

Speaker: Product Planning Manager for Motorized Products, who spoke after the senior vice president of strategic planning and market development.

Thank you, [NAME].

[AD LIB INTRO AS DESIRED]

As many of you know, it is the responsibility of the product planning group to decide what goes into — and what does NOT go into — our new products.

I have to say, it's been a little frustrating for us the past few years — we have not been able to make the sweeping changes we would have liked to have made to our American Coaches.

We've known for a while that we needed to have triple and quad slide floorplans. But triple and quad slides are not easy to build.

Generally speaking, cutting holes, aka slide-outs, in the sides of a motor home often has a negative effect on the structural integrity of the entire coach. And our prior structure did not have the necessary strength to accommodate triple or quad slide-outs.

So we made some rather sweeping changes.

You see, we asked Spartan — who had all our American Coach chassis business — and Freightliner to help us develop a completely new chassis structure. Sometimes you have to shake things up a bit to achieve a higher level of innovation.

AND A HIGHER LEVEL OF INNOVATION IT IS...

The Liberty Chassis is the mother of all chassis!! It is unlike anything the industry has ever seen! It was designed to act as a bridge between the front and back of the motor home and can accommodate clip-on fronts and rears from either Spartan or Freightliner — the components are interchangeable. As you just heard from Scott, we have a patent pending on the Liberty Chassis.

This design has the added benefit of carrying all the weight of the motor home on the chassis *without having to depend upon the motor home itself for additional structural integrity.*

This aspect of the chassis yields three distinct opportunities for us:

Previously, we were limited by the constraints of the old chassis design. With the new Liberty Chassis, we are no longer limited as far as the size and length of the slide-outs. We can cut whatever holes we want to cut without compromising the structural integrity of the overall motor home.

Second, because the Liberty Chassis does what a chassis is supposed to do—that is, provide the structural support for the entire RV — the suspension system can do what IT is supposed to do — absorb the vibration from the road to provide a comfortable ride for the driver and passengers.

On the slide behind me you can see a nickel standing on its edge on a Liberty Chassis rail, with the engine running! We challenge our competitors to demonstrate this. They would first need to find a rail that's straight and flat enough to place a nickel on it even without running the motor.

If the Liberty Chassis is this good at idle, just imagine what it feels like while driving!

Third, because the chassis is so strong, we are able to use aluminum instead of steel to construct the roof, floors and wall framing. This lowers the center of gravity of the motor home and further enhances the ride.

(Slide 4b – Show nickel on the chassis photo or faded in background with text building [see below]: Increased towing capacity 12K & 15K; Two-way leveling system; Entire Surface E-Coated)

These three key elements produce a host of other functionalities that will significantly benefit the motorhome owner. For one thing, we are now able to increase the towing capacity — up to 12,000 pounds for the Freightliner option and up to 15,000 pounds for the Spartan option.

For another, we are now able to add a two-way leveling option wherein the owner can level the Coach with the standard hydraulic jack system OR by using the air suspension system. The air suspension system allows you to level the coach by using just the air springs. This is a great system when your leveling jacks are a bad idea, such as when you are in Tempe, Arizona, it is 100 degrees in the shade, and you are parked on asphalt! We did change the hydraulic jacks to a 4 jack system and to a power down and up system, just in case you did put them down in Tempe in 100 degree weather.

Oh, and one other thing... You know those complaints you get from customers who look underneath and see rust forming on the chassis? You and I both know that that it would take a century of rust before that chassis' strength is compromised, but let's face it, appearance is everything, right? So, we e-coated the entire surface of the chassis.

If you are not familiar with e-coating, this is something the military has done for years to protect their Humvees that are driven on the worst roads in the world, summer and winter. E-coating, or electro-coating, provides incredible corrosion protection for steel parts like chassis.

E-coating uses an electrical current to deposit a very uniform coat of paint on the entire chassis by immersing it several times in a bath of oppositely charged paint particles. The chassis is then baked in an oven to cure the paint.

That is a very technical explanation... the point I'm making here is, you — and your customers — will never see rust on the Liberty Chassis. Never. Period.

So, there you have the *Liberty* Chassis... a fitting name for something going into the all new *American Coach*, don't you think?

[PAUSE A QUICK MOMENT FOR REACTION; GET THEM TO NOD THEIR HEADS]

The name Liberty is also significant because this chassis gives us the liberty to be extremely flexible in terms of design options. As I said before, the structural integrity of this chassis is so strong, we can cut all holes we want to cut.

And we cut some very nice holes!

For the '04 American Coach, we offer 15 floor plans — 11 of which are brand new — including 4 double slides, 8 triple slides and 3 quad slides.

And SINCE we could be so flexible in terms of options, and SINCE we were starting practically from scratch, and SINCE we were able to redesign practically everything, we were finally able to give customers what they've always wanted in an RV.

But first we had to make sure we understood exactly what customers really want in an RV.

So, as you just heard from Scott, we held focus group after focus group after focus group. Sometimes with couples, sometimes just the men, sometimes just the women... after all, you guys know better than I do that it's the women who make most of the purchasing decisions — am I right?

[Wait for some response]

Right. Anyway, through these focus groups, we learned more about the things we KNEW we needed to change, and we learned more about the things we DIDN'T know we needed to change.

For instance, Mrs. [NAME] here — a loyal Eagle owner — was part of a focus group in Perry, GA. A very opinionated lady — but I mean that in a GOOD way!

On one occasion, Mrs. [NAME] said to me, “[NAME], does your wife travel with you in the motor home?”

I told her yes, she does.

Mrs. [NAME] then asked, “[NAME], does your wife bring more than one pair of shoes with her when you travel in your coach?”

I said, yes, I believe she does.

Mrs. [NAME] then asked me, “[NAME], where does she put all those pairs of shoes???”

I didn’t have an answer for her.

Mrs. [NAME] said, “[NAME], why don’t you guys design shoe storage?”

So we put shoe storage on the wish list.

Mrs. [NAME] also had issue with the Corian logo on the countertop. She told me, “[NAME], I’m glad you put Corian countertops in my Eagle, they really are lovely. But can you possibly put the Corian logo on the backsplash instead of right here on the countertop where dirt keeps collecting around it all the time?”

So we put that on the wish list.

At one of the Oklahoma City Rallies, my old boss and I and two other people went around in golf carts and visited with competitive brand owners. We asked them why they did not buy our coaches, whether or not they even considered them, that sort of thing.

We even ended up talking to none other than Beaver Dan, Beaver Club Vice-President, whom we surveyed right there in his Beaver Marquis. He actually gave us some very good insight.

By the time we were done with all our focus groups, our wish list was about 20 pages long. Now, as much as we would like to, we could not possible do everything on the list. It would make for a million dollar coach. It was up to product planning to decide what we could — and should — do, and what we couldn’t — and shouldn’t — do.

So we did a little follow up research to make sure we really understood what they wanted and to determine how we could truly accommodate their wishes.

As a result... We made over 200 product improvements on Eagle and Tradition.

Before I tell you about some of the newer options, I want to mention that we looked very closely at the options that have a very high incidence of usage, and we decided to make 16 of these options standard. Let me go over a few of the items on that list:

- Two-piece rear ladder
- Rear rock guard
- Power antenna
- Double corian galley gink
- Diagonal tile by front entry
- Pleated shades in the bedroom
- Obscure glass in the shower
- Power luggage door locks
- Low profile AC w/ heat pumps

As for new options... well, as I stated earlier, we could do just about anything we wanted to... and we nearly did!

Based on our customer research, we changed everything from the interior design to the exterior design. We changed the furniture styling, the lighting style, and the color options. We changed so many things that I cannot possibly go over all of them tonight... but I WILL talk about some of our bigger and more innovative changes.

(Slide 13a – Build the following options on the slide - One-piece windshield)

Because of the incredible structural integrity of the Liberty Chassis, we were able to design a one-piece windshield for Eagle. This really enhances the driver's experience on the road. Try it, it feels like riding in a tour bus.

We also built in a rear spoiler to keep the back of the RV cleaner — including the camera lens — and we installed a back-up alarm on the chassis, something that dozens of customers asked for.

Many customers also asked us to build the seat belts into the captains' chairs rather than having them bolted to the wall. This was harder to do than it might seem... and a lot more expensive, too. This was one of those instances where we had to make a judgment call as to whether it was worth that kind of extra money. We decided it was worth it to make the customer happy.

Oh, and the drawers... you know how it is with these drawers – they're rated for up to one pound, but you know that people try to stuff nine pounds into them.

Used to be our drawers were designed so that you had to pull them up before you could pull them out, but no one ever got that right and they always broke and never worked the same. Just ask our service crew.

I am proud to announce that our drawers are now built with full extension hardware that will be easier to use, stay in place when the Coach is in motion, and cause fewer complaints. This was not a cheap fix, but it was something we felt we had to do.

We also have:

- An exterior temperature gauge and compass
- Integrated spoiler in the Eagle rear cap
- New Eagle furniture
- Side turn signal repeater
- Full Coach water filtration system — rather than just the galley sink
- Whole House Surge protector
- Wall mounted outlets throughout the coach instead of under the cabinets
- Powered Water reel
- Security and turn signal cameras

- Front and rear 32" plasma TV
- Insta-hot faucet in the galley

I could go on and on... really, there are that many new features in the '04 coaches.

The point of all this is that the all-new American Eagle and Tradition has been designed and built to please the customer, which means that the customer will buy it.

Make that MANY customers will buy it. So be ready!

Thank you!