



NEWS RELEASE

# Polaris Industries to Wind Down Victory Motorcycles Operations Strengthening its Position in the Powersports Industry

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MINNEAPOLIS--(BUSINESS WIRE)-- **Polaris Industries Inc.** (NYSE:PII) today announced it will immediately begin winding down its Victory Motorcycles brand and related operations. Polaris will assist dealers in liquidating existing inventories while continuing to supply parts for a period of 10 years, along with providing service and warranty coverage to Victory dealers and owners. Today's announcement does not affect any other Polaris business units.

"This was an incredibly difficult decision for me, my team and the Polaris Board of Directors," said Polaris Industries Chairman and CEO Scott Wine. "Over the past 18 years, we have invested not only resources, but our hearts and souls, into forging the Victory Motorcycles brand, and we are exceptionally proud of what our team has accomplished. Since inception, our teams have designed and produced nearly 60 Victory models that have been honored with 25 of the industry's top awards. The experience, knowledge, infrastructure and capability we've built in those 18 years gave us the confidence to acquire and develop the Indian Motorcycle brand, so I would like to express my gratitude to everyone associated with Victory Motorcycles and celebrate your many contributions."

Several factors influenced today's announcement. Victory has struggled to establish the market share needed to succeed and be profitable. The competitive pressures of a challenging motorcycle market have increased the headwinds for the brand. Given the significant additional investments required for Victory to launch new global platforms that meet changing consumer preferences, and considering the strong performance and growth potential of **Indian Motorcycle**, the decision to more narrowly focus Polaris' energy and investments became quite clear.

"This decision will improve the profitability of Polaris and our global motorcycle business, and will materially



improve our competitive stance in the industry,” said Scott Wine. “Our focus is on profitable growth, and in an environment of finite resources, this move allows us to optimize and align our resources behind both our premium, high performing Indian Motorcycle brand and our innovative Slingshot brand, enhancing our focus on accelerating the success of those brands. Ultimately this decision will propel the industry-leading product innovation that is core to our strategy while fostering long-term growth and increased shareholder value.”

Polaris will reduce the appropriate operating cost based on this decision, while continuing to support the future growth of the ongoing motorcycle business. Polaris remains committed to maintaining its presence in the Spirit Lake, Iowa community with Indian Motorcycle production and in the Huntsville, Alabama community with its Slingshot production.

Any one-time costs associated with supporting Victory dealers in selling their remaining inventory, the disposal of factory inventory, tooling, and other physical assets, and the cancellation of various supplier arrangements will be recorded in the 2017 income statement in respective sales, gross profit and operation expense. These costs will be excluded from Polaris’ provided 2017 sales and earnings guidance on a non-GAAP basis.

Polaris will release its fourth quarter and full-year 2016 financial results and provide 2017 guidance on Tuesday, January 24, 2017. A webcast and conference call will be held at 9:00 a.m. Central Time on January 24, 2017 to discuss the results. A slide presentation and link to the webcast will be posted on the Polaris Investor Relations website at [ir.polaris.com](http://ir.polaris.com). To listen to the conference call by phone, dial 877-706-7543 in the U.S. and Canada, or 478-219-0273 Internationally. The Conference ID is #45015597.

Click [here](#) for additional information related to this release.

## About Polaris

Polaris Industries Inc. (NYSE: PII) is a global powersports leader with annual 2015 sales of \$4.7 billion. Polaris fuels the passion of riders, workers and outdoor enthusiasts with our RANGER<sup>®</sup>, RZR<sup>®</sup> and POLARIS GENERAL<sup>™</sup> side-by-side off-road vehicles; our SPORTSMAN<sup>®</sup> and POLARIS ACE<sup>®</sup> all-terrain off-road vehicles; INDIAN MOTORCYCLE<sup>®</sup> midsize and heavyweight motorcycles; SLINGSHOT<sup>®</sup> moto-roadsters; and Polaris RMK<sup>®</sup>, INDY<sup>®</sup>, SWITCHBACK<sup>®</sup> and RUSH<sup>®</sup> snowmobiles. Polaris enhances the riding experience with parts, garments and accessories sold under multiple recognizable brands, and has a growing presence globally in adjacent markets with products including military and commercial off-road vehicles, quadricycles, and electric vehicles. Please visit [www.polaris.com](http://www.polaris.com).

Except for historical information contained herein, the matters set forth in this news release, including management's expectations regarding expected disposition charges and future investments, 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; costs of canceling supplier arrangements; warranty expenses; foreign currency exchange rate fluctuations; environmental and product safety regulatory activity; effects of weather; uninsured product liability claims; and overall economic conditions, including inflation and consumer confidence and spending. Investors are also directed to consider other risks and uncertainties discussed in documents filed by the company with the Securities and Exchange Commission.

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