

Harley-Davidson, Inc.  
Condensed Consolidated Statements of Income  
(In thousands, except per share amounts)

	(Unaudited) Three months ended September 24, 2017	(Unaudited) September 25, 2016	(Unaudited) Nine months ended September 24, 2017	(Unaudited) September 25, 2016
Motorcycles and related products revenue	\$ 962,136	\$ 1,091,630	\$ 3,867,982	\$ 4,338,353
Gross profit	276,975	367,019	1,330,083	1,564,857
Selling, administrative and engineering expense	257,327	258,090	751,946	800,722
Operating income from motorcycles & related products	19,648	108,929	578,137	764,135
Financial services revenue	189,059	183,183	550,314	547,505
Financial services expense	111,999	113,736	338,683	332,114
Operating income from financial services	77,060	69,447	211,631	215,391
Operating income	96,708	178,376	789,768	979,526
Investment income	1,083	2,300	2,539	3,754
Interest expense	7,896	7,706	23,295	21,968
Income before income taxes	89,895	172,970	769,012	961,312
Provision for income taxes	21,686	58,905	255,567	316,327
Net income	\$ 68,209	\$ 114,065	\$ 513,445	\$ 644,985
Earnings per common share:				
Basic	\$ 0.40	\$ 0.64	\$ 2.96	\$ 3.57
Diluted	\$ 0.40	\$ 0.64	\$ 2.95	\$ 3.55
Weighted-average common shares:				
Basic	169,850	178,438	173,362	180,779
Diluted	170,688	179,320	174,303	181,582
Cash dividends per common share	\$ 0.365	\$ 0.350	\$ 1.095	\$ 1.050

Harley-Davidson, Inc.  
Condensed Consolidated Balance Sheets  
(In thousands)

	(Unaudited) September 24, 2017	December 31, 2016	(Unaudited) September 25, 2016
	<u>2017</u>	<u>2016</u>	<u>2016</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 683,134	\$ 759,984	\$ 790,284
Marketable securities	-	5,519	5,038
Accounts receivable, net	343,124	285,106	346,176
Finance receivables, net	2,058,168	2,076,261	2,205,644
Inventories	469,091	499,917	426,547
Restricted cash	52,209	52,574	65,088
Other current assets	182,416	174,491	263,567
Total current assets	<u>3,788,142</u>	<u>3,853,852</u>	<u>4,102,344</u>
Finance receivables, net	5,042,857	4,759,197	4,944,322
Other long-term assets	1,257,360	1,277,191	1,165,560
	<u>\$ 10,088,359</u>	<u>\$ 9,890,240</u>	<u>\$ 10,212,226</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable & accrued liabilities	\$ 851,075	\$ 721,970	\$ 798,127
Short-term debt	834,875	1,055,708	1,055,428
Current portion of long-term debt, net	1,530,401	1,084,884	700,152
Total current liabilities	<u>3,216,351</u>	<u>2,862,562</u>	<u>2,553,707</u>
Long-term debt, net	4,607,791	4,666,975	5,170,609
Pension and postretirement healthcare liabilities	215,396	257,709	303,319
Other long-term liabilities	192,001	182,836	192,223
Total shareholders' equity	<u>1,856,820</u>	<u>1,920,158</u>	<u>1,992,368</u>
	<u>\$ 10,088,359</u>	<u>\$ 9,890,240</u>	<u>\$ 10,212,226</u>

Harley-Davidson, Inc.  
Condensed Consolidated Statements of Cash Flows  
(In thousands)

	(Unaudited) September 24, 2017	(Unaudited) September 25, 2016
Net cash provided by operating activities	\$ 949,075	\$ 927,809
Cash flows from investing activities:		
Capital expenditures	(114,022)	(162,726)
Finance receivables, net	(447,250)	(569,013)
Proceeds from sale of finance receivables	-	312,571
Net change in marketable securities	6,916	40,014
Other	356	251
Net cash used by investing activities	<u>(554,000)</u>	<u>(378,903)</u>
Cash flows from financing activities:		
Proceeds from issuance of medium-term notes	893,668	1,193,396
Repayments of medium-term notes	(400,000)	(451,336)
Repayments of securitization debt	(367,298)	(535,616)
Net decrease in credit facilities and unsecured commercial paper	(225,038)	(146,328)
Borrowings of asset-backed commercial paper	371,253	33,428
Repayments of asset-backed commercial paper	(129,690)	(55,170)
Net change in restricted cash	3,767	30,981
Dividends paid	(190,121)	(190,387)
Purchase of common stock for treasury	(465,167)	(374,234)
Excess tax benefits from share-based payments	-	1,291
Issuance of common stock under employee stock option plans	7,884	6,444
Net cash used by financing activities	<u>(500,742)</u>	<u>(487,531)</u>
Effect of exchange rate changes on cash and cash equivalents	28,817	6,700
Net (decrease) increase in cash and cash equivalents	<u>\$ (76,850)</u>	<u>\$ 68,075</u>
Cash and cash equivalents:		
Cash and cash equivalents - beginning of period	\$ 759,984	\$ 722,209
Net (decrease) increase in cash and cash equivalents	<u>(76,850)</u>	<u>68,075</u>
Cash and cash equivalents - end of period	<u>\$ 683,134</u>	<u>\$ 790,284</u>

Motorcycles and Related Products Revenue and  
Motorcycle Shipment Data

	(Unaudited) Three months ended September 24, 2017	(Unaudited) September 25, 2016	(Unaudited) Nine months ended September 24, 2017	(Unaudited) September 25, 2016
<b>MOTORCYCLES AND RELATED PRODUCTS REVENUE (in thousands)</b>				
Motorcycles	\$ 653,345	\$ 788,856	\$ 3,023,480	\$ 3,437,066
Parts & Accessories	229,709	231,279	636,232	673,192
General Merchandise	72,687	65,289	191,540	211,664
Other	6,395	6,206	16,730	16,431
	<u>\$ 962,136</u>	<u>\$ 1,091,630</u>	<u>\$ 3,867,982</u>	<u>\$ 4,338,353</u>
<b>MOTORCYCLE SHIPMENTS:</b>				
United States	19,668	26,269	118,418	141,708
International	21,994	22,342	75,882	78,099
Total	<u>41,662</u>	<u>48,611</u>	<u>194,300</u>	<u>219,807</u>
<b>MOTORCYCLE PRODUCT MIX:</b>				
Touring	14,674	23,295	80,392	89,467
Cruiser	17,292	13,986	67,693	78,570
Sportster® / Street	9,696	11,330	46,215	51,770
Total	<u>41,662</u>	<u>48,611</u>	<u>194,300</u>	<u>219,807</u>

Worldwide Retail Sales of Harley-Davidson Motorcycles<sup>(1)</sup>

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
United States	41,793	45,469	124,777	135,581
Europe <sup>(2)</sup>	8,970	8,807	33,311	32,841
EMEA - Other	1,108	1,417	4,164	5,106
Total EMEA	10,078	10,224	37,475	37,947
Japan	2,331	2,762	6,994	7,631
Asia Pacific - Other	5,126	5,232	15,634	16,510
Total Asia Pacific	7,457	7,994	22,628	24,141
Latin America	2,306	2,605	7,003	7,064
Canada	2,575	2,663	8,763	8,946
Total International Retail Sales	22,416	23,486	75,869	78,098
Total Worldwide Retail Sales	64,209	68,955	200,646	213,679

(1) Data source for retail sales figures shown above is new sales warranty and registration information provided by Harley-Davidson dealers and compiled by the Company. The Company must rely on information that its dealers supply concerning new retail sales, and the Company does not regularly verify the information that its dealers supply. This information is subject to revision.

(2) Europe data includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. The EMEA Europe total for the nine months ended September 30, 2016 includes 251 units originally reported in the EMEA - Other total.

Motorcycle Registration Data<sup>(1)</sup>

	Nine months ended	
	September 30, 2017	September 30, 2016
United States <sup>(2)</sup>	243,718	263,479
Europe <sup>(3)</sup>	345,701	337,695

(1) Data includes on-road 601+cc models. On-road 601+cc models include dual purpose models, three-wheeled motorcycles and autocycles.

(2) United States data is derived from information provided by Motorcycle Industry Council (MIC). This third-party data is subject to revision and update.

(3) Europe data includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Industry retail motorcycle registration data includes 601+cc models derived from information provided by Association des Constructeurs Europeens de Motocycles (ACEM), an independent agency. This third-party data is subject to revision and update.