, freight-out and warranty as a combined percentage of towables net sales decreased to 81.5% for the three months ended January 31, 2015 compared to 81.8% for the three months ended January 31, 2014. Total manufacturing overhead increased $8,678 with the increase in sales, but decreased as a percentage of towables net sales from 7.5% to 6.5% as the increased production resulted in better absorption of fixed overhead costs.

Towables gross profit increased $30,053 to $80,694, or 12.0% of towables net sales, for the three months ended January 31, 2015 compared to $50,641, or 10.7% of towables net sales, for the three months ended January 31, 2014. The $30,053 increase was primarily due to the increase in net sales noted above.

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Selling, general and administrative expenses were $36,517, or 5.4% of towables net sales, for the three months ended January 31, 2015 compared to $28,572, or 6.0% of towables net sales, for the three months ended January 31, 2014. The primary reason for the $7,945 increase was increased towables net sales and towables income before income taxes, which caused related commissions, bonuses and other compensation to increase by $5,175. Sales related travel, advertising and promotional costs also increased $1,018 in correlation with the sales and backlog increases. Repurchase costs also increased $593.

Towables income before income taxes was 6.0% of towables net sales for the three months ended January 31, 2015 compared to 4.0% of towables net sales for the three months ended January 31, 2014. The primary reason for this increase in percentage was the impact of the increase in net towables sales noted above.

MOTORIZED RECREATIONAL VEHICLES

Analysis of the change in net sales for the three months ended January 31, 2015 vs. the three months ended January 31, 2014:

	Three Months Ended January 31, 2015	% of Segment Net Sales	Three Months Ended January 31, 2014	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
Motorized						
Class A	$ 108,080	60.9	$ 94,464	58.0	$ 13,616	14.4
Class C	51,074	28.8	51,004	31.3	70	0.1
Class B	18,172	10.3	17,388	10.7	784	4.5
Total Motorized	$ 177,326	100.0	$ 162,856	100.0	$ 14,470	8.9

	Three Months Ended January 31, 2015	% of Segment Shipments	Three Months Ended January 31, 2014	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
Motorized						
Class A	1,199	55.0	1,006	49.4	193	19.2
Class C	831	38.1	879	43.2	(48)	(5.5)
Class B	151	6.9	152	7.4	(1)	(0.7)
Total Motorized	2,181	100.0	2,037	100.0	144	7.1

Impact of Change in Mix and Price on Net Sales:	% Increase (Decrease)
Motorized	
Class A	(4.8)
Class C	5.6
Class B	5.2
Total Motorized	1.8

The increase in total motorized net sales of 8.9% compared to the prior year quarter resulted from a 7.1% increase in unit shipments and a 1.8% increase in the impact of the change in the overall net price per unit. The overall market increase in wholesale unit shipments of motorhomes was 5.8% for the three months ended January 31, 2015 compared to the same period last year according to statistics published by RVIA.

The decrease in the overall net price per unit within the Class A product line of 4.8% is primarily due to a shift in the concentration of sales from the generally larger and more expensive diesel units to the more moderately priced gas units compared to a year ago. Increasing sales from a newer line of innovative product offerings of smaller, more moderately priced units that still offer many of the same amenities as larger models also contributed to the decrease. The increase in the overall net price per unit within the Class C product line of 5.6% is primarily due to changes in product mix and net price increases. Within the Class B product line, the increase in the overall net price per unit of 5.2% is due to a greater concentration of sales of higher priced models and net price increases.

Cost of products sold increased $12,850 to $156,020, or 88.0% of motorized net sales, for the three months ended January 31, 2015 compared to $143,170, or 87.9% of motorized net sales, for the three months ended January 31, 2014. The change in material, labor, freight-out and warranty comprised $11,885 of the $12,850 increase due to increased sales volume. Material, labor, freight-out and warranty as a combined percentage of motorized net sales was 82.9% compared to 83.0% for the prior year period. Total manufacturing overhead increased $965 with the increase in sales volume and increased as a percentage of motorized net sales from 4.9% to 5.1%. The increase in percentage is primarily due to increased percentages in facility related costs as a result of facility expansions since the prior year period.

Motorized gross profit increased $1,620 to $21,306, or 12.0% of motorized net sales, for the three months ended January 31, 2015 compared to $19,686, or 12.1% of motorized net sales, for the three months ended January 31, 2014. The $1,620 increase in gross profit was due primarily to the impact of the 7.1% increase in unit sales volume noted above, while the decrease in gross profit as a percentage of motorized net sales was due to the increase in the cost of products sold percentage noted above.

Selling, general and administrative expenses were $9,433, or 5.3% of motorized net sales, for the three months ended January 31, 2015 compared to $8,493, or 5.2% of motorized net sales, for the three months ended January 31, 2014. The primary reason for the $940 increase was increased motorized net sales and motorized income before income taxes, which caused related commissions, bonuses and other compensation to increase by $779.

Motorized income before income taxes was 6.7% of motorized net sales for the three months ended January 31, 2015 and 6.9% of motorized net sales for the three months ended January 31, 2014. The primary reason for this decrease in percentage was the impact of the increases in the cost of products sold and selling, general and administrative expense percentages noted above.

Six Months Ended January 31, 2015 vs. Six Months Ended January 31, 2014

	Six Months Ended January 31, 2015	Six Months Ended January 31, 2014	Change Amount	% Change
NET SALES:				
Recreational Vehicles				
Towables	$ 1,374,868	$ 1,095,327	$ 279,541	25.5
Motorized	399,540	339,966	59,574	17.5
Total	$ 1,774,408	$ 1,435,293	$ 339,115	23.6
# OF UNITS:				
Recreational Vehicles				
Towables	51,242	40,088	11,154	27.8
Motorized	4,915	4,216	699	16.6
Total	56,157	44,304	11,853	26.8

		% of Segment Net Sales		% of Segment Net Sales	Change Amount	% Change
GROSS PROFIT:						
Recreational Vehicles						
Towables	$ 172,300	12.5	$ 133,471	12.2	$ 38,829	29.1
Motorized	47,365	11.9	42,039	12.4	5,326	12.7
Total	$ 219,665	12.4	$ 175,510	12.2	$ 44,155	25.2
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:						
Recreational Vehicles						
Towables	$ 75,282	5.5	$ 62,219	5.7	$ 13,063	21.0
Motorized	20,380	5.1	17,434	5.1	2,946	16.9
Total Recreational Vehicles	95,662	5.4	79,653	5.5	16,009	20.1
Corporate	16,629		12,454		4,175	33.5
Total	$ 112,291	6.3	$ 92,107	6.4	$ 20,184	21.9
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES:						
Recreational Vehicles						
Towables	$ 89,619	6.5	$ 64,539	5.9	$ 25,080	38.9
Motorized	26,968	6.7	24,636	7.2	2,332	9.5
Total Recreational Vehicles	116,587	6.6	89,175	6.2	27,412	30.7
Corporate	(15,744)		(10,832)		(4,912)	(45.3)
Total	$ 100,843	5.7	$ 78,343	5.5	$ 22,500	28.7

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CONSOLIDATED

Consolidated net sales for the six months ended January 31, 2015 increased $339,115, or 23.6%, compared to the six months ended January 31, 2014. Consolidated gross profit increased $44,155, or 25.2%, compared to the six months ended January 31, 2014. Consolidated gross profit was 12.4% of consolidated net sales for the six months ended January 31, 2015 and 12.2% for the six months ended January 31, 2014. Selling, general and administrative expenses for the six months ended January 31, 2015 increased 21.9% compared to the six months ended January 31, 2014. Income from continuing operations before income taxes for the six months ended January 31, 2015 was $100,843, as compared to $78,343 for the six months ended January 31, 2014, an increase of $22,500 or 28.7%. The reasons for the changes in net sales, gross profit, selling, general and administrative expenses and income before income taxes are addressed in the segment reporting that follows.

Corporate costs included in selling, general and administrative expenses increased $4,175 to $16,629 for the six months ended January 31, 2015 compared to $12,454 for the six months ended January 31, 2014. The increase is primarily attributable to increases of $1,473 and $376, respectively, related to the change in the portion of our actuarially determined worker s compensation and product liability reserves recorded at the corporate level. These increases are largely due to the prior year period including non-recurring favorable adjustments. Stock-based compensation also increased by $1,159, and bonuses increased by $714 in correlation with the increase in income from continuing operations before income taxes.

Corporate interest income and other income and expense was $885 of income for the six months ended January 31, 2015 compared to $1,622 of income for the six months ended January 31, 2014. The $737 decrease is due to a decrease in overall interest income of $242, primarily due to reduced interest income on notes receivable as a result of lower note balances. In addition, the market value appreciation on the Company s deferred compensation plan assets was $267 in the current year as compared to appreciation of $609 in the prior year, an unfavorable decrease of $342.

The overall effective income tax rate for the six months ended January 31, 2015 was 31.1% compared with 31.6% for the six months ended January 31, 2014. The primary reason for the decrease in the effective income tax rate was the retroactive reinstatement of the federal research and development credit and other credits that occurred during the six months ended January 31, 2015. In addition, the effective income tax rates for the fiscal 2014 and fiscal 2015 periods were both impacted, to a similar extent, by various uncertain tax benefits that settled favorably.

Segment Reporting

TOWABLE RECREATIONAL VEHICLES

Analysis of the change in net sales for the six months ended January 31, 2015 vs. the six months ended January 31, 2014:

	Six Months Ended January 31, 2015	% of Segment Net Sales	Six Months Ended January 31, 2014	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
Towables						
Travel Trailers	$ 701,530	51.0	$ 545,091	49.8	$ 156,439	28.7
Fifth Wheels	668,980	48.7	541,230	49.4	127,750	23.6
Other	4,358	0.3	9,006	0.8	(4,648)	(51.6)
Total Towables	$ 1,374,868	100.0	$ 1,095,327	100.0	$ 279,541	25.5

	Six Months Ended January 31, 2015	% of Segment Shipments	Six Months Ended January 31, 2014	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
Towables						
Travel Trailers	35,208	68.7	26,397	65.8	8,811	33.4
Fifth Wheels	15,657	30.6	13,233	33.0	2,424	18.3
Other	377	0.7	458	1.2	(81)	(17.7)
Total Towables	51,242	100.0	40,088	100.0	11,154	27.8

	% Increase (Decrease)
Impact of Change in Mix and Price on Net Sales:	
Towables	
Travel Trailers	(4.7)
Fifth Wheels	5.3
Other	(33.9)
Total Towables	(2.3)

The increase in total towables net sales of 25.5% compared to the prior year quarter resulted from a 27.8% increase in unit shipments and a 2.3% decrease in the impact of the change in the overall net price per unit. The overall industry increase in combined travel trailer and fifth wheel wholesale unit shipments for the six months ended January 31, 2015 was 14.4% compared to the same period last year according to statistics published by RVIA.

The decrease in the overall net price per unit within the travel trailer product lines of 4.7% is primarily due to product mix, as sales in the current period include a higher concentration of entry-level to mid-level product lines as compared to the prior year period, which is partially attributable to recent acquisitions. The increase in the overall net price per unit within the fifth wheel product lines of 5.3% is primarily due to net price increases and changes in product mix since the comparable prior year period.

Cost of products sold increased $240,712 to $1,202,568, or 87.5% of towables net sales, for the six months ended January 31, 2015 compared to $961,856, or 87.8% of towables net sales, for the six months ended January 31, 2014. The change in material, labor, freight-out and warranty comprised $225,812 of the $240,712 increase in cost of products sold due to increased sales volume. Material, labor, freight-out and warranty as a combined percentage of towables net sales decreased slightly to 81.4% for the six months ended January 31, 2015 compared to 81.5% for the six months ended January 31, 2014. Total manufacturing overhead increased $14,900 with the increase in sales, but decreased as a percentage of towables net sales from 6.3% to 6.1%, as the increase in production resulted in better absorption of fixed overhead costs.

Towables gross profit increased $38,829 to $172,300, or 12.5% of towables net sales, for the six months ended January 31, 2015 compared to $133,471, or 12.2% of towables net sales, for the six months ended January 31, 2014. The $38,829 increase was primarily due to the increase in net sales noted above.

Selling, general and administrative expenses were $75,282, or 5.5% of towables net sales, for the six months ended January 31, 2015 compared to $62,219, or 5.7% of towables net sales, for the six months ended January 31, 2014. The primary reason for the $13,063 increase was increased towables net sales and towables income before income taxes, which caused related commissions, bonuses and other compensation to increase by $7,751. Sales related travel, advertising and promotional costs also increased $2,000 in correlation with the sales and backlog increase. Legal, professional and related settlement costs also increased $895, and self-insured group insurance costs and repurchase costs both increased $668 each.

Towables income before income taxes was 6.5% of towables net sales for the six months ended January 31, 2015 compared to 5.9% of towables net sales for the six months ended January 31, 2014. The primary reason for this increase in percentage was the impact of the increase in towables net sales noted above.

MOTORIZED RECREATIONAL VEHICLES

Analysis of the change in net sales for the six months ended January 31, 2015 vs. the six months ended January 31, 2014:

	Six Months Ended January 31, 2015	% of Segment Net Sales	Six Months Ended January 31, 2014	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
Motorized						
Class A	$ 245,928	61.6	$ 198,998	58.5	$ 46,930	23.6
Class C	113,914	28.5	109,628	32.2	4,286	3.9
Class B	39,698	9.9	31,340	9.3	8,358	26.7
Total Motorized	$ 399,540	100.0	$ 339,966	100.0	$ 59,574	17.5

	Six Months Ended January 31, 2015	% of Segment Shipments	Six Months Ended January 31, 2014	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
Motorized						
Class A	2,750	56.0	2,083	49.4	667	32.0
Class C	1,825	37.1	1,856	44.0	(31)	(1.7)
Class B	340	6.9	277	6.6	63	22.7
Total Motorized	4,915	100.0	4,216	100.0	699	16.6

	% Increase (Decrease)
Impact of Change in Mix and Price on Net Sales:	
Motorized	
Class A	(8.4)
Class C	5.6
Class B	4.0
Total Motorized	0.9

The increase in total motorized net sales of 17.5% compared to the prior year quarter resulted from a 16.6% increase in unit shipments and a 0.9% increase in the impact of the change in the overall net price per unit. The overall market increase in wholesale unit shipments of motorhomes was 9.7% for the six months ended January 31, 2015 compared to the same period last year according to statistics published by RVIA.

The decrease in the overall net price per unit within the Class A product line of 8.4% is primarily due to a shift in the concentration of sales from the generally larger and more expensive diesel units to the more moderately priced gas units compared to a year ago. Increasing sales from a newer line of innovative product offerings of smaller, more moderately priced units that still offer many of the same amenities as larger models also contributed to the decrease. The increase in the overall net price per unit within the Class C product line of 5.6% is primarily due to changes in product mix and net price increases. Within the Class B product line, the increase in the overall net price per unit of 4.0% is due to a greater concentration of sales of higher priced models and net price increases.

Cost of products sold increased $54,248 to $352,175, or 88.1% of motorized net sales, for the six months ended January 31, 2015 compared to $297,927, or 87.6% of motorized net sales, for the six months ended January 31, 2014. The change in material, labor, freight-out and warranty comprised $50,703 of the $54,248 increase due to increased sales volume. Material, labor, freight-out and warranty as a combined percentage of motorized net sales increased slightly to 83.4% compared to 83.2% for the prior year period. The increase in percentage is primarily due to the combination of assimilating an increasing labor force while expanding production lines and product offerings in the past year leading to an increase in the warranty percentage. Total manufacturing overhead increased $3,545 with the increase in sales volume and increased as a percentage of motorized net sales from 4.4% to 4.7%. The increase in percentage is primarily due to increased percentages in facility related costs as a result of facility expansions since the prior year period.

Motorized gross profit increased $5,326 to $47,365, or 11.9% of motorized net sales, for the six months ended January 31, 2015 compared to $42,039, or 12.4% of motorized net sales, for the six months ended January 31, 2014. The $5,326 increase in gross profit was due primarily to the impact of the 16.6% increase in unit sales volume noted above, while the decrease in gross profit as a percentage of motorized net sales was due to the increase in the cost of products sold percentage noted above.

Selling, general and administrative expenses were $20,380, or 5.1% of motorized net sales, for the six months ended January 31, 2015 compared to $17,434, or 5.1% of motorized net sales, for the six months ended January 31, 2014. The primary reason for the $2,946 increase was increased motorized net sales and motorized income before income taxes, which caused related commissions, bonuses and other compensation to increase by $2,059. Sales related travel, advertising and promotion costs also increased $488 in correlation with the increase in sales.

Motorized income before income taxes was 6.7% of motorized net sales for the six months ended January 31, 2015 and 7.2% of motorized net sales for the six months ended January 31, 2014. The primary reason for this decrease in percentage was the impact of the increase in the cost of products sold percentage noted above.

Financial Condition and Liquidity

As of January 31, 2015, we had $248,256 in cash and cash equivalents compared to $289,336 on July 31, 2014. The components of this $41,080 decrease in cash and cash equivalents are described in more detail below, but the decrease is primarily attributable to cash provided by operations of $53,162, less $28,824 paid for dividends, $46,350 of net cash paid for the acquisition of the CRV and DRV recreational vehicle businesses and $16,161 paid for capital expenditures.

Working capital at January 31, 2015 was $482,598 compared to $473,334 at July 31, 2014. Capital expenditures of $16,161 for the six months ended January 31, 2015 were made primarily for land and production building additions and improvements, as well as replacing machinery and equipment used in the ordinary course of business.

We believe our cash and cash equivalents on hand and funds generated from operations will be sufficient to fund expected future operational requirements. We have relied on internally generated cash flows from operations to finance substantially all our growth. We may, however, consider debt to make an acquisition.

Our three main priorities for the use of current and future available cash include supporting and growing our core RV business, both organically and through acquisitions, maintaining and growing our regular dividends over time and strategic share repurchases or special dividends as determined by the Company s Board.

In regard to supporting and growing our business, we anticipate additional capital expenditures in fiscal 2015 of approximately $25,000, primarily for expanding our recreational vehicle facilities and replacing and upgrading machinery, equipment and other assets to be used in the ordinary course of business. We may also consider additional strategic growth acquisitions that complement or expand our ongoing RV operations.

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.

Future purchases of the Company s common stock or special cash dividends may occur based upon market and business conditions, and excess cash availability, subject to applicable legal limitations and determination by the Board.

Operating Activities

Net cash provided by operating activities for the six months ended January 31, 2015 was $53,162 as compared to net cash used in operating activities of $17,845 for the six months ended January 31, 2014. For the six months ended January 31, 2015, net income adjusted for non-cash items (primarily depreciation, amortization of intangibles, impairment charges, deferred income tax provision (benefit), gain on disposal of bus business and stock-based compensation) resulted in $83,473 of operating cash. The changes in working capital used $30,311 of operating cash during that period, primarily due to an increase in inventory in correlation with the increase in current sales and production levels and backlog. For the six months ended January 31, 2014, net income adjusted for non-cash items resulted in $69,366 of operating cash. Changes in working capital used $87,211 during that period, primarily due to a larger than usual increase in inventory due to increasing backlogs and inclement weather disrupting January 2014 production and shipments. In addition, required income tax payments also increased.

Investing Activities

Net cash used in investing activities for the six months ended January 31, 2015 was $63,970, primarily due to net cash of $46,350 paid for the acquisition of the CRV and DRV towable recreational vehicle businesses, capital expenditures of $16,161 and a final purchase price adjustment payment of $2,915 related to the fiscal 2014 acquisition of the KZ towable recreational vehicle business. Net cash provided by investing activities of $61,868 for the six months ended January 31, 2014 was primarily due to $100,000 in net cash consideration received from the sale of the bus business and $6,425 in proceeds received on notes receivable, partially offset by $16,769 and $16,718 of net cash consideration paid for the acquisitions of the Livin   Lite and Bison towable recreational vehicle businesses, respectively, and capital expenditures of $12,671.

Financing Activities

Net cash used in financing activities for the six months ended January 31, 2015 was $30,272, primarily for regular quarterly cash dividend payments of $0.27 per share for each of the first two quarters of fiscal 2015 totaling $28,824. Net cash used in financing activities of $75,764 for the six months ended January 31, 2014 was also primarily for cash dividend payments of $77,800. The Company paid a regular quarterly $0.23 per share dividend in each of the first two quarters of fiscal 2014 totaling $24,510 and a special $1.00 per share dividend in November 2013 of $53,290. The Company increased its previous regular quarterly dividend of $0.23 per share to $0.27 per share in October 2014. In October 2013, the Company increased its previous regular quarterly dividend of $0.18 per share to $0.23 per share.

Accounting Pronouncements

Reference is made to Note 1 of our Condensed Consolidated Financial Statements contained in this report for a summary of recently issued accounting pronouncements, which summary is hereby incorporated by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

None

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures , as such term is defined under Exchange Act Rule 13a-15(e), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and our management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company has carried out an evaluation, as of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC s rules and forms and accumulated and communicated to our management as appropriate to allow for timely decisions regarding required disclosures.

During the quarter ended January 31, 2015, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II Other Information

ITEM 1. LEGAL PROCEEDINGS

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. Litigation is, however, inherently uncertain and an adverse outcome from such litigation could have a material effect on the operating results of a particular reporting period.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2014, except as noted below.

Relative strength of the U.S. dollar may impact sales

Although our sales to dealers are made in U.S. dollars, we have historically generated considerable sales in Canada. The current strength of the U.S. dollar relative to the Canadian dollar has impacted sales in Canada. Should the U.S. dollar remain strong or further strengthen relative to the Canadian dollar, sales will likely be negatively impacted.

Business acquisitions pose integration risks

Recent business acquisitions, including the most recent acquisition of CRV/DRV in the second quarter of fiscal 2015, and the merger of subsidiaries within Thor, pose a number of potential integration risks that may result in us experiencing negative consequences to our business, financial condition or results of operations. The transaction activity, the integration of recently acquired assets, operations and companies and the merger of subsidiaries within Thor involve a number of related risks, including, but not limited to:

Demands on management related to various transaction and integration activities;

The diversion of management s attention from the management of daily operations to the integration of operations;

The assimilation and retention of employees;

The ability of the management teams at these entities to meet operational and financial expectations;

The integration of departments and systems, including accounting systems, technologies, books and records and procedures; and

The establishment or maintenance of uniform standards and controls, including internal accounting controls, procedures and policies.

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ITEM 6. EXHIBITS

Exhibit	Description
10.1	Stock Purchase Agreement, dated January 5, 2015, by and among Heartland Recreational Vehicles, LLC and David E. Fought, Jeffrey D. Fought, Paul R. Corman, Robert L. Tiedge, John J. Mohamed, E. Dale Fenton, Dan E. Van Liew, Sidnaw Corporation, and Laure R. Cunningham*
31.1	Chief Executive Officer s Certification filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Chief Financial Officer s Certification filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chief Executive Officer s Certification furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Chief Financial Officer s Certification furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

Attached as Exhibits 101 to this report are the following financial statements from the Company s Quarterly report on Form 10-Q for the quarter ended January 31, 2015 formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Income and Comprehensive Income, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) related notes to these financial statements.

* The schedules and exhibits referenced in the Stock Purchase Agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THOR INDUSTRIES, INC.
(Registrant)

DATE: March 5, 2015

/s/ Robert W. Martin
Robert W. Martin
President and Chief Executive Officer

DATE: March 5, 2015

/s/ Colleen Zuhl
Colleen Zuhl
Vice President and Chief Financial Officer