

RANGER



SPORTSMAN



RZR



Klim



**STRONG BRANDS
SUSTAINABLE GROWTH**



POLARIS®

POLARIS INDUSTRIES INC. | ANALYST & INVESTOR MEETING

Opening Remarks / Polaris Overview

Scott Wine, Chairman & CEO

Bennett Morgan, President & COO

Richard Edwards, Director of Investor Relations

July 30, 2013

AGENDA – Analyst / Investor Meeting

Tuesday, July 30th

Gaylord Resort and Convention Center, National Harbor, Maryland

8:00 AM – 12:00 Noon ET

8:00	Opening Remarks	Scott Wine, Chairman & CEO
8:10	Polaris Overview	Bennett Morgan, President & COO
8:25	Victory & Indian Motorcycles	Steve Menneto, V.P.
8:45	Parts, Garments & Accessories	Steve Eastman, V.P.
9:05	Snowmobiles / Sales & Marketing	Mike Jonikas, V.P.
9:25	Off-Road Vehicles / Military / Commercial	David Longren, V.P.
9:55	<i>Break</i>	
10:10	Small Vehicles (GEM, Goupil, Aixam)	Matt Homan, V.P.
10:25	Europe, Middle East, Africa (EMEA)	Matt Homan, V.P.
10:45	Asia Pacific, Latin America (APLA)	Mike Dougherty, V.P.
11:05	Engineering / R&D / Powertrain	Steve Kemp, CTO
11:25	Global Operations & Supply Chain	Suresh Krishna, V.P.
11:40	Closing Comments	Scott Wine
11:50	Q&A	Wine/Morgan/Malone

Live Webcast: www.polaris.com/irhome

Safe Harbor

Except for historical information contained herein, the matters set forth in this document, including but not limited to management's expectations regarding 2013 sales, shipments, margins, net income and cash flow are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those forward-looking statements. Potential risks and uncertainties include such factors as product offerings, promotional activities and pricing strategies by competitors; manufacturing operation initiatives; acquisition integration costs; warranty expenses; impact of changes in Polaris stock prices on incentive compensation; foreign currency exchange rate fluctuations; environmental and product safety regulatory activity; effects of weather; commodity costs; uninsured product liability claims; uncertainty in the retail and wholesale credit markets; changes in tax policy and overall economic conditions, including inflation, consumer confidence and spending and relationships with dealers and suppliers. Investors are also directed to consider other risks and uncertainties discussed in our 2012 annual report and Form 10-K filed by the Company with the Securities and Exchange Commission. The Company does not undertake any duty to any person to provide updates to its forward-looking statements.

The data source for retail sales figures included in this presentation is registration information provided by Polaris dealers in North America and compiled by the Company or Company estimates. The Company must rely on information that its dealers supply concerning retail sales, and other retail sales data sources and this information is subject to revision.









Scott Wine, CEO

POLARIS INDUSTRIES INC. | ANALYST & INVESTOR MEETING

Opening Remarks

July 31, 2012

2013 1st Half Financial Metrics

	<u>1st Half 2013</u> <u>Actual</u>	<u>Variance to 2012</u>
Sales	\$1,591	+11% 
Gross Profit %	29.5%	+70 bps 
Op Profit %	14.3%	+20 bps 
Net Income	\$155.5	+20% 
Net Income %	9.8%	+70 bps 
Cash Flow \$	\$103.5	+32% 
Shareholder Return	+35%	June 30, 2013 \$95.00 June 30, 2012 \$71.48 July 25, 2013 \$109.64 <i>New All-Time High</i>

Record First Half Results

Guiding Principles & Priorities

Guiding
Principles



Best People, Best Team
Safety & Ethics Always
Customer Loyalty

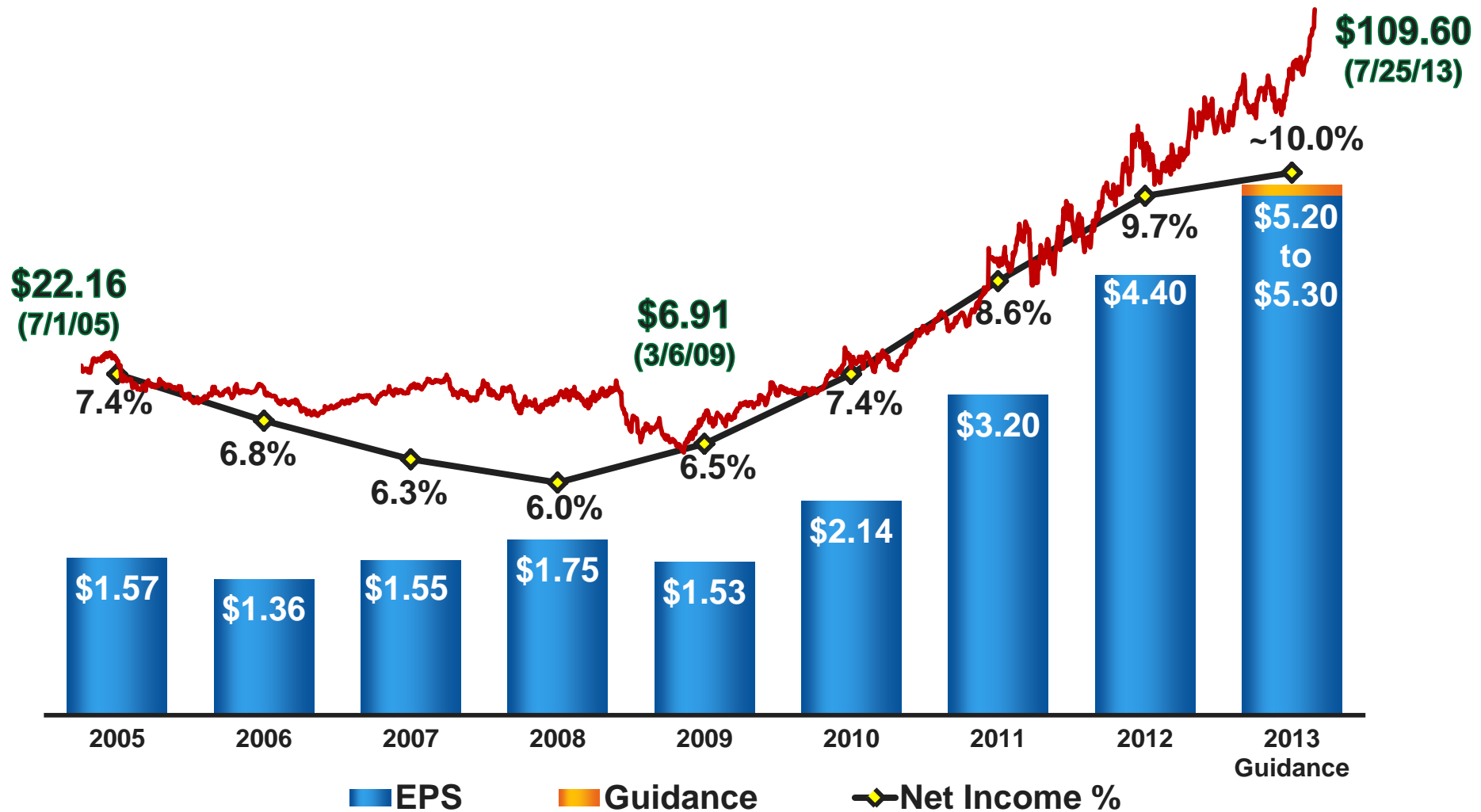
Performance
Priorities



Growth
Margin Expansion
Product & Quality Leadership
Operational Excellence

Winning the Right Way – Everyday, Always

Teamwork & Execution Driving Success



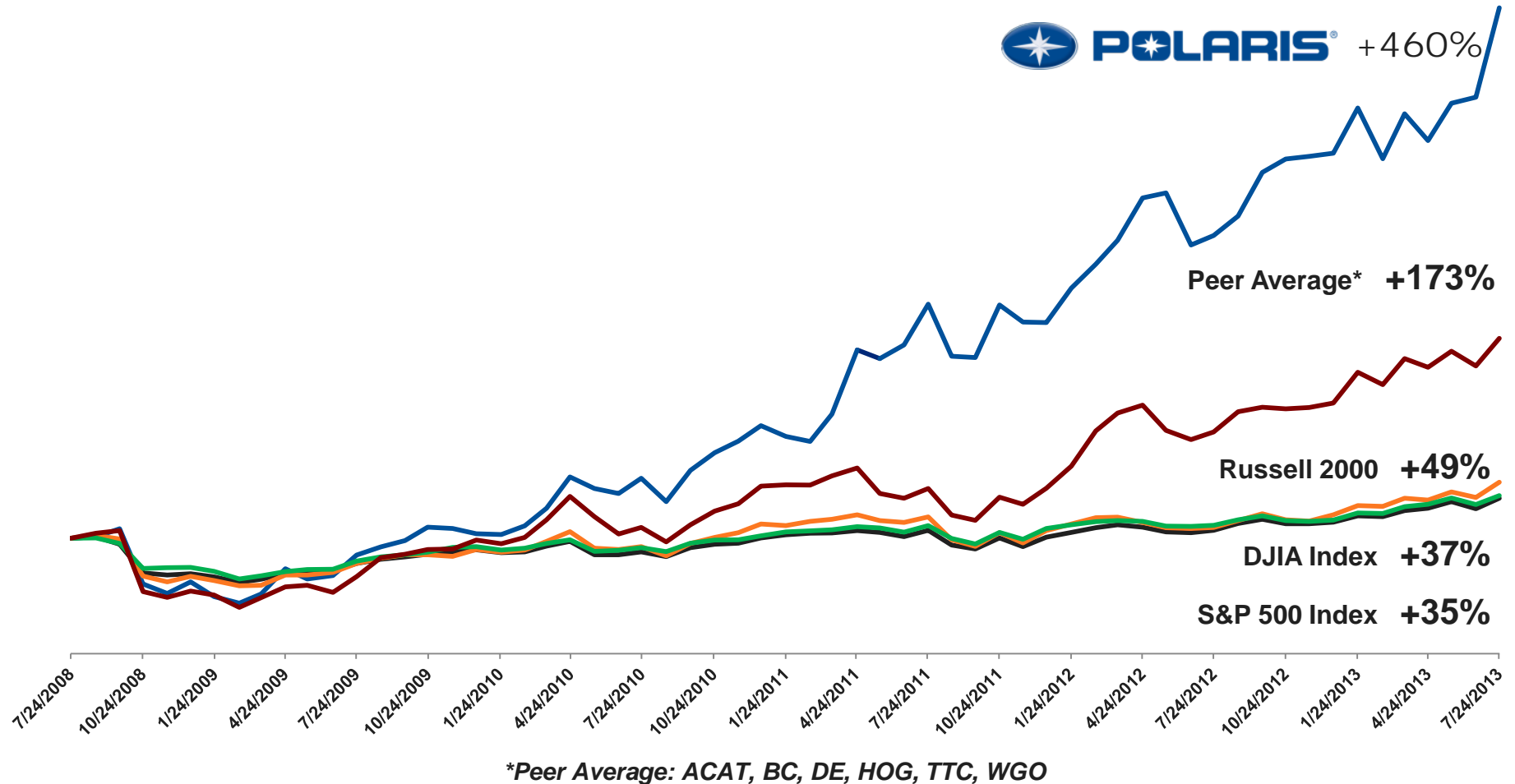
Note: Net Income from continuing operations

Objective: Sustainable, Profitable Growth

Total Return Comparisons (Dividend Yield Included)

5-Year Cumulative Total Shareholder Return

July 24, 2008 – July 24, 2013



PII Continues to Significantly Outperform Both Peers and Indices

Polaris Strategic Objectives

3-5 Year Objectives

Best in Powersports PLUS

5-8% annual organic growth

Growth through Adjacencies

>\$2B from acquisitions and new markets

Global Market Leadership

>33% of Polaris revenue

LEAN Enterprise is Competitive Advantage

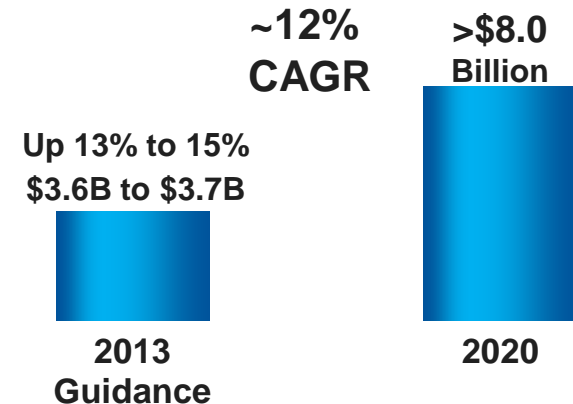
Significant Quality, Delivery & Cost Improvement

Strong Financial Performance

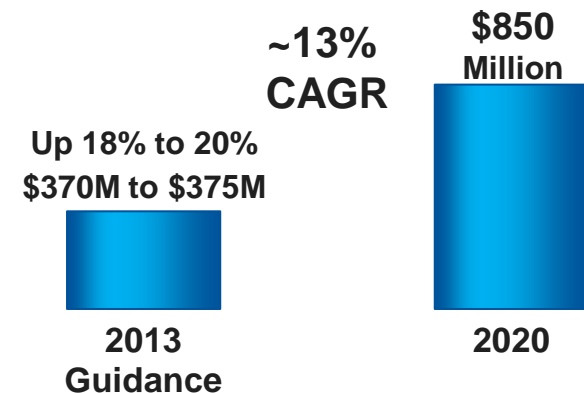
Sustainable, profitable growth

Net Income Margin >10%

Grow Sales >\$8 Billion by 2020



Increase Net Income >10% of Sales by 2020



Consistent Strategy, Raising the Bar



Bennett Morgan President & COO

POLARIS INDUSTRIES INC. | ANALYST & INVESTOR MEETING

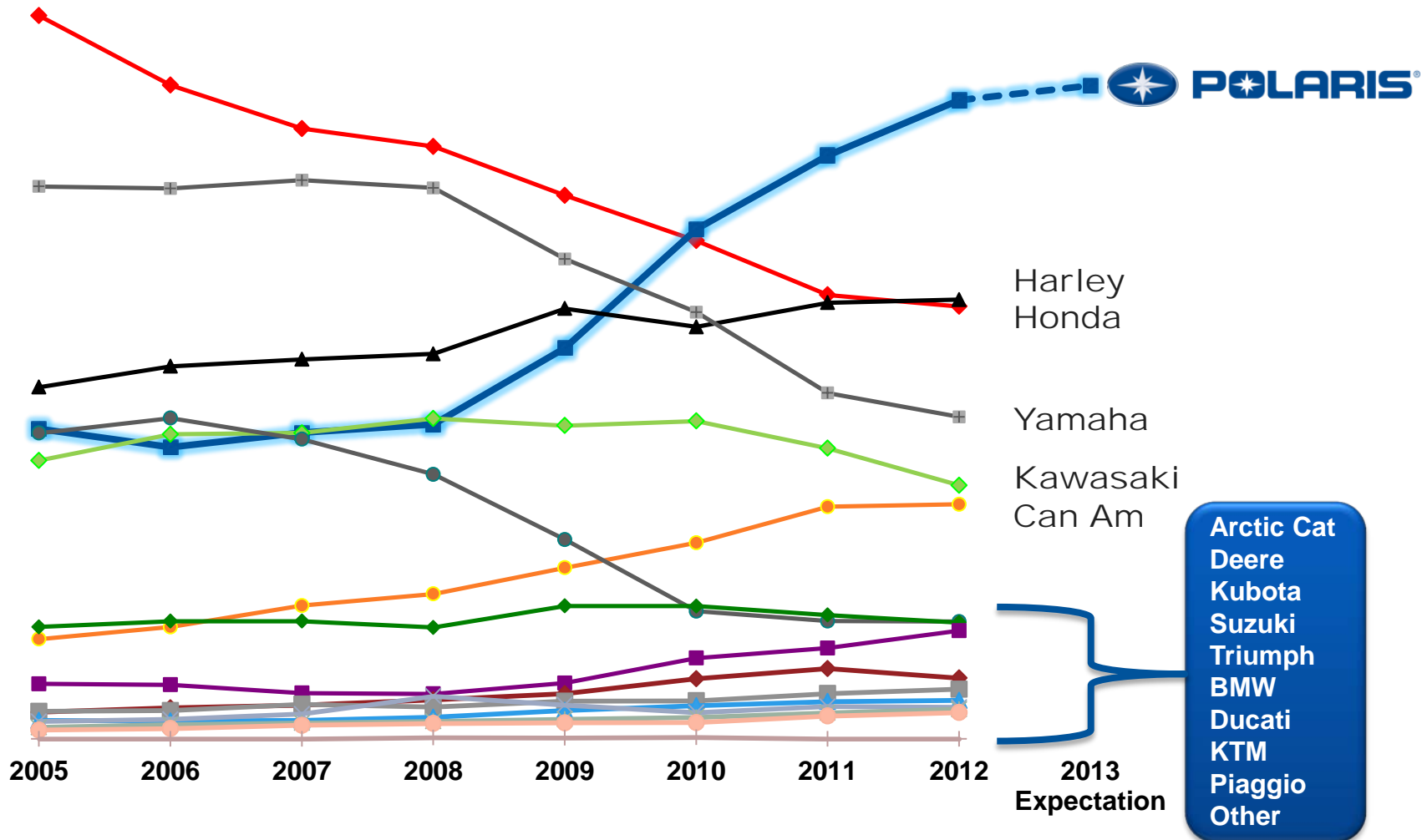
Strategy Overview

July 31, 2012

N.A. Powersports Consolidated Share

Best in Powersports Plus

Consolidated PowerSports Market Share in Units (with total motorcycle industry)



CLEAR #1 & BUILDING LEAD

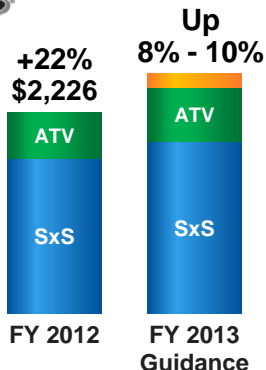
2013 Business Expectations

Off-Road Vehicles

SPORTSMAN[®]
RANGER[®]
RZR



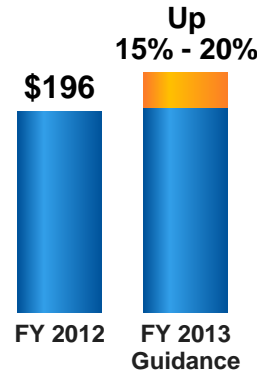
MY14 RZR XP 1000



Motorcycles



MY14 Cross Country 8-Ball

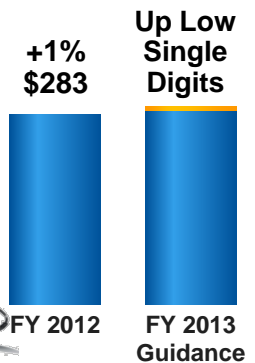


Snowmobiles

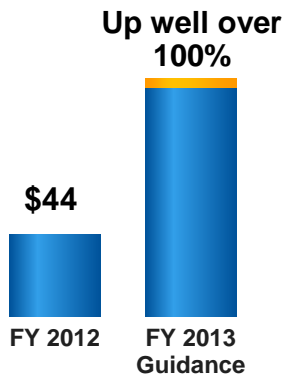
RMK
INDY
SWITCHBACK
RUSH
PRO



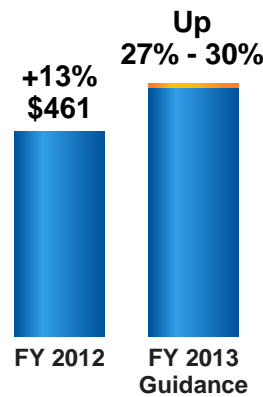
800 Indy SP



Small Vehicles

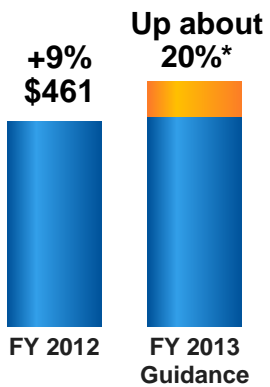
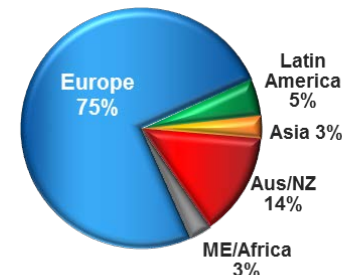


PG&A



International

Q2 2013
Sales by Geography

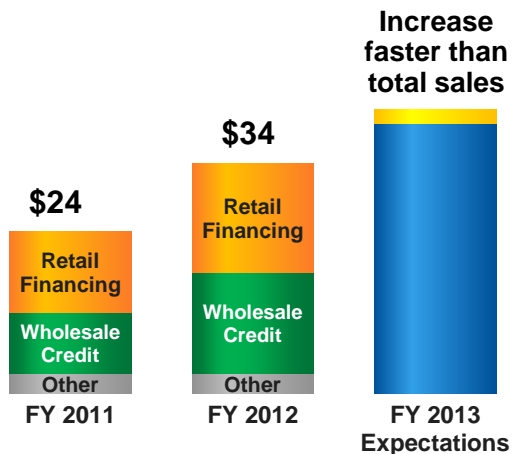


* Includes Aixam Mega

All Businesses Expecting Sales Growth in 2013

Income from Financial Services

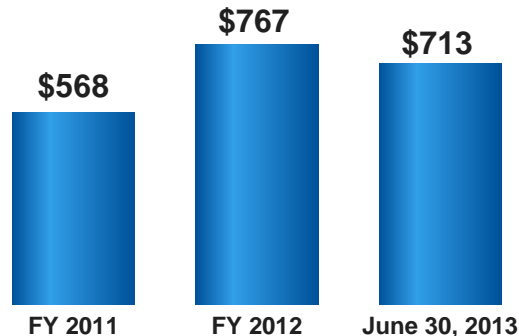
Income from Financial Services (\$M)



Full Year income from financial services expected to increase somewhat faster than sales growth in 2013

- Higher retail sales volume
- Increased dealer inventories

Wholesale Credit PA Receivables (\$M)

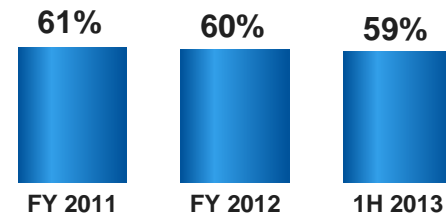


Polaris Acceptance 50/50 joint venture with GE U.S. Dealer Financing

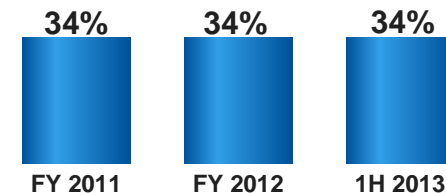
17 year joint venture contract until 2017

Three Year Avg. ROI = 32%

Retail Credit Approval Rate



Retail Credit Penetration Rate



Third party arrangements: Capital One (2013), GE (2016) and Sheffield (2016)

No Credit or funding risk to Polaris
Approval and penetration rates have stabilized at acceptable levels

Ample Wholesale and Retail Credit Availability

Polaris Drivers of Success – Sustainable Competitive Advantage

Innovative Culture

People and processes that drive innovation and a passion for performance

Applications Engineering

Capability to develop & refine unique solutions by leveraging new and existing technologies and suppliers

Flexible Manufacturing

Manufacturing infrastructure and processes that enable flexibility and agility

Speed

Corporate systems and structure that enables consistently superior speed-to-market

Polaris' Special Sauce

2013 Objectives

Best in Powersports Plus

Drive organic growth with expanding margins – every business, every region grows share

ORV continues strong revenue growth with margin expansion driven by brand, product & process innovation. Double digit retail growth.

Victory continues to gain share, grow profits

Indian – flawless brand & product launch, 125 - 140 dealers

Snow grows share & improves NPS scores

PGA grows faster than Polaris with expanding \$s per unit clothing & accessory penetration

Dealer inventory velocity improves



MY14 Sportsman/
Touring 570 EFI



MY14 RZR XP 1000



MY14 Cross Country 8-Ball



800 Indy SP

Profitable Double Digit Growth of Our Core . . . Again

2013 Objectives

Growth Through Adjacencies

GEM & Goupil – deliver profitable sales growth

Defense grows sales & profits by successfully penetrating new categories

Aixam Mega integration completed and synergies identified and actively pursuing

Successfully Launch Brutus commercial vehicles to both channels



MRZR4



BRUTUS



AIXAM GTO



GEM e2®

Diversify Outside Powersports – Deliver on Commitments in '13

2013 Objectives

Global Market Leadership

Expand global manufacturing capability to Poland and India – on cost and schedule

EMEA grows market share in all products – holds profitability flat

APLA revenue grows - BIC markets sales grows significantly with improving profitability

Eicher/Polaris team, product and distribution progress for 2015 launch



Diversify & Grow Profitability Outside North America

2013 Objectives

Operations as a Competitive Advantage

Productivity & LEAN Initiatives deliver savings in N.A. plants

Transform Victory delivery to <14 day response

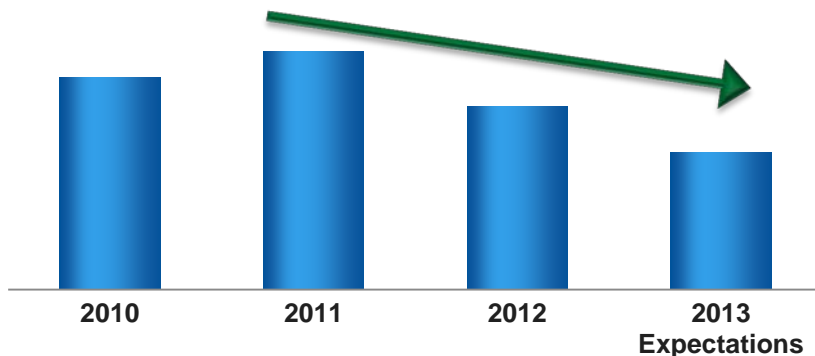
Execute major capital investments flawlessly to drive capacity, cost and quality

Lean focus drives measurable factory inventory leverage. 2013 year-end inventory turns improved

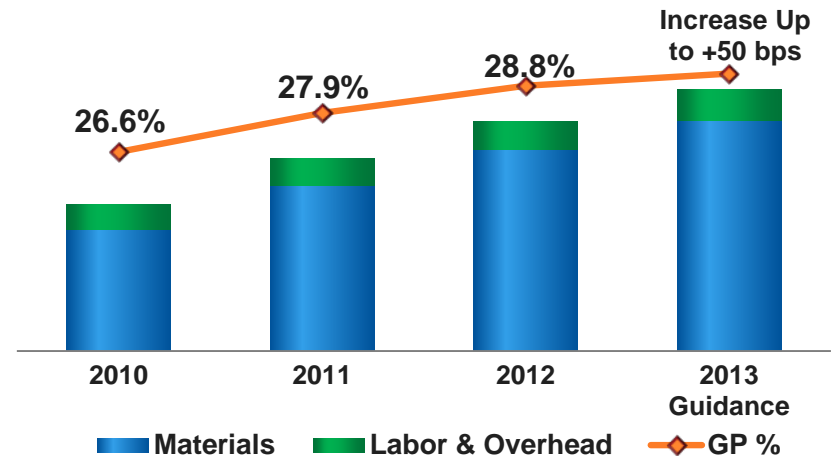
Reduce COGS, logistics and other major cost buckets in 2013

Quality

Rework expected to be down 35% from 2010



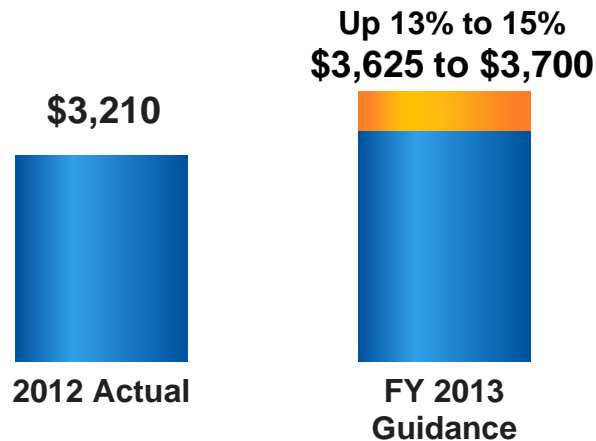
Cost Performance



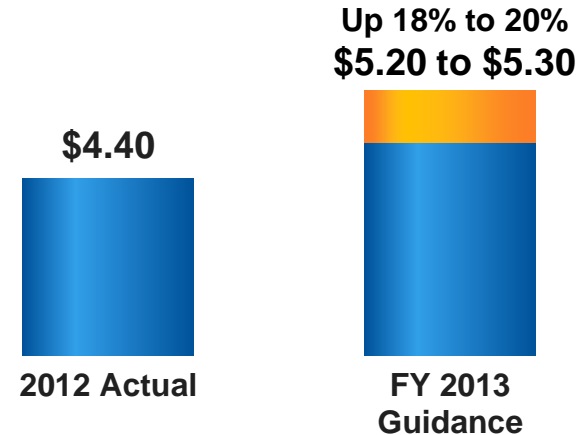
LEAN Drives Operational Excellence

2013 - Strong Financial Performance

Total Company Sales (in millions)



Diluted EPS



North American Retail Sales growth and market share gains expected to continue

International Sales projected to increase about 20% with acquisitions

Net Income projected up 18% to 20%

Net Income Margin expectations slightly over 10% for full year

2013 Sales & EPS Guidance Reflects Another Record Year



POLARIS INDUSTRIES INC. | ANALYST & INVESTOR MEETING

Thank you. Questions?

Scott Wine, Chairman & CEO
Bennett Morgan, President & COO

July 30, 2013