

CHAMPION ENTERPRISES INC

Form FWP

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**Free Writing Prospectus
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Champion Enterprises Announces Proposed Offering of \$130 Million of Convertible Senior Notes
AUBURN HILLS, Mich., Oct. 29, 2007 Champion Enterprises, Inc. (NYSE: CHB), a leader in factory-built construction, today announced a proposed offering of \$130 million aggregate principal amount of convertible senior notes due 2037. The company intends to grant the underwriter of the proposed offering an option to purchase up to an additional \$19.5 million aggregate principal amount of notes solely to cover over-allotments. Credit Suisse Securities (USA) LLC will act as the underwriter and sole bookrunning manager for the proposed note offering.

The interest rate, conversion rate, conversion price and other terms of the notes will be determined at the time of pricing of the offering by negotiations between the company and the underwriter. The offering is being marketed with an expected conversion premium ranging from 73 percent to 77 percent above the current market price of the company's common stock. Holders of the notes may require the company to repurchase the notes if the company is involved in certain types of corporate transactions or other events constituting a fundamental change. Beginning in 2012 the company will have the right to redeem the notes, in whole or in part. Holders of the notes have the right to require the company to repurchase all or a portion of their notes on November 1 of each of 2012, 2017, 2022, 2027 and 2032.

The company intends to use the net proceeds of the notes offering to repurchase its notes due 2009 tendered in a tender offer, repay a portion of the outstanding principal under its term loan due 2012, pay related fees, expenses and accrued interest, and for general corporate purposes.

The company has filed a preliminary prospectus supplement with the Securities and Exchange Commission (SEC) relating to the proposed public offering of the convertible notes.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction.

Champion Enterprises, Inc. has filed a registration statement (including a prospectus and prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus (including the prospectus supplement) in that registration statement and other documents Champion Enterprises, Inc. has filed with the SEC for more complete information

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Page 2

about Champion Enterprises, Inc. and this offering. You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, Champion Enterprises, Inc., the underwriter or any dealer participating in the offering will arrange to send you the prospectus and prospectus supplement if you request them by calling Credit Suisse Securities (USA) LLC toll free at 1-800-221-1037 or Champion Enterprises, Inc. toll free at 1-888-603-0071.

About Champion

Auburn Hills, Michigan-based Champion Enterprises, Inc., a leader in factory-built construction, operates 32 manufacturing facilities in North America and the United Kingdom working with independent retailers, builders and developers. The Champion family of builders produces manufactured and modular homes, as well as modular buildings for government and commercial applications.

Forward Looking Statements

This news release contains, in addition to historical information, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the company's current assumptions, expectations and projections about future events. Words like believe, anticipate, intend, estimate, expect, project and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain these words. These forward-looking statements are necessarily estimates reflecting the best judgment of the company's senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.

Investors should consider the information contained in the company's filings with the SEC, including its Annual Report on Form 10-K for the 2006 fiscal year, especially in the Management's Discussion and Analysis of Financial Condition and Results of Operations and Risk Factors sections, its most recent Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. Other unknown or unpredictable factors also could have material adverse effects on the company's future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this news release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this news release.

The company is not under any obligation and does not intend to make publicly available any update or other revisions to any of the forward-looking statements contained in this news release to reflect circumstances existing after the date of this news release or to reflect the occurrence of future events even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized.