Polaris Industries Inc. – A Global Corporation

~8,100 Employees Worldwide

15 Manufacturing Locations

5 Research & Development Centers of Excellence

~1,850 Dealers In North America

~1,400 Dealers Outside North America

>380,000 Units Shipped Worldwide in 2014

>100 Countries – Polaris Products Sold
Corporate Overview: 2014 Sales

**Sales by Component***
- Off-Road Vehicles: 62%
- PG&A: 17%
- Snowmobiles: 7%
- Motorcycles: 8%
- Global Adjacent Markets: 6%

**Sales by Geography**
- United States: 75%
- International: 15%
- Canada: 10%

**Total Company Sales**
$4.48 BILLION

Building a Highly Profitable Global Enterprise

*Reclassified for new Global Adjacent Markets organizational structure*
Consolidated Market Share in Units
(Using Total Motorcycle Industry)


Honda
Harley
Yamaha
Can Am
Kawasaki
Other

#1 N.A. Powersports OEM Again – Extending Lead

IR Aug-2015
**Vision & Strategy**

**VISION**
Fuel the passion of riders, workers and outdoor enthusiasts around the world by delivering innovative, high quality vehicles, products, services and experiences that enrich their lives.

**STRATEGY**
Polaris will be a highly profitable, customer centric, $8B global enterprise by 2020. We will make the best off-road and on-road vehicles and products for recreation, transportation and work supporting consumer, commercial and military applications. Our winning advantage is our innovative culture, operational speed and flexibility, and passion to make quality products that deliver value to our customers.

**Guiding Principles**
- Best People, Best Team
- Safety & Ethics Always
- Customer Loyalty

**Strategic Objectives**

- **Best in Powersports PLUS**
  5-8% annual organic growth

- **Growth Through Adjacencies**
  >$2B from acquisitions & 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%

**Performance Priorities**

- **GROW SALES**
  >$8 Billion by 2020 | 12% CAGR

- **INCREASE NET INCOME**
  >10% of Sales by 2020 | 13% CAGR
Q2 2015 Sales and Income ($ in millions)

Record 2nd quarter sales, operating income and net income
Sales of Motorcycles +57%; PG&A +17%; ORV +2%
Sales in Latin America +32%, Asia Pacific +15%, EMEA -12% (negative currency)

Earnings per share increased 5% to $1.49
Gross profit margin down 166 bps - $18 million currency hit; ~$9 million Spirit Lake cost impact

Results Muted by Negative Currency and Higher Motorcycle Production Costs
### Full Year 2015 Guidance

#### Total Company Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (in $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Actual</td>
<td>$4,480</td>
</tr>
<tr>
<td>FY 2015 Guidance</td>
<td>$4,920 to $5,025</td>
</tr>
</tbody>
</table>

#### Diluted EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Actual</td>
<td>$6.65</td>
</tr>
<tr>
<td>FY 2015 Guidance</td>
<td>$7.32 to $7.42</td>
</tr>
</tbody>
</table>

**Narrowing Sales and EPS Guidance; maintaining upper-end of guidance range**

- North American retail sales growth and market share gains expected to continue
- Dealer and factory inventory growth rates expected to moderate by year-end
- Total sales projected **up 10% to 12%** (narrowed from previous guidance)
- Net income margin projected to remain above long-term goal of 10%
Off-Road Vehicles

#1 in Market Share – 16 New MY’16 vehicles Introduced

$ in Millions

2012 2013 2014 Reclassified*

$2,226 $2,522 $2,793

Up mid-single digits %

+6% $1,334

1st Half 2015 FY 2015 Guidance

3-Yr CAGR +17%

*2014 reclassified to exclude Defense and Commercial Sales
Motorcycles

3-Yr CAGR +38%

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$196</td>
</tr>
<tr>
<td>2013</td>
<td>$220</td>
</tr>
<tr>
<td>2014</td>
<td>$349</td>
</tr>
<tr>
<td>FY 2015 Guidance</td>
<td>$300</td>
</tr>
</tbody>
</table>

Up 55% to 70%

Est. 1998

Acquired 2011

Est. 2014

Amazing Products & Launces – Big Opportunity!

IR Aug-2015
Slingshot exceeding expectations

Increased production rate in April

Slingshot dealers in N.A. at 420+

All but two States have approved Slingshot (Hawaii and Maryland)

Several Canadian provinces to resolve
Spirit Lake Motorcycle Production

Motorcycle Paint Capacity

- Retail Demand
- Backlog
- Backlog Reduction
- Paint Capacity

Paint Capacity Limitations
- Product mix assumptions incorrect
- Excessive focus on costs eliminated key capabilities from final design
- Production, ramp time condensed due to environmental project delays
- Original operational assumptions too optimistic

Recovery Plan in Process
- Operational: process improvements, mix adjustments, additional shifts
- Slingshot paint outsourced
- Legacy paint system operational
- Outsourcing where practical
- Upgrade/expand new paint system – future Capital Expense

Production Ramp Challenged, Working Recovery Plan

Q2 7-22-15
Snowmobiles

3-Yr CAGR +5%

Sales
$283  $302  $322
2012  2013  2014

+7%

Down low-single digits %

$34
1st Half 2015

+56%

FY 2015 Guidance

Solid #2 – Growing Market Share & Continuous Quality Improvement

Acquired April 2015
Parts, Garments & Accessories (PG&A)

Growing Core Brands; Leveraging Aftermarket Opportunities

3-Yr CAGR +22%

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Parts (in Millions)</th>
<th>Garments</th>
<th>Accessories</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$461</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>$611</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$742</td>
<td>$358</td>
<td></td>
</tr>
<tr>
<td>1st Half 2015</td>
<td>Up high-teens %</td>
<td>Up +15%</td>
<td></td>
</tr>
</tbody>
</table>

FY 2015 Guidance

Motorcycles

Off-Road Vehicles

Adjacent Markets

Other

Snow

IR Aug-2015
Focused on Execution in Challenging Markets and F/X Pressures

International

1H 2015 Sales by Product

- ORV
- Snow
- Motorcycles
- Adjacent Markets
- PG&A

1H 2015 Sales by Geography

- Europe
- Latin America
- Asia
- Aus / NZ
- ME / Africa

Total International Sales ($ in millions)

3-Yr CAGR +17%

- Latin America
- Asia/Pacific
- Europe, Middle East & Africa

FY 2015 Guidance

Down low-single digits %

2012 2013 2014 1st Half 2015

- 316
- 685
- 592
- 461

Motorcycles

Snow

Adjacent Markets

PG&A
Polaris-Eicher JV Product Launch - MULTIX

**MULTIX**

Multi-Role Personal Vehicle

- 3 models to start
  - 511cc diesel engine
  - MSRP ~ $3,600 - $4,500
  - Street legal in India

~30 dealers at launch → >200 by 2020

Start of production end of July 2015

Target market potential >60 million people
  - Small/micro business owners in India

**JV Overview**

Signed July 2012

- 50/50 Joint Venture in India
- $27M Polaris investment to-date

Factory in Jaipur, India – 200,000 sq. ft.

JV expected to be profitable by 2018

**Unique Vehicle Platform Designed Specifically for the Multi-Role Consumer**
**Global Adjacent Markets**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Sales (in Millions)</th>
<th>Growth</th>
<th>FY 2015 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 (Reclassified)</td>
<td>$221</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014 (Reclassified)</td>
<td>+24% $273</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Half 2015</td>
<td>+2% $132</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Up 5% to 10%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Work & Transportation***

*Small Vehicles + Commercial

**Starting in 2015 the organization restructured by combining Small Vehicles, Commercial & Military into “Global Adjacent Markets”**

**Growing Outside Powersports**
Expectations for 2<sup>nd</sup> Half 2015

**Win Competitive ORV Battle**
- Leverage product armada and industry-leading market position
- Remain on offense – innovation, customer excellence, improved execution

**Continue to develop and expand motorcycles** (Victory, Indian & Slingshot)

**Increase Spirit Lake Paint Throughput**
- Execute, Execute, Execute

**Improve Europe – win competitive battle; leverage Opole**

**Improve Dealer Inventory Levels – up mid-single digits % by year-end**
- ATV RFM fully embraced by dealers

**Further Optimize Plant Network – Poland, India** (Eicher/Polaris JV), Alabama
- Simple fast, agile, high quality
- Lean / VIP gaining momentum

1<sup>st</sup> Half Performance Challenged; 2<sup>nd</sup> Half Execution Improving
Safe Harbor

Except for historical information contained herein, the matters set forth in this document, including but not limited to management’s expectations regarding 2015 sales, shipments, margins, currencies, net income and cash flow, the opportunities for expansion and diversification of the Company’s business and the Company’s guidance on earnings per share 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 expansion initiatives; acquisition integration costs; warranty expenses; 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; performance of affiliate partners; 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 2014 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.
Appendices

N.A. Retail Sales – Q2 2015
Dealer Inventory – Q2 2015
2015 Full Year Detailed Guidance
2015 Full year Gross Margin Guidance
Foreign Currencies Exposures for Polaris
1st Half 2015 Balance Sheet and Liquidity Profile
Consistent Financial Performance
Research and Development
Global Manufacturing Operations
Polaris N.A. retail ↑ 11% for Q2 2015 vs. Q2 2014
- Gained share in powersports driven by motorcycles and ORV
- ORV market share ↑ in Q2 – elevated competitive environment continues – new products and promotions
- Polaris armada powered share gains

Motorcycle Q2 retail remained strong
- Indian ↑ and gaining share – powered by Scout expansion
- Victory ↓ – low product availability
- Slingshot demand continues strong

Retail Sales Improved Sequentially, as Expected; Motorcycles Strong
Polaris dealer inventory growth moderating, as expected

Continue to optimize ATV RFM business model

Improving system model mix and flexibility/nimbleness, reducing RFM lead-time by 25%

Targeting mid-single digit % growth by 2015 year-end

**YoY Q2’15 Inventory Change by Business**

<table>
<thead>
<tr>
<th>Category</th>
<th>YoY Change</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORV</td>
<td>low-teens</td>
<td>Improving sequentially</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>mid-single digits</td>
<td>Too low – paint constraints</td>
</tr>
<tr>
<td>Snowmobiles</td>
<td>about 40%</td>
<td>Up, but acceptable; off-season</td>
</tr>
<tr>
<td>Global Adjacent Markets</td>
<td>mid-single digits</td>
<td>Appropriate</td>
</tr>
</tbody>
</table>
## 2015 Full Year Guidance

### METRIC

<table>
<thead>
<tr>
<th><strong>GUIDANCE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Components</strong></td>
</tr>
<tr>
<td>Off-Road Vehicles                                                           Up mid-single digits % (reclassified 2014 actuals)</td>
</tr>
<tr>
<td>Snowmobiles                                                                 Down low-single digits %</td>
</tr>
<tr>
<td>Motorcycles                                                                 Up 55% to 70%</td>
</tr>
<tr>
<td>Global Adjacent Markets                                                     Up 5% to 10% (reclassified 2014 actuals)</td>
</tr>
<tr>
<td>PG&amp;A                                                                        Up high-teens %</td>
</tr>
<tr>
<td>International                                                               Down low-single digits %</td>
</tr>
<tr>
<td>Total Company sales                                                         Up 10% to 12%</td>
</tr>
<tr>
<td>Gross profit margin                                                         About Flat</td>
</tr>
<tr>
<td>Operating expenses (% of sales)                                             Down 20 to 30 bps as a % of Sales</td>
</tr>
<tr>
<td>Income from financial services                                              Up high-single digits %</td>
</tr>
<tr>
<td>Income taxes                                                                34.75% to 35.25% of pretax income</td>
</tr>
<tr>
<td>Net income                                                                  Up 10% to 12%</td>
</tr>
<tr>
<td>EPS, diluted                                                                $7.32 to $7.42 (+10% to +12%)</td>
</tr>
</tbody>
</table>

### Change in Guidance

- **Increased/ favorable**
- **Decreased/ unfavorable**
- **Unchanged**
- **Narrowed**

**FY 2015 Guidance Maintained, Narrowed**
## 2015 Gross Profit Margin Guidance

<table>
<thead>
<tr>
<th>METRIC</th>
<th>Actual Q2 2014</th>
<th>Actual Q2 2015</th>
<th>Guidance FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior period</td>
<td>29.0%</td>
<td>30.1%</td>
<td>29.4%</td>
</tr>
<tr>
<td>Production volume/capacity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product cost reduction efforts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency rates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher selling prices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product mix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorcycle Production Constraints</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New plant start-up costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation/Tooling amortization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales promotional costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current period</td>
<td>30.1%</td>
<td>28.4%</td>
<td>~29.4%</td>
</tr>
</tbody>
</table>

**Change**

- Improvement to gross profit margin %: +20 bps
- Impairment to gross profit margin %: -166 bps
- Neutral to gross profit margin %: About Flat
### Foreign Currency Exposures for Polaris

#### F/X Impacts vs. 2014 ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Actual Q2 2015</th>
<th>FY 2015 Expectations*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>($41)</td>
<td>($140 - $160)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>($18)</td>
<td>($65 - $75)</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>$4</td>
<td>$15 - $17</td>
</tr>
<tr>
<td><strong>Other Expense</strong></td>
<td>($4)</td>
<td>($15 - $17)</td>
</tr>
<tr>
<td><strong>Pretax Income</strong></td>
<td>($18)</td>
<td>($65 - $75)</td>
</tr>
</tbody>
</table>

*Assumes exchange rates remain in about same range as of the end of Q2. Pretax income expectations for 2015 include the impact of existing F/X hedging contracts below.

#### Open 2015 F/X Hedging Contracts as of July 20, 2015

<table>
<thead>
<tr>
<th>Foreign Currency</th>
<th>Currency Position</th>
<th>% of 2H 2015 Cash Flow Exposure</th>
<th>Foreign Currency Hedging Contracts</th>
<th>Currency Impact on Net Income Compared to Prior Year Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Dollar (CAD)</td>
<td>Long</td>
<td>70%</td>
<td>$142</td>
<td>$0.79 to 1 CAD</td>
</tr>
<tr>
<td>Australian Dollar (AUD)</td>
<td>Long</td>
<td>60%</td>
<td>$18</td>
<td>$0.78 to 1 AUD</td>
</tr>
<tr>
<td>Euro (EUR)</td>
<td>Long</td>
<td>0%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Japanese Yen (JPY)</td>
<td>Short</td>
<td>60%</td>
<td>$10</td>
<td>112 Yen to $1</td>
</tr>
<tr>
<td>Mexican Peso (MXN)</td>
<td>Short</td>
<td>70%</td>
<td>$21</td>
<td>14.5 Peso to $1</td>
</tr>
</tbody>
</table>

**Significant Impact in Q2 2015, Expected to Persist into 2H 2015**
## Balance Sheet and Liquidity Profile

<table>
<thead>
<tr>
<th></th>
<th>1st Half 2015</th>
<th>Fav / (UnFav) 1st Half 2014</th>
<th>2015 Full Year Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$118.8</td>
<td>0%</td>
<td>Increase from 2014</td>
</tr>
<tr>
<td>Debt / Capital lease obligations</td>
<td>$403.5</td>
<td>(10%)</td>
<td>Similar to 2014</td>
</tr>
<tr>
<td>Credit facility</td>
<td>$500.0</td>
<td>43%</td>
<td>Increased $150M from 2014</td>
</tr>
<tr>
<td>Factory inventory</td>
<td>$708.3</td>
<td>(27%)</td>
<td>Improved Turns</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$88.7</td>
<td>(-13%)</td>
<td>&gt;$250M</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$72.4</td>
<td>(27%)</td>
<td>Increase about 20% from 2014</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>$89.9</td>
<td>(-31%)</td>
<td>Increase at slightly higher % than net income</td>
</tr>
<tr>
<td>Dividend (per share)</td>
<td>$1.06</td>
<td>10%</td>
<td>Increase 10% over 2014</td>
</tr>
<tr>
<td>Polaris Acceptance receivables</td>
<td>$1,100.4</td>
<td>25%</td>
<td>Increase mid to high-single digits % from 2014</td>
</tr>
<tr>
<td>Retail credit – Approval rate</td>
<td>57%</td>
<td>+3%</td>
<td>Rates stable</td>
</tr>
<tr>
<td></td>
<td>31%</td>
<td>-1%</td>
<td></td>
</tr>
</tbody>
</table>
Consistent Financial Performance

5+Year Total Return Dec. 31, 2009 – July 30, 2015

Return on Assets (2010-2014)

- Polaris: 596%
- Peer Avg.: 186%
- S&P Midcap 400: 106%
- S&P 500: 89%
- DJIA: 70%

Return on Invested Capital (2010-2014)

- Polaris
- Peer Average (ACAT, BC, DE, HOG, WGO, TTC)
- S&P 500 Average

Dividends (Per Share)

- 5-year dividend payout $457 million
- 5-year CAGR >20%

- 2010: $0.80
- 2011: $0.90
- 2012: $1.48
- 2013: $1.68
- 2014: $1.92
- 2015: $2.12 (Expectation)

5-year Total Return: 2010 2011 2012 2013 2014
- Polaris: 33% 41% 42% 42% 42%
- Peer Avg: 9% 11% 12% 15% 21%
- S&P Midcap 400: 9% 13% 6% 7% 8%
- S&P 500: 9% 7% 6% 8% 6%
- DJIA: 4% 6% 6% 7% 6%

5-year CAGR: 2010 2011 2012 2013 2014
- Polaris: 9% 11% 12% 15% 21%
- Peer Avg: 9% 11% 12% 15% 21%
- S&P Midcap 400: 9% 12% 7% 8% 6%
- S&P 500: 9% 12% 7% 8% 6%
- DJIA 4% 6% 6% 7% 6%

- Polaris: $0.80 $0.90 $1.48 $1.68 $1.92 $2.12
- Peer Avg: $0.80 $0.90 $1.48 $1.68 $1.92 $2.12
- S&P Midcap 400: $0.80 $0.90 $1.48 $1.68 $1.92 $2.12
- S&P 500: $0.80 $0.90 $1.48 $1.68 $1.92 $2.12
- DJIA: $0.80 $0.90 $1.48 $1.68 $1.92 $2.12

- Polaris: 9% 11% 12% 15% 21% 14%
- Peer Avg: 9% 11% 12% 15% 21% 14%
- S&P Midcap 400: 9% 12% 7% 8% 6% 14%
- S&P 500: 9% 12% 7% 8% 6% 14%
- DJIA: 4% 6% 6% 7% 6% 14%
Research & Development

Product Development Vitality Index

<table>
<thead>
<tr>
<th>Year</th>
<th>% Contribution to Sales of Vehicles Introduced in Past 3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>71%</td>
</tr>
<tr>
<td>2011</td>
<td>72%</td>
</tr>
<tr>
<td>2012</td>
<td>78%</td>
</tr>
<tr>
<td>2013</td>
<td>72%</td>
</tr>
<tr>
<td>2014</td>
<td>70%</td>
</tr>
<tr>
<td>2015</td>
<td>76%</td>
</tr>
</tbody>
</table>

Speed to Market

Concept to Customer Feedback

Priorities

Lean Product Development to improve Speed and Quality

Lower development costs to invest more in Innovation and reducing product costs

Cost-Effective application engineering of new technology

Extend vibrant innovative culture to new markets and regions

Product Development Driving Innovation at Polaris
Adding LEAN Capacity to Supply Future Consumer Demand