





LEAN FORWARD

There's only one way to get anywhere in this world—and that's to make some decisive moves. Not fence-straddling. Thumb-twiddling. Buck-passing. Or chewing it over. And not running it up the flagpole. Instead, you rev it up, lean into it and go.

That was the story of Harley-Davidson in 2010. A year of putting strategy into high gear. A year when we went beyond fighting headwinds to seizing opportunities. A year of shifting preparation into iron-clad progress. All of it customer-led.

Now it's time to twist the throttle.
And lean forward.

DEAR FELLOW SHAREHOLDERS

Harley-Davidson made great progress in 2010 on transforming our company to be leaner, more agile and more effective than ever at delivering great products and an outstanding experience to our increasingly global community of customers.

In a year when the economy continued to place a stubborn damper on consumer spending in many markets, we expanded our international presence, saw improved results from our motorcycle business driven by the transformation of our operations, and returned Harley-Davidson Financial Services (HDFS) to solid profitability. While there is still a lot of hard work ahead, we are confident that we are positioning Harley-Davidson for ongoing improvement and success.

Our 2010 results reflect both our progress and the continued challenges of the broader economy. Although retail sales of new Harley-Davidson® motorcycles decreased 8.5 percent worldwide on a full-year basis versus 2009, fourth quarter retail sales were nearly level with the prior-year quarter, decreasing 1.0 percent worldwide and 0.2 percent in the U.S. We are encouraged by the direction at retail, yet continue to be cautious in our 2011 motorcycle sales outlook. Throughout 2010, we worked diligently to manage supply in line with demand, and we remain committed to this as it is key to maintaining our premium brand positioning.



Keith E. Wandell
President & Chief Executive Officer

We are pleased with the improvements we were able to achieve in our profitability this past year. Income from continuing operations more than tripled to \$259.7 million compared to the prior year as HDFS returned to the black, reporting operating income of \$181.9 million compared to a loss of \$118.0 million in 2009, and operating income from motorcycles and related products rose 20.6 percent to \$378.8 million.

Delivering on Our Strategy

At the center of our progress on improving our performance and moving toward growth lies the strategic direction we introduced in late 2009. We moved this strategy into high gear in 2010, focusing our investments in ways that will further strengthen the powerful Harley-Davidson brand, provide the flexibility to be more customer-responsive than ever, continue to lower our cost structure, foster continuous improvement throughout the organization and promote growth globally.

Two primary areas of focus under our strategy are the transformations currently under way in manufacturing and product development, which will make Harley-Davidson truly world-class when it comes to meeting and exceeding customer expectations.

“Two primary areas of focus under our strategy are the transformations currently under way in manufacturing and product development.”

Transforming Manufacturing

Beginning with the implementation of a new labor agreement at our York, Pa., assembly operations in the first quarter, and followed by the ratification of new labor agreements at our Wisconsin operations last summer and just recently in Kansas City, we are moving decisively forward with the transformation of our entire approach to manufacturing. When the new production system is fully implemented, Harley-Davidson will have a best-in-class, team-based, lean operating structure across all our operations, built on a foundation of continuous improvement and standardized processes.

Much more than a way to reduce costs, the new production system is all about getting customers the motorcycles they want, when they want them. Through this transformation, we will gain a much better ability to adjust to seasonal or other fluctuations in demand and changes in customer model preferences, and enhance our ability to make “every customer a custom” through initiatives like the recently launched H-D1™ factory customization initiative.

Transforming Product Development

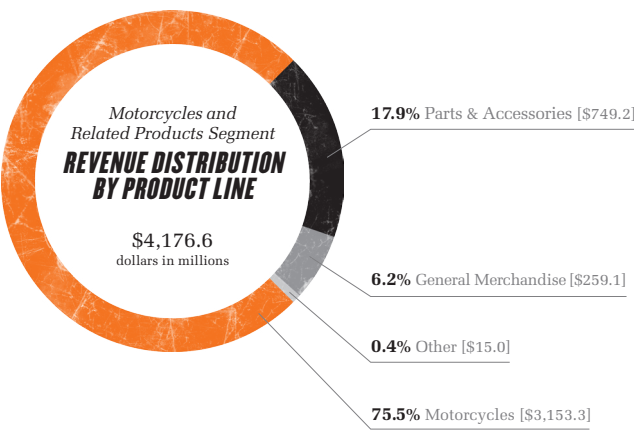
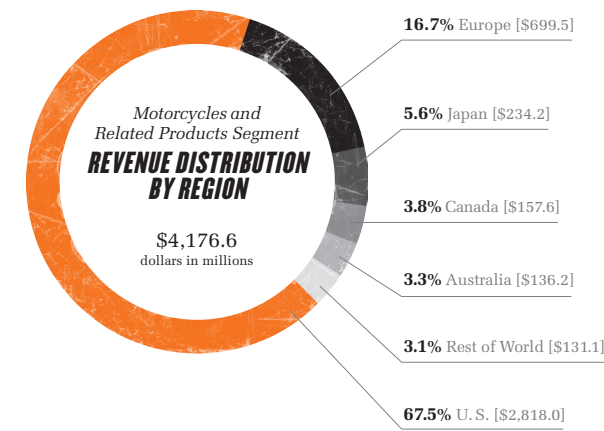
Our motorcycles and the experiences they provide have always been at the heart of our market leadership. Nothing will contribute more to our ability to grow and expand our reach still farther than bringing new generations of products to market. It is one of my highest priorities as CEO, and in 2010 we began the heavy lifting to fundamentally transform our entire approach to product development.

Whether in the ongoing evolution of our iconic V-Twin motorcycles, the development of alternate approaches to new motorcycles for the global market, or the deployment of advanced technologies, we are intent on further asserting our leadership as a global force on two-wheels.

To achieve our vision of expanded product leadership, the transformation of our product development is focused on three key areas:

- ✓ One, reduce the time it takes to bring new products to market through lean product development methodologies—taking about 30 percent off the development clock.
- ✓ Two, make sure our focus is laser sharp when choosing which products to develop. At Harley-Davidson, we live and breathe motorcycles, we ride with our customers and we have the best talent in the industry—all of which are essential to product development. But to make the best even better, we are gathering even greater levels of consumer and dealer insights into our product planning.
- ✓ Three, increase our capacity to simultaneously handle more product development initiatives, not as a result of a major expansion of resources, but through the deployment of world-class lean product development processes.

It’s all about being customer-led in our approach to products like never before. It is exciting work, our teams are energized and we’ve got some great things in the works that we look forward to sharing in the future.



Expanding Our Strength Worldwide

We know from market share growth, along with our brand research results and the feedback we get from customers everywhere, that the Harley-Davidson brand is as strong or stronger than ever. Our multigenerational, multicultural approach calls for us to continue building on this unique strength, growing sales to our core customers while growing sales to outreach customers at a faster rate. It also calls for us to grow in international markets faster than we grow in the U.S.

In 2010, international retail Harley-Davidson motorcycle sales accounted for more than 35 percent of total sales and by 2014, we expect the number to exceed 40 percent, compared to 25 percent just four years ago. In Europe, we claimed the number two spot in the heavyweight market in 2010—no small feat in such a highly competitive motorcycling culture.

We added dealer points in 13 developing markets in 2010, including India, Russia, Mexico, Turkey, Jordan, China and Ecuador, and for the first time the number of full-service Harley-Davidson dealerships outside the U.S. exceeded the number in the U.S. We also have opened regional headquarters offices in Singapore for the Asia Pacific region and Miami for the Latin America region, joining our longstanding EMEA headquarters in Oxford, England.

In the U.S. we are the longtime heavyweight motorcycle market leader and in 2010 we grew our share of the market to a record 54.9 percent. We also are the U.S. heavyweight market share leader among young adults ages 18-34, women, and African-American and Hispanic riders.

One Company, One Team, One Direction

As we look back on 2010, we feel good about our results and the progress we have made. We also know that market conditions in many places remain challenging and we have more to do if we are going to take full advantage of the many opportunities we see.

Our progress is possible only through the many extraordinary contributions of our employees, dealers and suppliers. We have dealt with a lot of change in a short amount of time and our employees are truly doing an outstanding job, including great leadership from the elected union officials. Our dealers are also to be recognized for everything they are doing to bring a premium Harley-Davidson experience to customers in a challenging business environment.

Over the past year, I have had many opportunities to meet with our dealers in the U.S. and abroad, ride with our customers and talk with our employees. Everywhere I go, I never cease to be amazed by the pride and passion that’s associated with our motorcycles and our brand.

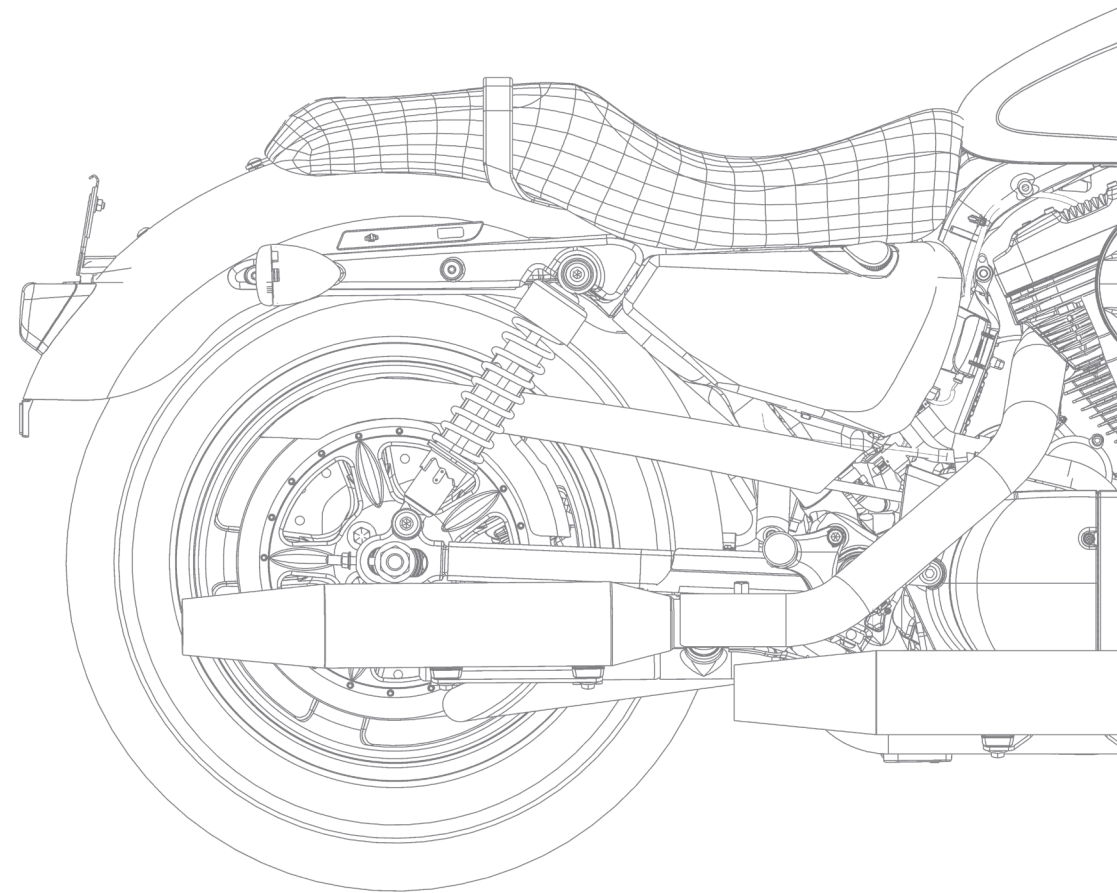
As we look to the rest of 2011 and beyond, we are confident that, leaning forward to address the challenges and create new opportunities, we will continue to make great progress and gain momentum.

Keith E. Wandell
President & Chief Executive Officer

Bolt by bolt, bike by bike, market by market, we're changing our approach to product development at Harley-Davidson. We're leaving nothing untouched in our drive to be leaner, faster and smarter at it. It's a beautiful, 108-year-old work in progress that focuses more intently than ever on understanding the needs and dreams of customers—and delivering like never before.



**CUSTOMER-LED
PRODUCTS**



Taking Time Off the Clock

Customers are expecting more. The market is moving faster. And we're getting quicker. For Harley-Davidson, speed-to-market is an essential part of fulfilling riders' dreams with the right motorcycle at the right time—bikes that will answer the call of today's riders and tomorrow's, extend our market leadership in new ways, feed demand and fuel our growth.

To do that, we've launched a new methodology for product development—one that's designed around proven best practices.

For major projects—whether the development of a new powertrain, a new chassis or an entirely new motorcycle—we are cutting time-to-market by about a third. It's a sequenced, synchronized process that brings together the five functions of product development—marketing, manufacturing, styling, materials and engineering—in new, more efficient ways.

One of the drivers of this process is our work to bring customers and dealers into our market research and product development thinking earlier and in greater force—getting their voices and views from the very start on functionality, design, styling and what they value. This input is key to identifying what will be within the scope of a bike project

and just as importantly, what won't—enabling us to clearly identify the development priorities and then march with discipline from initial concept to production.



Turning Efficiency Into Higher Bandwidth

Harley-Davidson's transformation of product development involves more than just faster speed-to-market for a major project like a new engine or chassis. It involves the adoption of systems and practices that let us accomplish more by maximizing finite resources.

The world of product development is inherently full of multiple needs and competing priorities, from meeting the unique design requirements of different global markets or compliance with noise and emissions regulations, to bringing out more performance accessories or introducing a new Dark Custom™ model. Each of these requires time and resources.

Through our product development transformation, we are standardizing processes, scheduling and pacing projects more methodically, and eliminating waste. We are creating more efficient links between product design and the assembly line, as the restructuring in manufacturing increasingly enables us to design to a single set of production standards. As we move forward, we expect the culmination of these process improvements to add around 30 percent in project capacity to our product development system. That boost in bandwidth, combined with customer-led market insights, will mean more innovation, higher quality and an even greater ability to exceed customer expectations.





The Next Generation of Custom

Nothing says customer-led quite like custom. The urge to make a personal statement through customization is central to the soul of motorcycle riders and Harley-Davidson is the longtime, undisputed leader of custom.

Customization is all about defining a style and an individuality on the customer's own terms, from how the bike looks to how it fits and feels when you sit on it, reach for the bars and get on down the road.

In a world of rising expectations, we're raising our game, introducing the next generation of personalization through the concept of true factory customization on the new Sportster® 1200 Custom. Now, a customer can individualize his or her motorcycle in more than 2,600 unique ways. By selecting different wheels, seats, handlebars, paint and engine finishes, and foot control locations, riders can dramatically alter the look and fit of the motorcycle.

Factory customization is a game changer—one that is part of a strategy to deliver innovative and unmatched customer experiences. It's the latest element in Harley-Davidson's comprehensive suite of H-D1 customization tools, all designed to tap into riders' unquenchable desire to express themselves.



H-D1: A New Way of Looking at the World of Customization

Factory Customization—A groundbreaker for 2011, a customer can design a Sportster 1200 Custom online, order it through their dealer and we'll build it at the factory. **Fit Shop**—Buyers can customize suspension, seat, controls and handlebars for a perfect fit at a Harley-Davidson dealer. **Consultation**—Our dealers work with customers every step of the way to design and refine their dream bike. **Parts & Accessories**—More than 8,000 Genuine Motor Parts & Accessories give customers endless options for customization. **Bike Builder**—An online tool lets customers visualize different options on their motorcycle as they build it.



It's one thing to commit to change. It's something entirely different to live it. Harley-Davidson's manufacturing operations have initiated the most significant evolution in our recent history, taking a commitment between labor and management to a real-world, hands-on transformation that's designed to deliver the right bike to the right customer at the right time—the right way. Across our plants, we're taking a world-class approach to building the world's most famous bikes.



CUSTOMER-LED
MANUFACTURING

Q&A with Matt Levatich, President & Chief Operating Officer, and Karl Eberle, Senior Vice President, Manufacturing, Harley-Davidson Motor Company

Why is Harley-Davidson transforming its production and what does it mean to be a *customer-led* manufacturer?

Matt It's one part philosophy and one part discipline. It's knowing what our customers value—and don't value—in our products and acting on that. Even though most of us are riders, we can't be satisfied with just our own knowledge or the way we have always done things. We're doing more than ever to have the right conversations with our customers and get their voice in the up-front product development work. Then we've got to make sure our production systems can deliver on that product promise by getting the right bike to the right customer at the right time. The motorcycle business is a seasonal business, and a manufacturing model like we've had until now—one that's built for constant, level production—can't respond well to changes in demand or customer needs.

Karl And that's meant a change for us, across the board. You've got to remember that manufacturing processes in any business are designed to make the same thing every day, year-round. Doing that provides a certain level of productivity and predictability for us and our suppliers and employees who are skilled at certain things. But in today's world, that system is not nearly as agile in terms of dialing production up and down when we need to. And it's not an efficient way to support the sales channel and dealer network, either.

Matt So we needed to swallow hard and step away from a manufacturing approach that worked for us when demand outpaced supply, but wasn't very flexible. With our historical manufacturing model, we were producing motorcycles in the fall that probably wouldn't have been sold until the spring. And that forced us to make three bets on the future: how many bikes to produce; which models to produce; and where those motorcycles were going to be sold at retail as we shipped them to our dealers. We expect our new production system to alleviate these issues.

So what's actually happening to become customer-led in manufacturing?

Matt In the last 18 months, we've moved on a lot of fronts. There's transformation in our plants, culture and workforce. The opportunity is bigger than any one plant, too. Being customer-led in manufacturing is leading us toward a common build process, with standard sequences and standard equipment wherever you go across our factories. It's unprecedented for us.

Karl We have four plants and 300 direct suppliers who we need to have on board in this transformation. There are work systems that need to be “rewired,” new labor agreements that need to be implemented to enable these changes, and employees who need to be retrained so that they have greater expertise at more things. We've had cooperation and success in all those areas.

Our York plant was the first location to take on the transformation, and what's happening there will give you a pretty good picture of the future. We're going from a 1.5 million-square-foot factory to 650,000 square feet, and consolidating our footprint into one building. We are focusing in-house on the core activities of paint, assembly and metal fabrication—all the things we excel at and that make the plant better than the competition. Part of our workforce will consist of flexible workers who we can deploy depending on production needs. We reduced the number of job classifications from 62 to five and in the process are removing boundaries to work assignments.

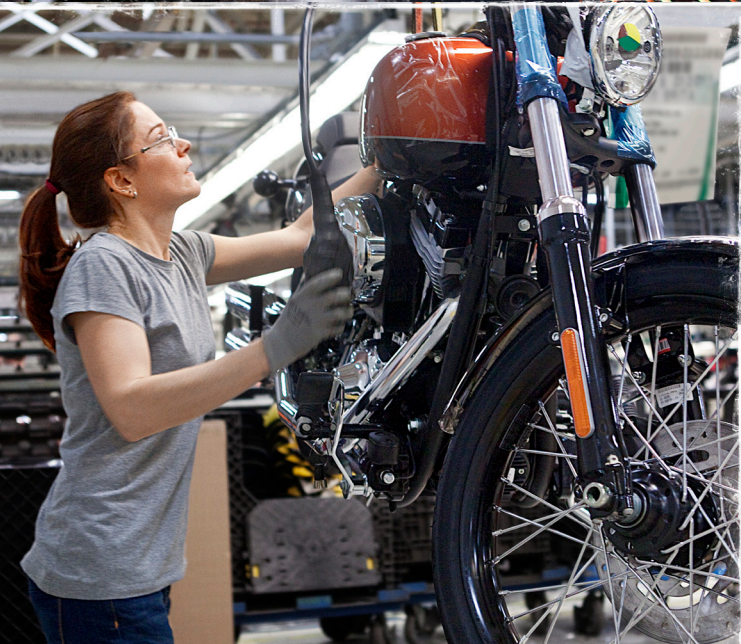
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Matt Levatich (left)
and Karl Eberle



As our York facility continues to transform, employees' enhanced sense of accountability gives them an even greater customer-led mind-set.



Now, individuals can be responsible for more than one task on more than one style of bike. And the assembly line is being redesigned so that every part has a consistent place in the line—wheels, handlebars, powertrain, tank and the rest, all assembled in the same familiar sequence. There was a lot of anxiety over the change, but employees there will tell you they absolutely feel a new sense of freedom, initiative and accountability.

“We need to be able to make any product on any line on any day. So we’re structuring our manufacturing to be a lot more flexible.”

Karl Eberle
SVP, Manufacturing

Some of the obvious benefits of commonality are cost savings and efficiency—there’s simpler management of spare parts, for example, as well as standardized training of maintenance people, engineers and technicians across the factories so that, as we move people and share knowledge across the factories, they see the same process they did in the other factory. It’s an advantage in product development, too, because our engineers know they can design fenders and gas tanks that will be made the same way at any two factories.

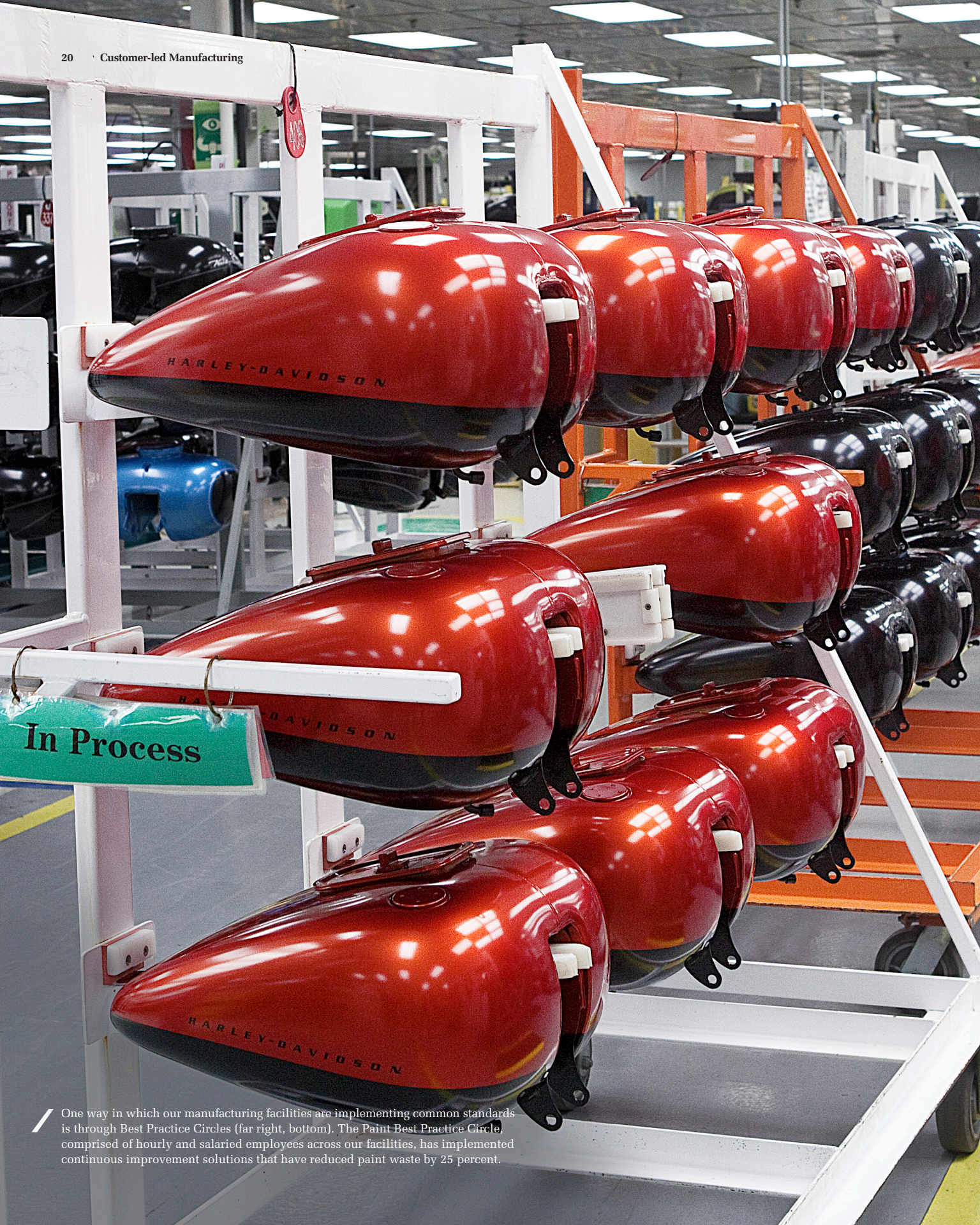
What do the results look like?

Matt When we get there—and we’re still a couple of years away from having the new processes and systems fully up and running in all of our plants—we’ll be able to shift production between lines, change the level of output and change our product mix in response to changes in customer buying patterns and preferences. We’ll have a more refined view of our production planning, rather than having to make product supply predictions months ahead like we do now. That’s the most important point from a customer perspective—the opportunity that we have to supply motorcycles closer to when people want to buy them.

Karl Bottom line, we need to be able to make any product on any line on any day. So we’re structuring our capital investments to enable our manufacturing to be a lot more flexible—and making sure our employees have broad expertise and diverse capabilities, too, so that they can perform a much wider range of functions.

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One way in which our manufacturing facilities are implementing common standards is through Best Practice Circles (far right, bottom). The Paint Best Practice Circle, comprised of hourly and salaried employees across our facilities, has implemented continuous improvement solutions that have reduced paint waste by 25 percent.

What's an example of that?

Karl Our best-practice circles. They're a huge part of bringing the art and science of motorcycle manufacturing together in a consistent way. These are groups of hourly and salaried employees from multiple locations, as well as outside suppliers, sharing specialized knowledge around a common process. We have many best-practice circles, in areas like safety, fabrication and machining. Our best-practice circle in paint, for instance, has delivered some unique combinations of paint and graphics that create incredible finishes. In collaboration with suppliers, they engineered a unique automated washing system that ensures parts are contaminate free prior to painting. And they have developed multiple ways to reduce paint waste by 25 percent.

Matt I'd add continuous improvement. For us, it's a cultural movement to get every employee involved in improving everything about us, from marketing to product development to working closely with our dealers. Continuous improvement drives consistency and efficiency in how we do our work. It adds value to our products and services by making us more flexible and responsive to customers. And it's real—we're teaching it in all of our plants, in exactly the same way, so that everyone there works to make the operating floor better.

“Consumers today want what they want, how they want it, when they want it.”

Matt Levatich
President & COO

What differences are customers going to see?

Matt We're lucky enough to be in the business of manufacturing dreams. And now, we have much better insight into those dreams and much better processes to tie that in to manufacturing. So they'll see more relevant innovation, better inventory availability, more customization of motorcycles—like the factory custom concept in H-D1—and more “wow” in styling and features, because we're listening in product development and responding in our manufacturing. Consumers today want what they want, how they want it, when they want it. “Customer-led” is about making the right products—more-focused products—more responsively.



While we don't pretend to know everybody who is a potential Harley-Davidson owner, we do know there's an emotional relationship that owners and aspiring owners have with our brand. From Boomers to young adults, women and all ethnicities, it's an enormous, enduring competitive advantage—one that's unique to our brand, wherever we go in the world.



CUSTOMER-LED
EXPERIENCES



The Next Keepers of the Flame

New generations of riders, making their own statements—riders who are as passionate in their choice of motorcycle and what it says about their individuality as any Harley-Davidson owner.

Harley-Davidson's appeal has long transcended stereotypes and it's just as true today, where we're number one in U.S. heavyweight market share across a broad swath of outreach customers. We are the leader among young adults ages 18–34. We're number one with women. Number one with Hispanic riders. Number one among African-Americans. In fact, we sell more new motorcycles to this generation of young adults than we did to the Boomers when they were young adults.

A brand with such diverse appeal doesn't happen by accident. It takes targeted products like our SuperLow™ model, where nearly 70 percent of buyers are new to Harley-Davidson and two-thirds are outreach customers. It takes dealers who bring our brand to life in local communities and teach thousands to ride every year through our Rider's Edge® program. It takes reaching riders through online communities like Facebook, where we have more than two million fans, and meeting those fans face-to-face at major music festivals around the country. It takes programs like Jumpstart™—a test ride on stationary rollers that enables those who have never ridden to experience the feel and power of a Harley-Davidson motorcycle.

We've listened carefully to customers in order to deliver products and experiences that are moving the needle among an increasingly diverse customer base. And the most exciting part is that in many ways, we've just gotten started.

/ No. 1 WITH YOUNG ADULTS

Harley-Davidson is the U.S. heavyweight market share leader among young adults, ages 18–34.





Winning on Familiar Turf

You see them on a lone bike surrounded by wide-open spaces or among a small cluster of friends heading out on a sultry Sunday for a hundred miles and breakfast. You see them at mammoth rallies in places with names like Laconia and Sturgis, at H.O.G.® chapter rides up the Hudson River Valley, or caught in the act of firing up the bike just to go across town at the first sign of spring.

They are customers for life, whether they have been riding a Harley-Davidson motorcycle for three decades or three seasons.

Even as Harley-Davidson continues to extend its reach and influence among young adults and in global markets, our brand strength among core riders remains without parallel. In 2008, 2009 and again in 2010, in the midst of everything the economy could throw our way, we not only protected our leadership position among U.S. riders, we built on it, with a 54.9 percent heavyweight market share and an even higher share in the core 35-plus age demographic.

How do we continue to maintain our unequaled brand strength and grow our market leadership, year in and year out? Products like the new Road Glide® Ultra and the 103 cubic inch engine available as an option on numerous models give loyalists reasons to trade in and trade up. Outstanding dealerships provide customers with an experience that's unrivaled in the industry. And the ability of Harley-Davidson Financial Services to provide one-stop financing and insurance serves as a strategic competitive advantage for the Company.

But above all, chalk up this success to the pure magic that happens whenever a rider rolls on the throttle on a brilliant early summer morning. As Harley-Davidson looks through the curves and leans into our future, we see great opportunity for continued growth among core customers.





/ 100+ New dealerships like Queretaro, Mexico are part of Harley-Davidson's expectation to add 100 to 150 international dealer points over a five year period through 2014.



/ EUROPE'S No. 2

In 2007, Harley-Davidson ranked number 6 in the European heavyweight motorcycle market. By year-end 2010, we climbed to Number 2 on the strength of products like the Forty Eight® and Iron 883™, outstanding dealer experiences and operational effectiveness across the board. It's no small achievement on the home turf of the sportbike.



Growing Our Global Bootprint

The global appeal of the Harley-Davidson brand is undeniable. It unites riders drawn by the unmistakable look, sound and feel of a Harley-Davidson motorcycle—riders who will accept no substitutes. And among riders and non-riders alike, Harley-Davidson's brand recognition and ranking across cultures and nationalities is among the strongest of the strong.

In 2010, international markets accounted for more than 35 percent of all retail sales of new Harley-Davidson motorcycles, up from about 25 percent just four years ago. By 2014, we anticipate that number will surpass 40 percent.

To fuel that fire and stoke the passion of riders around the world, we continue to grow our international dealer network.

We're applying our customer-led principles of local insight and personal relevance, from standout rallies like European Bike Week in Faaker See, Austria, and Fuji Blue Sky in Japan, to the camaraderie of Harley Owners Group® chapters in more than 70 countries.

At the same time, we are strengthening the Motor Company's in-region teams and operations in ways that allow us to maximize the effectiveness of our international expansion.

It all adds up to delivering our powerful brand globally in distinctly local ways.

Financial Performance Summary

In 2010, Harley-Davidson’s revenue from motorcycles and related products on a continuing operations basis decreased 2.6 percent to \$4.18 billion compared to 2009, and income from continuing operations increased 267.6 percent from the prior year to \$259.7 million. These results reflect improved operating margin for the Company’s motorcycle business, strong operating income at Harley-Davidson Financial Services and the impact of restructuring charges and a 2010 debt repurchase.

Revenue from sales of Harley-Davidson motorcycles decreased to \$3.14 billion in 2010, a decline of 1.2 percent from 2009, on a 5.6 percent reduction in shipments of Harley-Davidson motorcycles. Revenue from Genuine Parts and Accessories in 2010 totaled \$749.2 million, a 2.4 percent decrease from the previous year, and General Merchandise revenue was \$259.1 million, a decrease of 8.2 percent compared to 2009.

During 2010, Harley-Davidson took actions to lower its cost structure through eliminating excess capacity, reducing administrative costs and exiting non-core business operations. Harley-Davidson expects restructuring activities announced since 2009, including those announced in early 2011 related to Kansas City Vehicle Operations, to deliver between \$305 million and \$325 million in annual ongoing savings upon completion of those restructuring activities.

Harley-Davidson’s share price increased 37.6 percent during 2010 and the Company paid out dividends of \$.40 per share in 2010. Harley-Davidson has paid a dividend every year since 1993.

Harley-Davidson Motorcycles

Worldwide retail sales of Harley-Davidson motorcycles declined 8.5 percent in 2010 compared to 2009.

In the United States, 2010 retail sales of 143,391 Harley-Davidson motorcycles decreased 11.7 percent from 2009 and overall U.S. heavyweight market registrations declined 14.6 percent. For the full year 2010, retail sales of Harley-Davidson motorcycles in our international markets decreased 1.9 percent compared to 2009. For the same period, retail sales of Harley-Davidson motorcycles increased 3.0 percent in the Europe Region and 5.4 percent in the Latin America Region, and decreased 9.0 percent in Canada and 8.7 percent in the Asia Pacific Region.

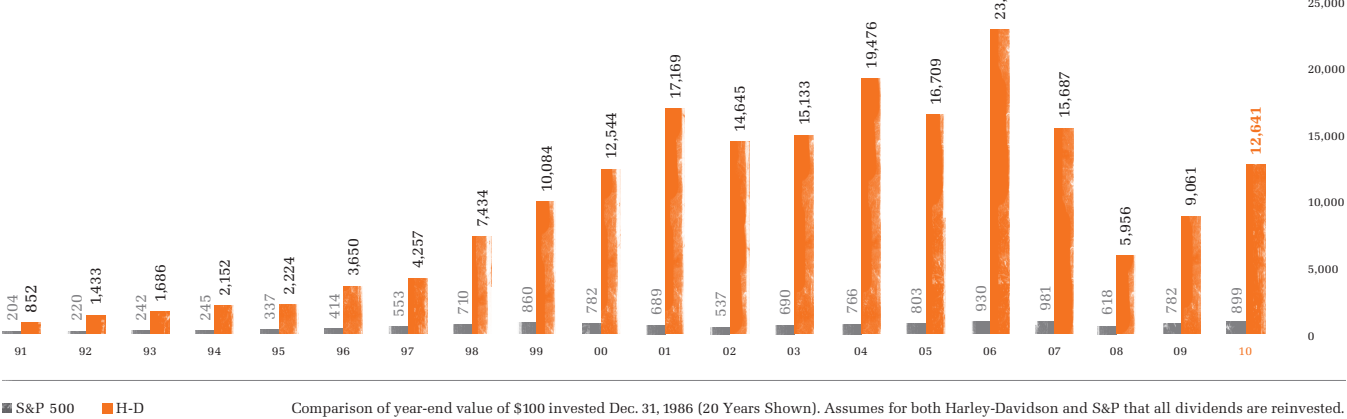
In 2010, the Company shipped 210,494 Harley-Davidson motorcycles worldwide, compared to 223,023 in 2009. In 2010, 37.5 percent of the Harley-Davidson motorcycles shipped went to international markets compared to 35.2 percent in 2009.

Harley-Davidson Financial Services

Financial Services recorded operating income of \$181.9 million in 2010 compared to an operating loss of \$118.0 million in 2009. HDFS’ business benefitted from a lower cost of funds and improved credit performance compared to last year.

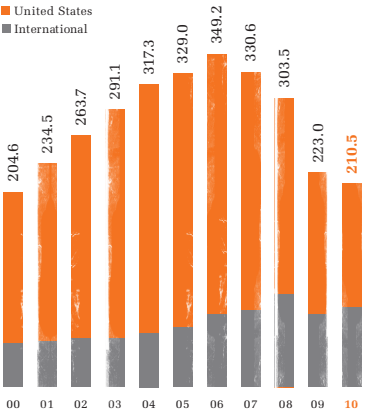
In thousands, except per-share amounts	2010	2009	2008
Statement of Operations Data:			
Motorcycles and related products revenue	\$ 4,176,627	\$ 4,287,130	\$ 5,578,414
Gross profit	1,427,403	1,386,196	1,931,144
Selling, administrative and engineering expense	885,137	851,165	942,267
Restructuring expense and other impairments	163,508	220,976	12,475
Operating income from motorcycles & related products	378,758	314,055	976,402
Financial services revenue	682,709	494,779	376,970
Financial services expense	500,836	581,059	294,205
Restructuring expense	—	3,302	—
Goodwill impairment	—	28,387	—
Operating income (loss) from financial services	181,873	(117,969)	82,765
Operating income	560,631	196,086	1,059,167
Investment income	5,442	4,254	11,296
Interest expense	90,357	21,680	4,542
Loss on debt extinguishment	85,247	—	—
Income before provision for income taxes	390,469	178,660	1,065,921
Provision for income taxes	130,800	108,019	381,686
Income from continuing operations	259,669	70,641	684,235
Loss from discontinued operations, net of tax	(113,124)	(125,757)	(29,517)
Net income (loss)	\$ 146,545	\$ (55,116)	\$ 654,718
Earnings per common share from continuing operations:			
Basic	\$ 1.11	\$ 0.30	\$ 2.92
Diluted	\$ 1.11	\$ 0.30	\$ 2.92
Loss per common share from discontinued operations:			
Basic	\$ (0.48)	\$ (0.54)	\$ (0.13)
Diluted	\$ (0.48)	\$ (0.54)	\$ (0.13)
Earnings (loss) per common share:			
Basic	\$ 0.63	\$ (0.24)	\$ 2.80
Diluted	\$ 0.62	\$ (0.24)	\$ 2.79
Weighted-average common shares:			
Basic	233,312	232,577	234,225
Diluted	234,787	233,573	234,477
Cash dividends per common share	\$ 0.40	\$ 0.40	\$ 1.29
Consolidated Balance Sheet Data (at December 31):			
Total assets	\$ 9,430,740	\$ 9,155,518	\$ 7,828,625
Total debt	\$ 5,752,356	\$ 5,636,129	\$ 3,914,887
Total equity	\$ 2,206,866	\$ 2,108,118	\$ 2,115,603

Harley-Davidson, Inc. vs. Standard & Poor's 500 Composite Index
In dollars



Harley-Davidson Motorcycle
Worldwide Shipments

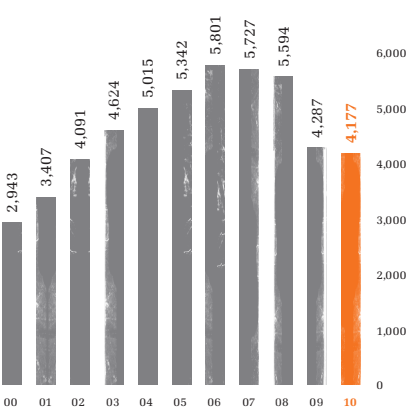
Units in thousands



Harley-Davidson, Inc.

Motorcycles & Related Products Revenue

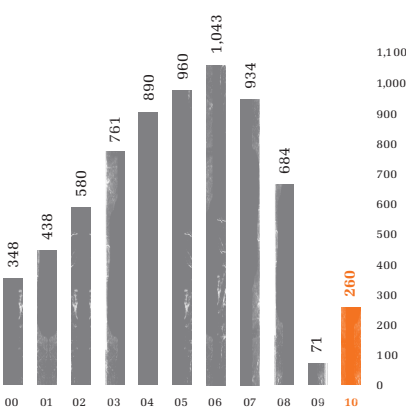
Dollars in millions



Harley-Davidson, Inc.

Income From Continuing Operations

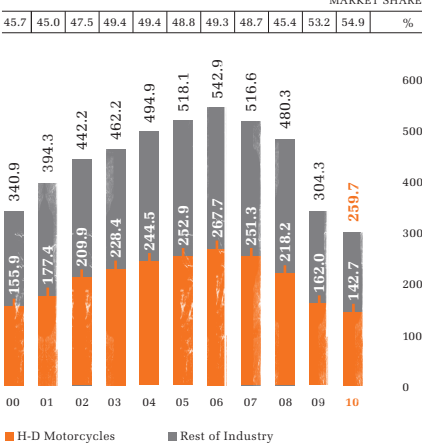
Dollars in millions



United States⁽¹⁾

651+ CC Motorcycle Registrations

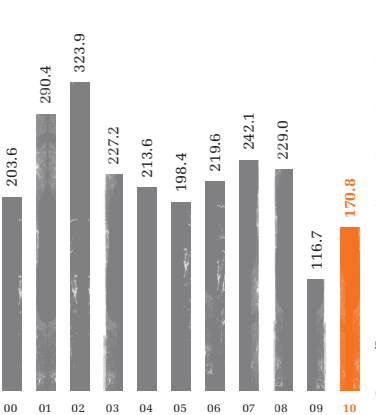
H-D vs. Industry, units in thousands



Harley-Davidson, Inc.

Capital Expenditures on Continuing Operations

Dollars in millions

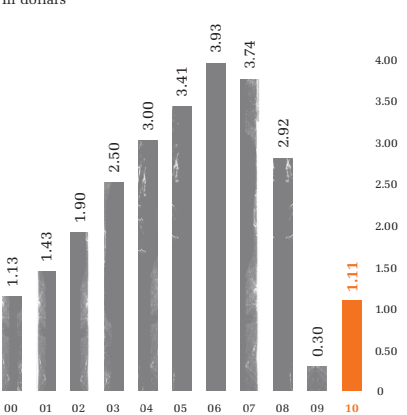


Harley-Davidson, Inc.

Diluted Earnings Per Share

From Continuing Operations

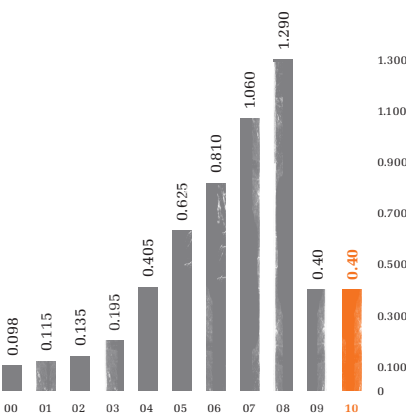
In dollars



Harley-Davidson, Inc.

Dividends Per Share

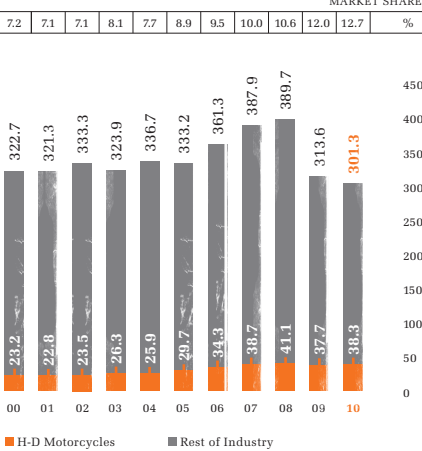
In dollars



Europe⁽²⁾

651+ CC Motorcycle Registrations

H-D vs. Industry, units in thousands



Board of Directors

Harley-Davidson, Inc.

Barry K. Allen

Senior Advisor, Providence Equity Partners; President, Allen Enterprises, LLC

R. John Anderson

President and Chief Executive Officer, Levi Strauss & Co.

Richard I. Beattie

Chairman, Simpson Thacher & Bartlett LLP

Martha F. Brooks

Former President and Chief Operating Officer, Novelis Inc.

George H. Conrades

Executive Chairman, Akamai Technologies, Inc.

Judson C. Green

Vice Chairman, NAVTEQ

Donald A. James

Co-founder, Equity Owner and Chairman and Chief Executive Officer, Deeley Harley-Davidson Canada/ Fred Deeley Imports Ltd.

Sara L. Levinson

Former Executive, ClubMom, Inc., NFL Partners, Inc. and MTV Music Television

N. Thomas Linebarger

Chief Operating Officer and President, Cummins, Inc.

George L. Miles, Jr.

Executive Chair, Chester Engineers, Inc.

James A. Norling

Chairman of the Board, GlobalFoundries, Inc.

Keith E. Wandell

President and Chief Executive Officer, Harley-Davidson, Inc.

Jochen Zeitz

Chief Executive Officer and Chairman of the Board, Puma AG

Harley-Davidson

Executive Leadership Team

John P. Baker

General Manager, Corporate Strategy and Business Development

Joanne M. Bischmann

Vice President, Communications

Tonit M. Calaway

Vice President, Human Resources

Lawrence G. Hund

President, Harley-Davidson Financial Services, Inc.

Paul J. Jones

Vice President, General Counsel and Secretary

Matthew S. Levatic

President and Chief Operating Officer, Harley-Davidson Motor Company

John A. Olin

Senior Vice President and Chief Financial Officer

Keith E. Wandell

President and Chief Executive Officer

Company Information

Harley-Davidson, Inc.

3700 West Juneau Avenue
P.O. Box 653
Milwaukee, WI 53201-0653
414-343-4680

Internet Address:

www.harley-davidson.com

Museum Information:

Harley-Davidson Museum
400 West Canal Street
Milwaukee, WI 53201
877-436-8738
www.h-dmuseum.com

Plant Tour Information:

877-883-1450
Kansas City, MO *Motorcycles*
Menomonee Falls, WI *Powertrain*
Tomahawk, WI *Operations*
York, PA *Motorcycles*

The following are among the Company's trademarks: HARLEY-DAVIDSON, H-D, H-D1, SPORTSTER, DARK CUSTOM, SUPERLOW, RIDER'S EDGE, JUMPSTART, H.O.G., HARLEY OWNERS

GROUP, ROAD GLIDE, FORTY-EIGHT, and IRON 883. All of the Company's trademarks are owned by H-D Michigan, LLC, a subsidiary of the Company, which also manages the Company's trademark strategy and portfolio.

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Printing: Lake County Press
Photography: Eric Perry, Ryan Streveler, Claire & Jeremy Weiss, and various

Shareholder Information

Annual Meeting of Shareholders
The Annual Meeting of Shareholders will convene at 10:30 a.m., CDT, on Saturday, April 30, 2011, at the Frontier Airlines Center, 400 West Wisconsin Avenue, Milwaukee, WI 53203.

SEC Form 10-K

A copy of the Company's Annual Report as filed with the Securities and Exchange Commission on Form 10-K may be obtained from the Company without charge to shareholders or via the Company's website.

Direct Stock Purchase and Dividend Reinvestment Plan
To obtain information on the Direct Stock Purchase and Dividend Reinvestment Plan for our stock, please contact our registrar and transfer agent:

Computershare CIP
250 Royall Street,
Mail Stop 1A
Canton, MA 02021
www.computershare.com
866-360-5339 toll-free
or 312-360-5339

Contact Investor Relations at:

877-HDSTOCK toll-free
414-343-4782
or e-mail: investor.relations@harley-davidson.com

Corporate governance materials may be obtained via our website at www.harley-davidson.com, including our Code of Business Conduct, which is available in eight languages.

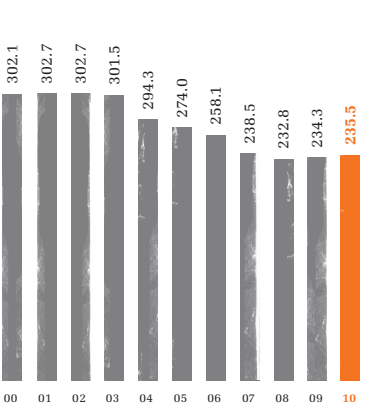
Communication with the Board c/o the Secretary of Harley-Davidson, Inc.
3700 West Juneau Avenue
P.O. Box 653
Milwaukee, WI 53201-0653

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Harley-Davidson, Inc.

Common Shares Outstanding

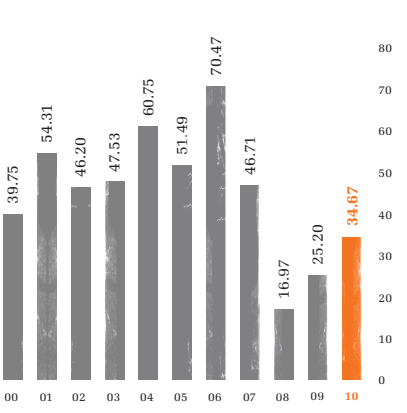
Shares outstanding, in millions



Harley-Davidson, Inc.

Year-end Stock Prices

In dollars



This document contains statements of our beliefs, expectations and objectives and other forward-looking statements that are subject to risks that could cause actual results to be materially different.

Those risks include, among others, that we may not be able to execute our long-term strategy or effectively execute our restructuring plans within expected costs and timing, and matters we have noted in our filings with the SEC, including risk factors that we identified in our Annual Report on Form 10-K for 2010, a copy of which is included as a separate enclosure, which you should review carefully.

Harley-Davidson disclaims any obligation to update information in this document.

⁽¹⁾ U.S. industry data is derived from information provided by Motorcycle Industry Council. This third-party data is subject to revision and update. Prior periods have been adjusted to include all dual-purpose models that were previously excluded.

⁽²⁾ Europe data includes registrations in Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. The Company derives its Europe industry data from information provided by Giral S.A., an independent agency. This third-party data is subject to revision and update. Europe industry data includes three-wheeled vehicles.

The retail registration data for Harley-Davidson motorcycles presented in these tables may differ slightly from the Harley-Davidson retail sales data presented elsewhere in this report. The Company's source for retail sales presented elsewhere in this report is sales and warranty registrations provided by Harley-Davidson dealers as compiled by the Company. The differences are not significant and generally relate to the timing of data submissions to the independent sources.

Our Vision

We fulfill dreams inspired by the many roads of the world by providing remarkable motorcycles and extraordinary customer experiences. We fuel the passion for freedom in our customers to express their own individuality.



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