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FOR IMMEDIATE RELEASE

CAVCO INDUSTRIES REPORTS FISCAL FOURTH QUARTER AND YEAR END RESULTS Completes Acquisition of Palm Harbor Homes

PHOENIX, May 5, 2011 – Cavco Industries, Inc. (NASDAQ: CVCO) today announced financial results for the fourth quarter and fiscal year ended March 31, 2011.

Net sales for the fourth quarter of fiscal 2011 totaled \$38,822,000, up 7% from \$36,271,000 for the fourth quarter of fiscal year 2010. Net income attributable to Cavco stockholders for the fiscal 2011 fourth quarter was \$1,609,000 compared to a net loss of \$729,000 reported in the same quarter one year ago. The company recognized an income tax benefit of \$950,000 because of a change in Arizona state income tax rates enacted during the fourth quarter of fiscal 2011. Net income per share based on basic and diluted weighted average shares outstanding was \$0.24 and \$0.23, respectively, versus basic and diluted net loss per share of \$0.11 last year.

For the fiscal year ended March 31, 2011, net sales increased 49% to \$171,827,000 from \$115,612,000 for fiscal year 2010. The prior year period includes the financial results of Fleetwood Homes since August 17, 2009, the date of acquisition, as previously disclosed. Net income attributable to Cavco stockholders for fiscal year 2011 was \$2,831,000 compared to a net loss of \$3,371,000 last year. For fiscal 2011, net income per share based on basic and diluted weighted average shares outstanding was \$0.43 and \$0.41, respectively, versus basic and diluted net loss per share of \$0.52 for the prior year period.

Referring to fiscal year 2011 fourth quarter results, Dan Urness, Vice President and Chief Financial Officer said, “Operations during the final fiscal quarter were adversely affected by low incoming order rates, minimal backlogs, and intense competition. However, our operations people effectively managed costs to help improve gross profit as a percentage of net sales to 13.7% this quarter compared to 8.8% during the fourth quarter of fiscal 2010. The overall financial results this quarter, while favorable in light of depressed economic conditions, were bolstered by \$782,000 of interest income from the debtor-in-possession loan that Cavco’s subsidiary, Fleetwood Homes, Inc., provided to Palm Harbor Homes, Inc., a competitor, during that company’s bankruptcy proceedings.”

On April 23, 2011, Fleetwood Homes, Inc., a subsidiary owned 50% by Cavco and 50% by Third Avenue Value Fund (TAVFX), purchased substantially all of Palm Harbor’s assets and certain liabilities. Palm Harbor is a manufacturer and marketer of factory-built housing and a provider of related consumer financing and insurance products. The aggregate gross purchase price of \$83.9 million is exclusive of transaction costs, specified liabilities assumed and post-closing adjustments. Of the purchase price, approximately \$45.3 million was used to retire the debtor-in-possession loan previously made by Fleetwood Homes to Palm Harbor; and \$13.4 million was deposited in escrow pending regulatory sale approval for the stock of Standard Casualty Co., at which time the escrowed funds will be released to the Palm Harbor estate. The purchase price was funded by Fleetwood Homes’ cash on hand along with equal equity contributions from Cavco and Third Avenue. Transaction costs incurred relating to the Palm Harbor acquisition were \$175,000 for the three months ended March 31, 2011 and \$272,000 for fiscal year 2011. We expect to have additional transaction-related expenses during fiscal year 2012.

Included in the purchased assets were five operating factory-built home production facilities, idled factories in nine locations, 49 operating retail locations, one office building, real estate, all related equipment, accounts receivable, customer deposits, inventory, certain trademarks and trade names, intellectual property, and specified contracts and leases. All outstanding shares of CountryPlace Acceptance Corp., CountryPlace Mortgage, Ltd. and their wholly-owned finance subsidiaries were also part of the purchase. Further, the transaction included the assumption of certain liabilities

of Palm Harbor, including primarily, certain warranty obligations. As described above, the completion of the acquisition of Standard Casualty Company is pending regulatory approval.

Commenting on fiscal year 2011, Joseph Stegmayer, Chairman, President and Chief Executive Officer said, "We are pleased to report positive results for the year. Although market conditions were extremely challenging, Cavco's emphasis on product design flexibility, quality and excellent customer service continue to facilitate and complement the company's growth." Regarding the Palm Harbor transaction, Mr. Stegmayer commented, "The successful purchase of the Palm Harbor assets provides further geographic expansion, increased home distribution, and entry into financial and insurance businesses specific to our industry. Palm Harbor's strong reputation for product quality and exceptional service fits well with Cavco and Fleetwood Homes' existing businesses. Palm Harbor's people are engaged in the transition and integration process now underway."

"We were recently named the 2011 Manufacturer of the Year by the Manufactured Housing Institute, the factory-built home industry's national trade organization, for the second consecutive year. In addition, both Cavco and Palm Harbor received several design awards from MHI. These honors are a reflection of our valued employees, customers and vendors and we appreciate the recognition," Mr. Stegmayer concluded.

Cavco's senior management will hold a conference call to review these results tomorrow, May 6, 2011, at 12:00 noon (Eastern Time). Interested parties can access a live webcast of the conference call on the Internet at www.cavco.com under the Investor Relations link. An archive of the webcast and presentation will be available for 90 days at www.cavco.com under the Investor Relations link.

Cavco Industries, Inc., headquartered in Phoenix, Arizona, is one of the largest producers of HUD code manufactured homes in the United States, based on reported wholesale shipments of Cavco, Palm Harbor and Fleetwood Homes. The Company is also a leading producer of park model homes and vacation cabins in the United States.

Certain statements contained in this release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities and Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. In general, all statements that are not historical in nature are forward-looking. Forward-looking statements are typically included, for example, in discussions regarding the manufactured housing and site-built housing industries; our financial performance and operating results; and the expected effect of certain risks and uncertainties on our business, financial condition and results of operations. All forward-looking statements are subject to risks and uncertainties, many of which are beyond our control. As a result, our actual results or performance may differ materially from anticipated results or performance. Factors that could cause such differences to occur include, but are not limited to: adverse industry conditions; general deterioration in economic conditions and continued turmoil in the credit markets; a write-off of all or part of our goodwill, which could adversely affect operating results and net worth; the cyclical and seasonal nature of our business; limitations on our ability to raise capital; curtailment of available financing in the manufactured housing industry; our contingent repurchase obligations related to wholesale financing; competition; our ability to maintain relationships with retailers; labor shortages; pricing and availability of raw materials; unfavorable zoning ordinances; our ability to complete the acquisition of the Standard Casualty Co. and successfully integrate Fleetwood Homes, Palm Harbor, and any future acquisition or attain the anticipated benefits of such acquisition; the risk that the acquisition of Fleetwood Homes, Palm Harbor, and any future acquisition may adversely impact our liquidity; expansion of retail and manufacturing businesses and entry into new lines of business, namely manufactured housing consumer finance and insurance, through the Palm Harbor transaction; our participation in certain wholesale financing programs for the purchase of our products by industry retailers may expose us to additional risk of credit loss; together with all of the other risks described in our filings with the Securities and Exchange Commission. Readers are specifically referred to the Risk Factors described in Item 1A of the 2010 Form 10-K, as may be amended from time to time, which identify important risks that could cause actual results to differ from those contained in the forward-looking statements. Cavco expressly disclaims any obligation to update any forward-looking statements contained in this release, whether as a result of new information, future events or otherwise. Investors should not place any reliance on any such forward-looking statements.

CAVCO INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

| | March 31, 2011 <u>(Unaudited)</u> | March 31, 2010 <u></u> |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 76,513 | \$ 74,988 |
| Restricted cash | 436 | 227 |
| Accounts receivable | 6,571 | 9,428 |
| Inventories | 16,036 | 15,751 |
| Prepaid expenses and other current assets | 2,495 | 6,278 |
| Debtor-in-possession note receivable | 40,060 | - |
| Deferred income taxes | 4,720 | 6,240 |
| Total current assets | <u>146,831</u> | <u>112,912</u> |
| Property, plant and equipment, at cost: | | |
| Land | 16,046 | 16,194 |
| Buildings and improvements | 19,672 | 20,345 |
| Machinery and equipment | 11,453 | 10,983 |
| | <u>47,171</u> | <u>47,522</u> |
| Accumulated depreciation | <u>(11,178)</u> | <u>(9,933)</u> |
| | 35,993 | 37,589 |
| Inventory finance notes receivable, net | 17,759 | 12,929 |
| Goodwill and other intangibles, net | <u>68,859</u> | <u>68,912</u> |
| Total assets | <u>\$ 269,442</u> | <u>\$ 232,342</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 3,495 | \$ 5,375 |
| Accrued liabilities | 26,245 | 26,919 |
| Noncontrolling interest note payable | <u>36,000</u> | <u>-</u> |
| Total current liabilities | 65,740 | 32,294 |
| Deferred income taxes | 17,214 | 19,694 |
| Redeemable noncontrolling interest | 35,819 | 34,578 |
| Stockholders' equity | | |
| Preferred Stock, \$.01 par value; 1,000,000 shares authorized; No shares issued or outstanding | - | - |
| Common Stock, \$.01 par value; 20,000,000 shares authorized; Outstanding 6,817,606 and 6,541,684 shares, respectively | 68 | 65 |
| Additional paid-in capital | 129,211 | 127,152 |
| Retained earnings | <u>21,390</u> | <u>18,559</u> |
| Total stockholders' equity | <u>150,669</u> | <u>145,776</u> |
| Total liabilities, redeemable noncontrolling interest and stockholders' equity | <u>\$ 269,442</u> | <u>\$ 232,342</u> |

(more)

CAVCO INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

| | Three Months Ended March 31, | | Year Ended March 31, | |
|---------------------------------------------------------------------------|---------------------------------|------------------|-------------------------|-------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Net sales | \$ 38,822 | \$ 36,271 | \$ 171,827 | \$ 115,612 |
| Cost of sales | 33,507 | 33,079 | 147,549 | 104,915 |
| Gross profit | 5,315 | 3,192 | 24,278 | 10,697 |
| Selling, general and administrative expenses | 5,345 | 4,754 | 21,345 | 16,718 |
| (Loss) income from operations | (30) | (1,562) | 2,933 | (6,021) |
| Interest income | 1,071 | 114 | 2,028 | 222 |
| Income (loss) before income taxes | 1,041 | (1,448) | 4,961 | (5,799) |
| Income tax benefit (expense) | 692 | 494 | (889) | 2,006 |
| Net income (loss) | 1,733 | (954) | 4,072 | (3,793) |
| Less: net income (loss) attributable to noncontrolling interest | 124 | (225) | 1,241 | (422) |
| Net income (loss) attributable to Cavco common stockholders | <u>\$ 1,609</u> | <u>\$ (729)</u> | <u>\$ 2,831</u> | <u>\$ (3,371)</u> |
| Net income (loss) per share attributable to Cavco common stockholders: | | | | |
| Basic | <u>\$ 0.24</u> | <u>\$ (0.11)</u> | <u>\$ 0.43</u> | <u>\$ (0.52)</u> |
| Diluted | <u>\$ 0.23</u> | <u>\$ (0.11)</u> | <u>\$ 0.41</u> | <u>\$ (0.52)</u> |
| Weighted average shares outstanding: | | | | |
| Basic | <u>6,817,606</u> | <u>6,541,684</u> | <u>6,637,270</u> | <u>6,516,572</u> |
| Diluted | <u>6,903,873</u> | <u>6,541,684</u> | <u>6,859,457</u> | <u>6,516,572</u> |

(more)

CAVCO INDUSTRIES, INC.
OTHER OPERATING DATA – CONTINUING OPERATIONS
(Dollars in thousands, except average sales price amounts)
(Unaudited)

| | Three Months Ended March 31, | | Year Ended March 31, | |
|-----------------------------------------------|---------------------------------|------------------|-------------------------|-------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Net sales | | | | |
| Manufacturing | \$ 37,939 | \$ 35,320 | \$ 166,915 | \$ 112,345 |
| Retail | 2,614 | 2,096 | 10,247 | 8,218 |
| Less: Intercompany | (1,731) | (1,145) | (5,335) | (4,951) |
| Net sales | <u>\$ 38,822</u> | <u>\$ 36,271</u> | <u>\$ 171,827</u> | <u>\$ 115,612</u> |
| Floors sold - manufacturing | <u>1,595</u> | <u>1,600</u> | <u>7,308</u> | <u>4,880</u> |
| Average sales price per floor - manufacturing | <u>\$ 23,786</u> | <u>\$ 22,075</u> | <u>\$ 22,840</u> | <u>\$ 23,022</u> |
| Homes sold - manufacturing | <u>1,103</u> | <u>1,071</u> | <u>4,771</u> | <u>3,255</u> |
| Average sales price per home - manufacturing | <u>\$ 34,396</u> | <u>\$ 32,979</u> | <u>\$ 34,985</u> | <u>\$ 34,515</u> |
| Homes sold - retail | <u>32</u> | <u>26</u> | <u>123</u> | <u>114</u> |
| Capital expenditures | <u>\$ 279</u> | <u>\$ 213</u> | <u>\$ 959</u> | <u>\$ 391</u> |
| Depreciation | <u>\$ 320</u> | <u>\$ 327</u> | <u>\$ 1,304</u> | <u>\$ 1,170</u> |

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