UNWAVERING
RESOLVE



POLARIS

POLARIS INDUSTRIES INC.

ANALYST & INVESTOR MEETING

Opening Remarks / Polaris Overview

July 26, 2016

Tuesday, July 26, 2015

8:00 AM – 12:00 PM CDT

Gaylord Opryland
Nashville, TN

Webcast Link at:
ir.polaris.com

8:00 am	Opening Remarks / Polaris Overview	Scott Wine
8:15 am	Customer Excellence	Tim Larson
8:35 am	Motorcycles	Steve Menneto
9:05 am	Global Adjacent Markets	Bob Mack
9:25 am	Parts, Garments & Accessories	Steve Eastman
9:45 am	International	Mike Dougherty
10:05 am	Break	
10:20 am	Snowmobiles	Chris Wolf
10:35 am	Off-Road Vehicles	Matt Homan
11:05 am	Global Operations, Engineering & Lean	Ken Pucel
11:25 am	Closing Comments	Scott Wine
11:30 am	Q&A	Scott Wine Mike Speetzen
12:00 pm	Adjourn	

Except for historical information contained herein, the matters set forth in this document, including but not limited to management's expectations regarding 2016 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 2015 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.

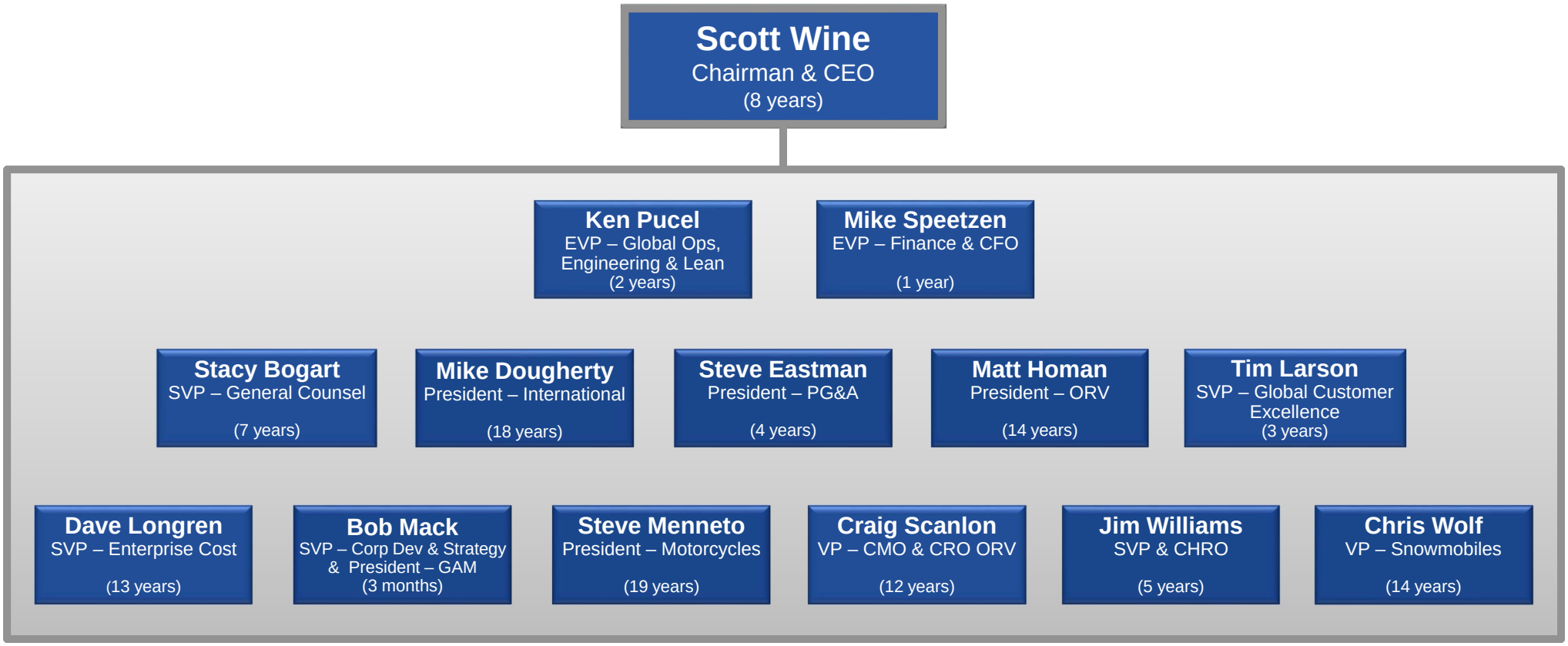
The data source for retail sales figures included in this presentation is registration information provided by Polaris dealers in North America and compiled by the Company or Company estimates. The Company must rely on information that its dealers supply concerning retail sales, and other retail sales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

Non-GAAP Measure - Constant Currency Reporting. This presentation includes information regarding the Company's 2016 expectations on a constant currency basis, which is a non-GAAP measure, as well as on a GAAP basis. For purpose of comparison, the results on a constant currency basis uses the respective prior year exchange rates for the comparative period to enhance the visibility of the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations.

Scott W. Wine
Chairman & CEO

Opening Remarks

July 26, 2015


Scott Wine
Chairman & CEO
(8 years)
Ken Pucel
EVP – Global Ops, Engineering & Lean
(2 years)
Mike Speetzen
EVP – Finance & CFO
(1 year)
Stacy Bogart
SVP – General Counsel
(7 years)
Mike Dougherty
President – International
(18 years)
Steve Eastman
President – PG&A
(4 years)
Matt Homan
President – ORV
(14 years)
Tim Larson
SVP – Global Customer Excellence
(3 years)
Dave Longren
SVP – Enterprise Cost
(13 years)
Bob Mack
SVP – Corp Dev & Strategy & President – GAM
(3 months)
Steve Menneto
President – Motorcycles
(19 years)
Craig Scanlon
VP – CMO & CRO ORV
(12 years)
Jim Williams
SVP & CHRO
(5 years)
Chris Wolf
VP – Snowmobiles
(14 years)

($ in millions except per share amounts)	1st Half 2016	1st Half 2015	Variance
Revenue	$2,113.8	$2,157.7	-2%
Gross Profit %	25.2%	28.4%	-325 bps
Operating Profit %	9.2%	14.6%	-538 bps
Net Income	$118.1	$189.5	-38%
Net Income %	5.6%	8.8%	-320 bps
EPS	$1.80	$2.79	-35%
YTD Operating Cash Flow	$348.3	$89.9	+287%

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

- Growth
- Margin Expansion
- Product & Quality Leadership
- LEAN Enterprise

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

INCREASE NET INCOME >10% of Sales by 2020 | 13% CAGR

Strategy and Objectives Remain Valid & Achievable

Guiding Principles

Best People, Best Team

Safety & Ethics Always

Customer Loyalty

Performance Priorities

Growth

Margin Expansion

Product and Quality Leadership

LEAN Enterprise

1. **Win the Competitive Battle –Grow**
   - **Remain on Offense – Innovation / Customer Excellence**
2. **Attack Costs–Boldly**
   - **Align With Current Outlook**
3. **Improve Execution & Quality**
   - **Dramatically Improve Performance**
4. **Accelerate LEAN Transformation**
   - **Build A Competitive Advantage**
5. **Get Great At Inventory**
   - **Improve Cash Flow / Dealer Loyalty / Profitability**
6. **Invest Wisely**
   - **New Products, New Businesses, New Partners**
7. **Meet / Beat Commitments**
   - **Regain Consistency / Confidence**

Scott W. Wine
Chairman & CEO

Thank You

POLARIS INDUSTRIES INC. / ANALYST & INVESTOR MEETING

TIM LARSON

SVP – Global Customer Excellence

Polaris Sales, Service & Interactive

July 26, 2016

Ensure the best powersports & on-road products in the world, are surrounded by the best consumer and dealer experience in the world, delivering:

Loyal lifetime relationships, earning repeat purchase

The industry's leading NPS: product & experience

Polaris >$8 Billion by 2020



Reference: Base graphic attributed to Don Peppers, modified for Polaris

ENGAGE DIGITALLY



DEALERSHIP EXPERIENCE



WORLD CLASS SERVICE



Shop | Buy | Ride | Own

SEAMLESS: DIGITAL TO DEALERSHIP



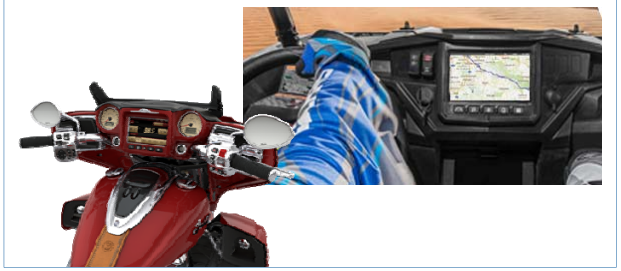


SEAMLESS DELIVERY EXPERIENCE



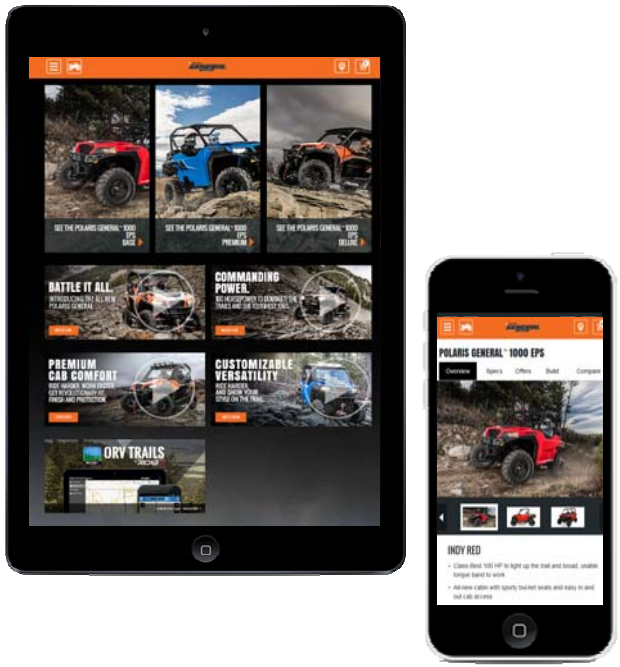


RIDE COMMAND



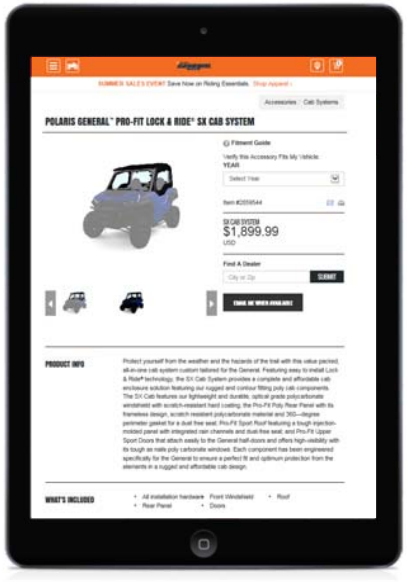
59% Traffic Mobile

Fully Responsive, New B&Q



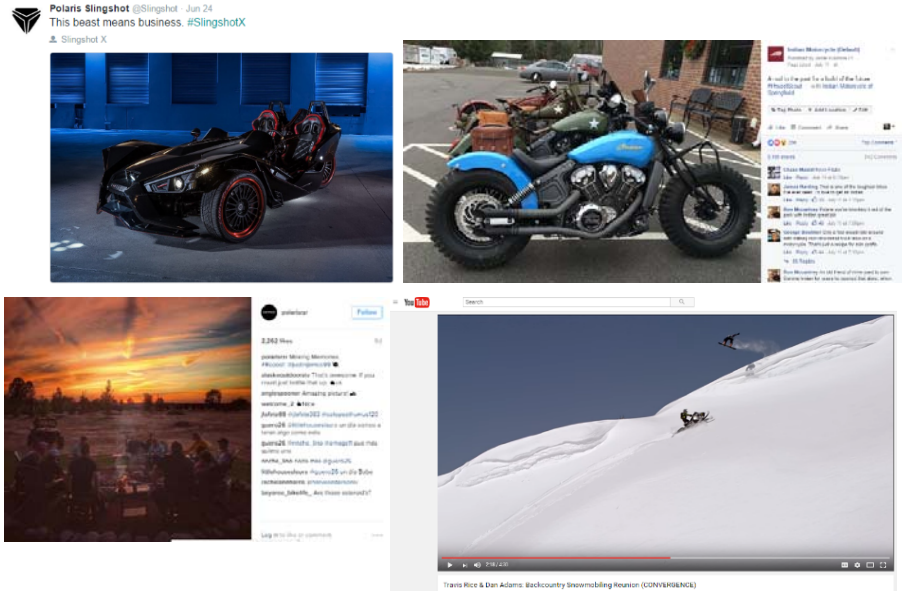
1.6X Sales E-Commerce

Improved Product Shopping



6.2 Million Fans Socially

Direct Activation & Engagement





Fleet Management
Geofencing
Authentication

POLARIS® RIDECOMMAND™

Largest screen on two wheels
Fastest interface
Most customizable

Dealership Capabilities

Expanding Service & Staff Training

Dealer Management System Integration

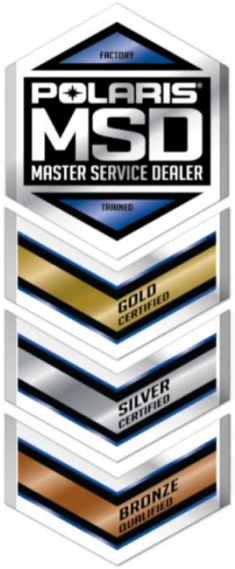
Field Support Investments

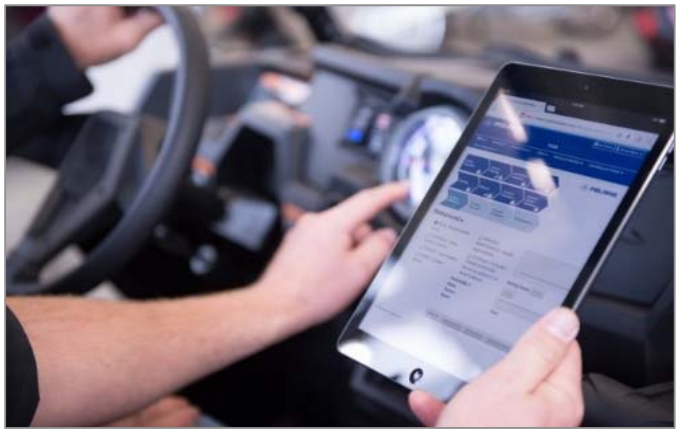


Consumer Ownership

Polaris Consumer Delivery Experience: PCDX

Ride Command Integrated APP







Dealer Profitability

Inventory Reduction

RFM & SMART

Retail Velocity & Simplified Incentives

Dealer Data Sharing

1st Half: New Dealer Activations on Target

ORV

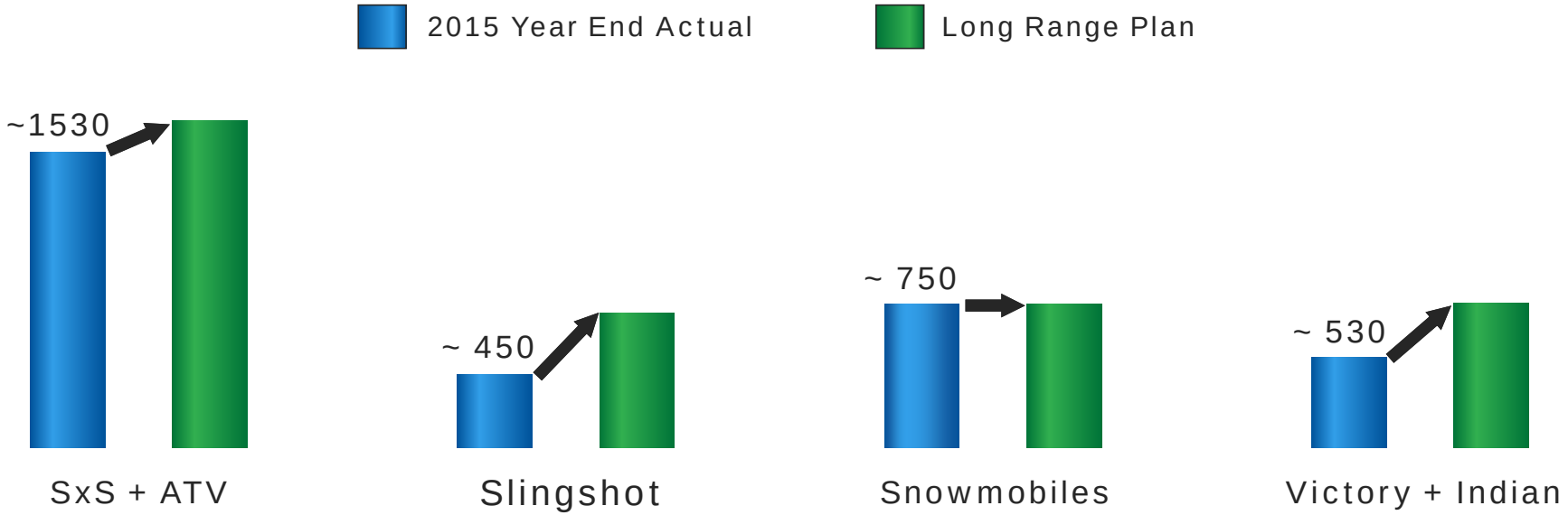
Indian Motorcycle

Slingshot

Existing Dealer Expansions on Target

¾ of our total Polaris NA revenue

Top 3 actions: showroom, storage, service



SxS + ATV

ORV: further expand in opportunity markets

Slingshot

further expand distribution

Snowmobiles

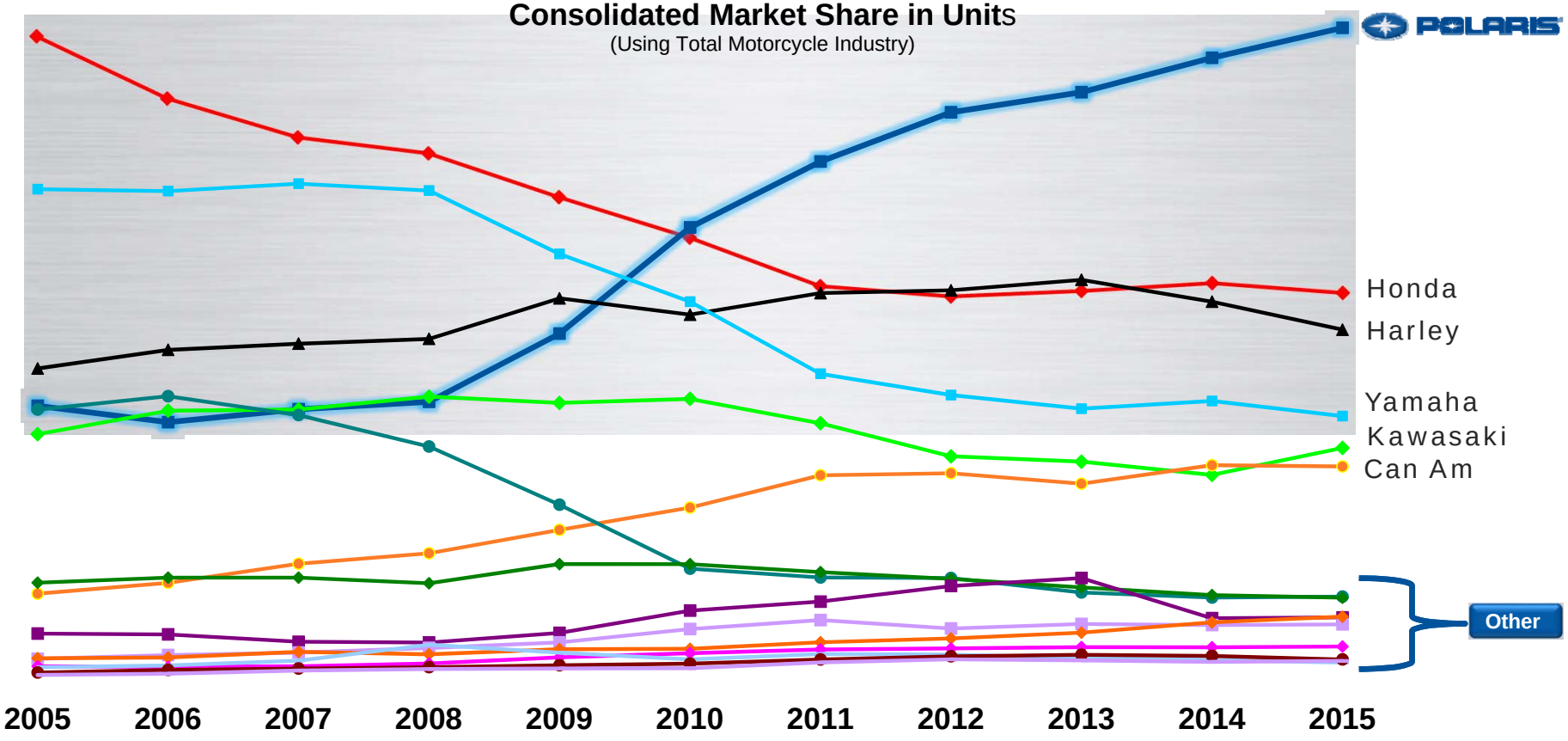
sustain leadership position

Victory + Indian

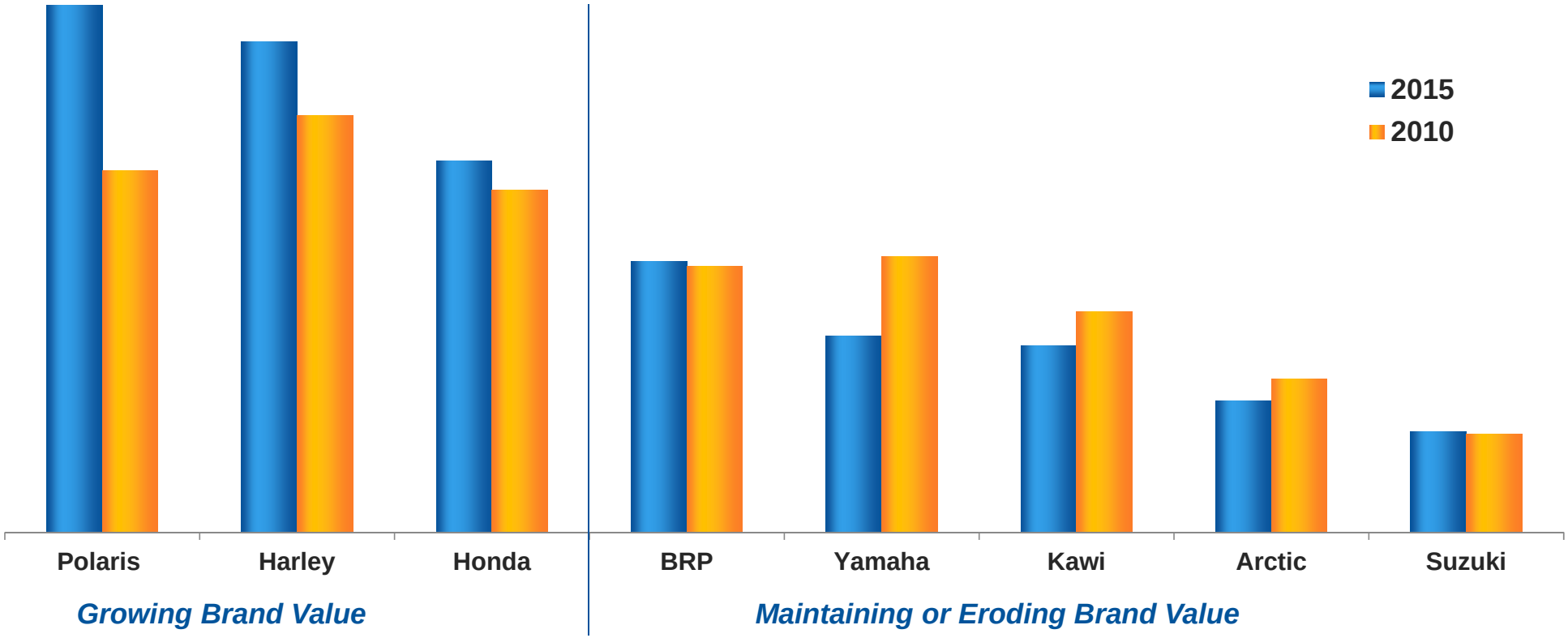
Motorcycles: fully penetrate top markets

Consolidated Market Share in Units

(Using Total Motorcycle Industry)



OEM N.A. Retail Sales Units Per Dealership (2015 vs. 2010)



Ensure the best powersports and on-road products in the world are surrounded by the best consumer and dealer experience in the world:

- **Deliver industry-leading product innovation: MY 17 lineup, PG&A, Ride Command**
- **Executing complementary channels to: engage consumers, deliver leads to dealers**
- **Improving dealer profitability through:**
  - **Retail velocity, RFM, SMART & inventory management**
  - **Transforming distribution/dealership capabilities: lead mgmt., merchandising, service**

Tim Larson

SVP – Global Customer Excellence
Polaris Sales, Service & Interactive

Q&A

POLARIS INDUSTRIES INC. / Analyst Meeting

Steve Menneto

President – Motorcycles

July 26, 2016

Slingshot integration into Motorcycles:

1. Plenty of Opportunities to Drive Growth & Awareness

2. Leverage Bigger Motorcycle Team to Drive Growth for all Three Brands

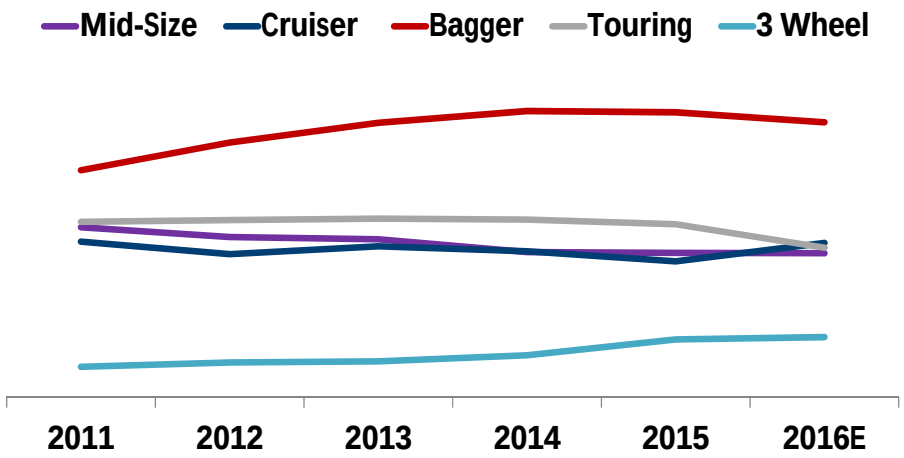
3. Leverage Lean Tools and Standard Work to Improve Margins



2016 Industry Retail YTD



Industry Retail Trends



<u>Q2 YTD 2016 Trends</u>:

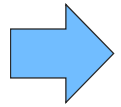
2016 N.A. 900+ cc Industry down mid-single digits YTD

Mid Size Industry up mid-single digits – New Product Introductions / promo driving segment

Cruiser Industry up mid-single digits – New Product introductions/ promo driving segment

Bagger & Touring down high-single digits – Increased Promotions to Get Customer to Trade

3-wheeled down high-single digits – Slingshot gaining share

Rank	Manufacturer	Strategy	Share Trend
1	Harley	Aggressive Financing, Conversion Promotions Focusing on Cruiser, Sportster, Street Products Huge Installed Owner Base	
2	Indian	American Heritage High Owner Satisfaction	
3	Victory	American Muscle & Performance High Owner Satisfaction	
4	Metrics	Aggressive Promotions, Low Investment in New Product Breadth of Distribution Bases	
5	Triumph	Historical Brand, New Products	



Springfield Launched March ‘16



Slingshot SL Blue Fire Launched March ‘16



Octane Launched Feb ‘16



Jack Daniels/Indian 150 bikes sold out in 8 hours



Chieftain Dark Horse launched May ’16

VIDEO:
VICTORY BRAND
TRT 1:00





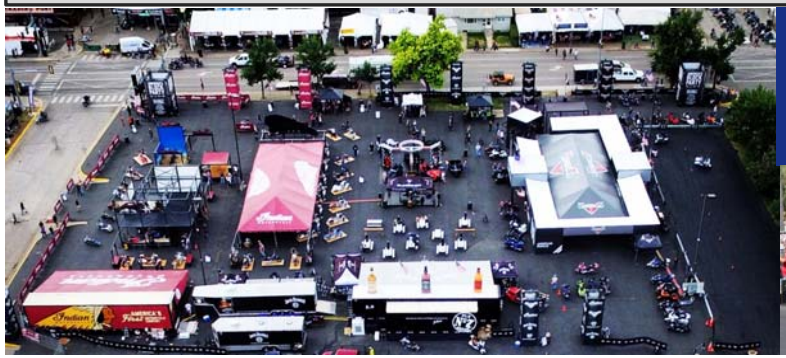




More Power
S&S Performance Accessories
Octane Performance Accessories
More Limited Editions
Modern American Muscle
Expand Colors
New Magnum X-1
Muscle Car Colors
New XCT Standard Equipment
New XC Standard Equipment
Standardize Technology

MY17

Sturgis Showcase of Product & Partners







REDLINE

Industry Leading Programs “On Brand”



200MM+
Media Impressions



OCTANE CUSTOM ACTIVATIONS

New Riders Experience Brand







IAVA – MILITARY

Veterans Day Honoring Heroes





VIDEO:
INDIAN BRAND
TRT 1:38

Indian Motorcycle RIDE COMMAND™

Largest Screen, Fastest Interface, Most Customizable



Best System on Two Wheels



RIDE COMMAND™

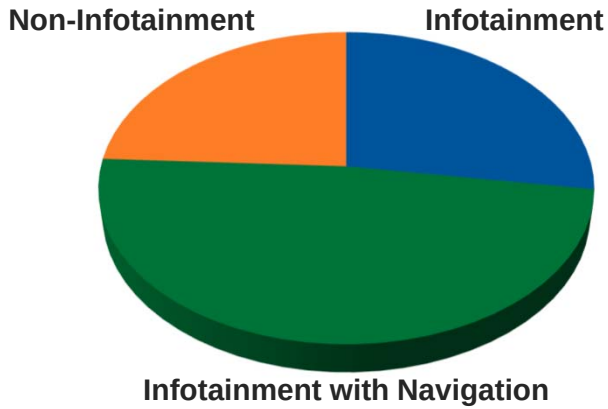
Highest resolution and brightest, largest screen (7”)

Quickest start-up, 2 finger touch with pinch to zoom

3 customizable screens with 8 different Information Display options

Up to 200 watt premium audio system

N.A. Bagger/Touring Retail



Infotainment has taken over the Tour and Bagger market in N.A.

Growth opportunity for Chieftain & Roadmaster





AMA Growing Viewership

Live up to our past

Reveal at Sturgis

Race at Springfield



Broader Scout Appeal via Hooligan Racing

PRODUCT

Product that beats HD where it matters





BRAND

Brand that inspires riders to Be Legendary





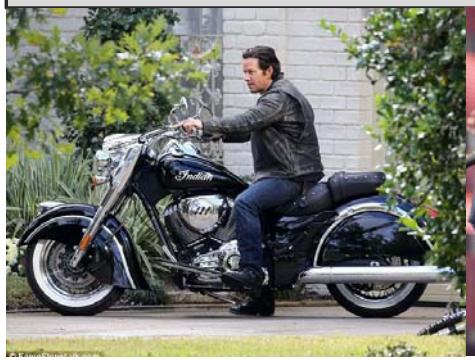






OUTREACH

Partnerships that Disrupt Core HD Rider







EXPERIENCE

Surpass HD Owner and Dealer Experience









VIDEO:
SLINGSHOT BRAND
TRT 1:38

NEW RACE INSPIRED SLRs:



TURBO SILVER



ORANGE MADNESS



Enhancing the Cockpit Experience:

NEW Premium Cut & Sew PPD seats

NEW High quality Rockford Fosgate speakers

NEW Radio antenna Better reception

Significant BOM & Weight Reduction

- 40 lbs vs MY16 NEW Accessory Opportunity

Delivering the #1 Most Requested Product Feature:

SLINGSHADE

MSRP: Starting at $2,999 – LAUNCHES: Fall 2016

MY17

Sturgis Showcase of Product & Partners



REDLINE

Industry Leading Programs “On Brand”

SLINGSHOT REDLINE MODEL YEAR CLOSEOUT



+82% YOY Media to Drive Awareness

More Paid Media



The Car Connection

NFL

Men's Health

Google AdWords

YouTube

ESPN

Showcase Celebrity Builds

More Earned Media

CAIN VELASQUEZ



KID ROCK (SEMA)



Customer Engagement

Leverage Growing Installed base

Drive catalog strategy
- Direct mail new customers
- Drive digital downloads



Seasonal consumer promotions
- Compelling spend / get promos
- Inspiring seasonal content & product news

Drive Growth through Power Items

POLARIS PG&A POWER items

Product Development

Comfort & style options

Performance & technology S&S

Co-brand partnerships

Slingshot vehicle weight reduction



New “Slingshade” – October 2016 SOP



Apparel

New Categories
Made in America Line









Driving From Shop To Buy

1:1 Marketing is Reaching Target Consumers and Delivering Sales

Implemented Website Enhancements to Capitalize on Changing Shopping Behavior

- ***NEW*** Ratings & Reviews (live)
- ***NEW*** Inventory Search (coming after Dealer Show)
- ***NEW*** Trade in Valuator (coming in September)
- ***NEW*** Test online chat service
- ***NEW*** Dealer lead conversion tracker

Direct Mail & Email



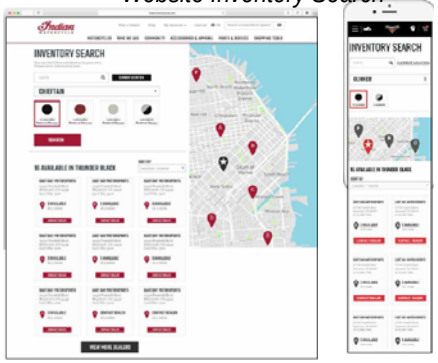






Website Ratings & Reviews

Website Inventory Search



Creating a More Personalized Owner Experience

Expanding Rider Groups to Build Community and Advocacy





Dealer Count	N.A. Current	Int'l Current
Indian Motorcycle	~190+ retail/ ~230 signed	~170
Victory	~430	~100
Slingshot	~475	~100

Spirt Lake/Spearfish



Stable, Consistent Quality

Dramatic improvement in paint capabilities/capacity

Better processes, Cost Down through Lean

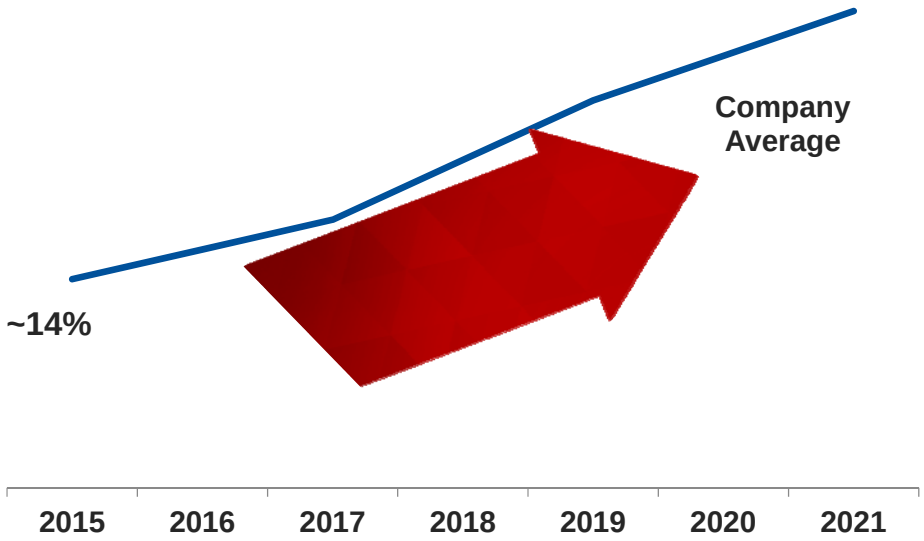
Huntsville



Significantly expanded capacity

Greater in-house capabilities

Better processes, Cost Down through Lean



Aggressive Product Plan

Robust PGA Business

Leverage Growing Scale

Integrate Suppliers in Margin Expansion

Lean Tools & Standard Work

POLARIS INDUSTRIES INC. / ANALYST & INVESTOR MEETING

Steve Menneto

President – Motorcycles

Q&A

POLARIS INDUSTRIES INC. | ANALYST & INVESTOR MEETING

GLOBAL ADJACENT MARKETS

Bob Mack

SVP – Corporate Development and Strategy &
President – Global Adjacent Markets

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Vision & Strategy

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Customer Loyalty

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5-8% annual organic growth

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>$2B from acquisitions & new markets

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Growth
Margin Expansion
Product & Quality Leadership
LEAN Enterprise

GROW SALES >$8 Billion by 2020 | 12% CAGR **INCREASE NET INCOME** >10% of Sales by 2020 | 13% CAGR

Work & Transportation



People mobility, work utility, and industrial solutions to customers incremental for Polaris.

Polaris Defense





Provide ultra-light tactical vehicles targeted at defense forces around the world.

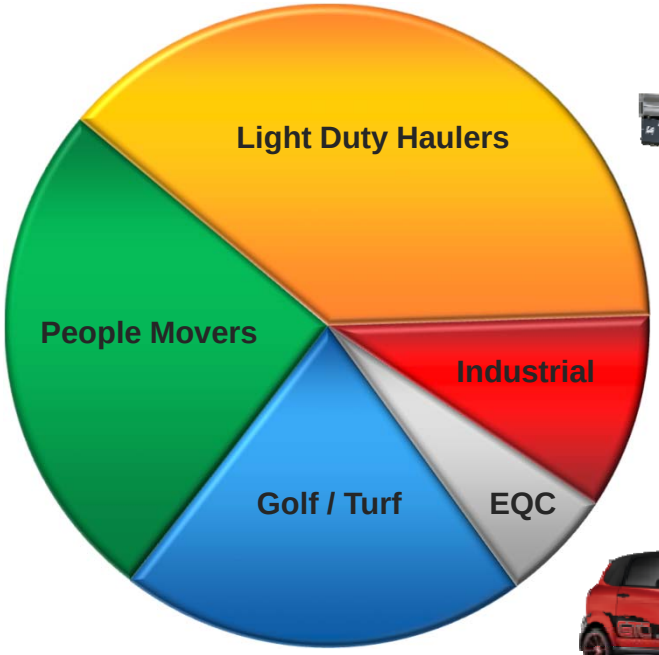
Corporate Development

Use acquisition strategies to help drive Adjacent Markets to $2B goal.

<u>FOCUS Areas:</u>

Existing businesses
Adjacent customers
Adjacent channels
Adjacent products











Market Size
~$4 Billion Fragmented

Global View
80% market in NA
Europe & China grow faster than NA
Brazil & India emerging

Growth Drivers
Demand for clean low cost vehicles:
- Rising fuel prices
- Gov't regulations
- Environment
- Urbanization

Key Success Factors
High quality, innovative, low cost products
After sales service
Distribution network
Global scale & brand





Attractive dealer and distributor network; focused on commercial markets

Primary business/product focus = price sensitive fleet golf buyer

Increased focus on non golf utility segments

Textron consolidating with Cushman, TUG, Bad Boy, Douglas and Premier



European LDH vehicles; Piaggio strong presence in India

Leverage automotive brand & distribution – limited product innovation

Ligier – aggressive with enclosed quadricycles (ECQ), #2 player



Leading niche players with strong presence in targeted verticals

Nominal product innovation historically

Highly fragmented distribution network presence



Traditional powersports players compete for rental, heavy duty ag, construction, landscaping

Kubota and Kawasaki most aggressive

Create and acquire strong brands that offer products that meet all of our customer's work and transportation needs

Develop an effective channel to sell and service the needs of commercial customers

Establish Polaris and our brands as the leader in product and technology solutions for work

Optimize our global operations to maximize profitability and customer service across our varied businesses

Overview

Taylor-Dunn ("TD") designs and manufactures industrial and commercial burden carriers, personnel carriers, stockchasers, electric carts, tow tractors and other commercial vehicles

Founded: 1949

HQ & Manufacturing: Anaheim, CA

Employees: 160 FTE

What We Liked

TD has strong, loyal dealer and customer network serving large industrial customers including a strong service network that can be leveraged for Polaris Work and Transportation products

Complimentary product line up allows Polaris/TD to offer customers full suite of vehicle solutions

Profitable Make-to-order business model where we can realize meaningful sales/distribution, product and cost down synergies



Product Overview


Burden Carriers & Trailers


Commercial Vehicles


Electric Trams & Trailers


Stockchasers


Tow Tractors & Trailers


Personnel Carriers


Utility Vehicles

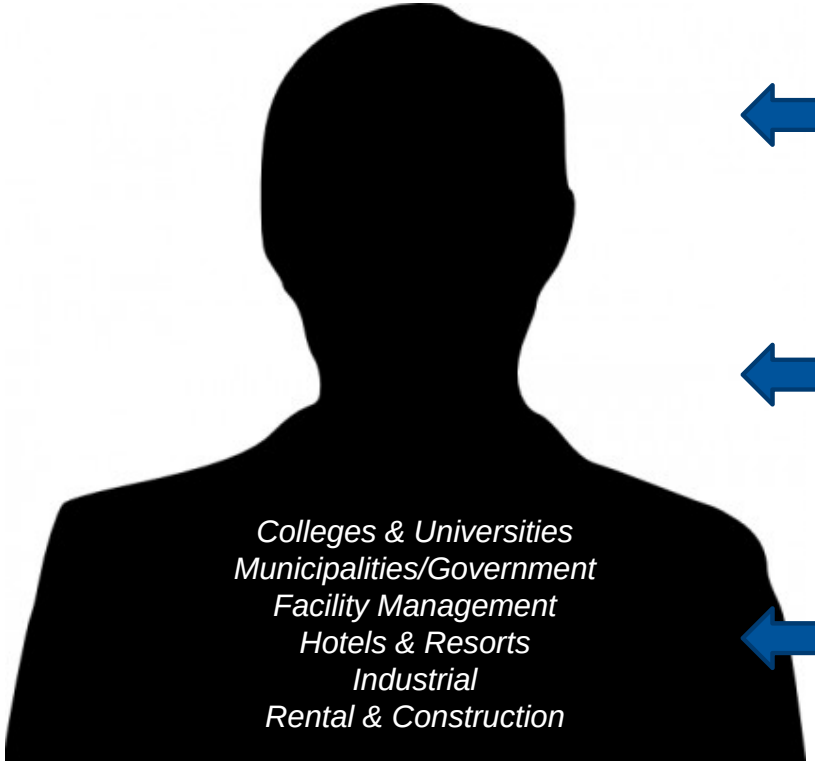
Top Participants

Market/ competition: TD participates in approx. $200M global Market. Key competitors are EZ-GO/Cushman/TUG (Textron), Club Car, Motrec and Columbia ParCar

Distribution: Taylor Dunn distributes most of its products through traditional industrial forklift dealers, direct sales to some large customers

Customers: Logistics, auto, energy, warehouses, manufacturing

Commercial Customer



Colleges & Universities
Municipalities/Government
Facility Management
Hotels & Resorts
Industrial
Rental & Construction

POLARIS COMMERCIAL

Marketing





Sales





Service





Product Portfolio

Easy to navigate utility and people mover product portfolio designed for key applications

Commercial Transport







Work/Industrial Utility











Products



E-Worker



G3



G-Worker

Channels

TAYLOR-DUNN®
Commercial and Industrial Vehicles Since 1949



GEM



	Growth Drivers	Polaris Strategy
Autonomous Capability	Safety, consistency and speed Labor savings Increased access for those unable to operate a vehicle	Making our vehicles “autonomous ready” Partnerships with various start-ups and customers Internal development
Advanced Battery and Charging Technologies	Increased power and range Improved reliability / lower maintenance Reduced size and weight	Li-ion available in GEM and Goupil products today Partnering on development of a variety of new battery packs and charging options
Fleet Management and Ownership Models	Vehicle tracking and geo-fencing Fleet management Sharing, subscription and rental models First and Last Mile vehicles	Leveraging overall Polaris Connected Rider capabilities for W&T products Partnering on development / business models with various partners

Established a new high priority military segment demanding ultra-light, off road ground mobility

Responding to urgent need for rapid response, deep insurgency and expeditionary military missions

Providing superior performance, affordability & sustainment

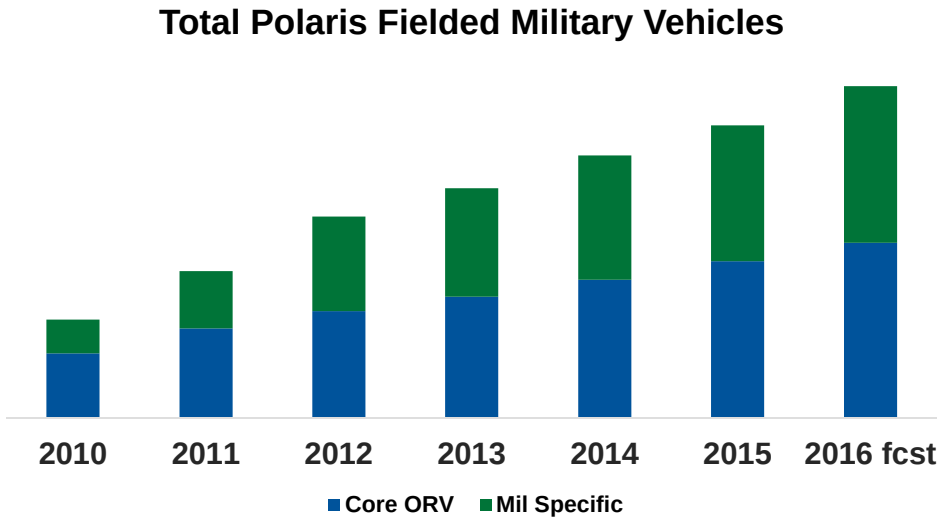
Leveraging worlds largest off-road vehicle capability, platforms, span and technical experience

Leverage customer funding for improved mission solutions

Silent drive, autonomous, connected soldier & route planning



Soldiers and *MRZR*'s on C17 Exercise Anakonda, Poland, 2016

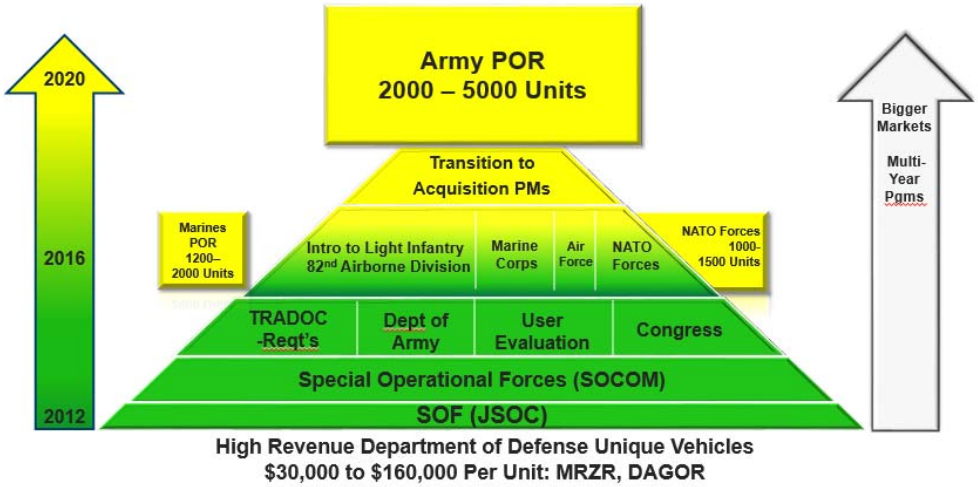


Air transportable, extreme terrain mobile, highly durable, affordable & sustainable

DAGOR – ***up to 9 man, full mission gear, heavy weapons***

MRZR ***- up to 5 man, full mission gear, light weapons***

MATV – ***single soldier, mission gear***



High Revenue Department of Defense Unique Vehicles
$30,000 to $160,000 Per Unit: MRZR, DAGOR

Expanding the size and scope of our programs

"These vehicles significantly enhance what would otherwise be foot mobility. They change the dynamic and turn what would have been a 3 mile-per-hour operation into a 50 mile-per-hour operation." Brigadier General Brian Winski, Deputy Commander of the 82nd Airborne Division



***MRZR* and DAGOR in Operation**

2016 Objective	2016 Expectations	2016 Comments
Revenue (incl. PG&A)	Up Mid Teens %	**Solid Growth Expected** Taylor-Dunn adds Incremental Sales
Gross Profit (% of sales)	~Flat with 2015	**Gross Margin Opportunity** Sales leverage, mix, expense management

Global Adjacent Markets Results Solid in 2016

Bob Mack

Global Adjacent Markets

Q&A

POLARIS INDUSTRIES INC. / Analyst Meeting

Steve Eastman

President – PG&A

July 26, 2016

ACCESSORY REVENUE-PER-UNIT CONTINUES TO GROW

NEW SNOW APPAREL LINE – STRONG DEALER ENGAGEMENT

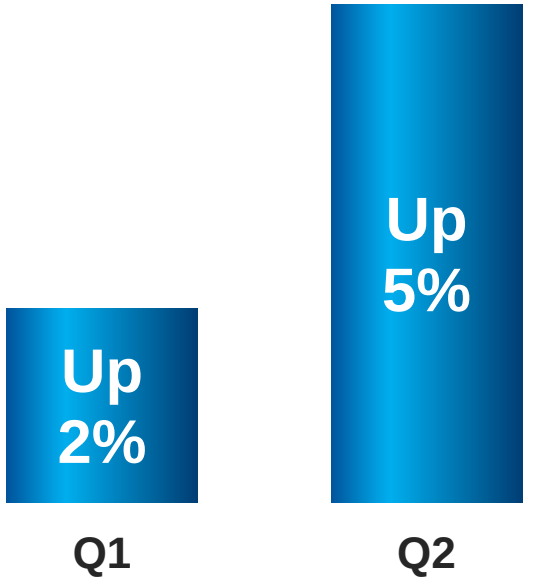
ONLINE DRIVING OMNI-CHANNEL GROWTH

DISTRIBUTION INVESTMENTS & LEAN DRIVING PRODUCTIVITY

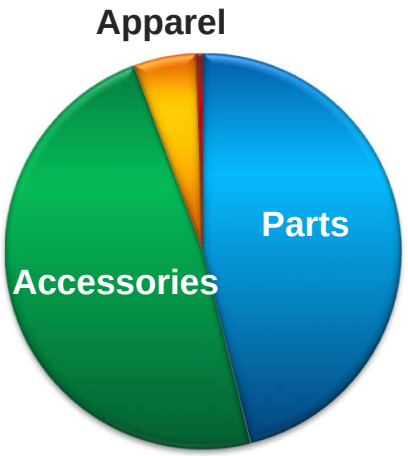
SMART TRANSFORMATION DEPLOYED TO ALL DEALERS

YOY Revenue Growth

Up 4% YTD



Product Type Mix

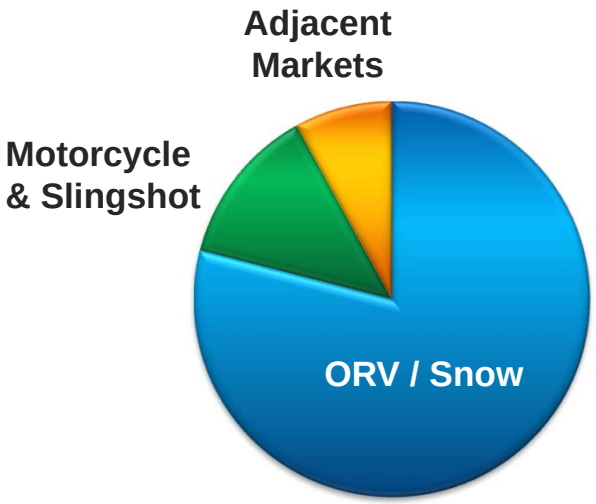


Parts up mid-teens %

Accessories down mid-single digits %

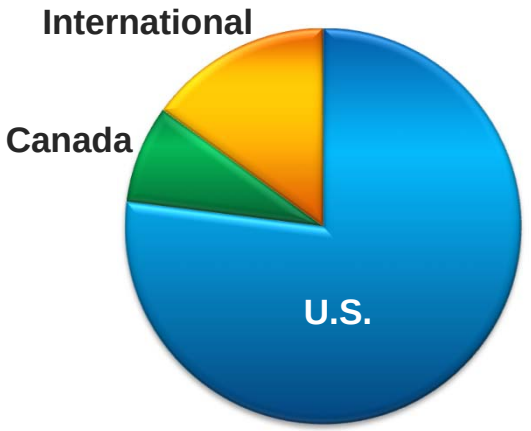
Apparel up low-single digits %

Product Segment Mix



Growth in every segment

Geographic Mix



U.S. up mid-single digits %

Canada down twenty %

International up mid-single digits %

1. **DRIVE** *PRODUCT INNOVATION*
2. **ACCELERATE** *CONSUMER DEMAND*
3. **TRANSFORM** *RETAIL EXPERIENCE*
4. **DELIVER** *SUPPLY CHAIN EXCELLENCE*
5. **OPTIMIZE** *LEAN ENTERPRISE*

Power Items





POLARIS PG&A POWER ITEMS



Top Selling Accessories

~50% of Accessory Revenue

End-to-End Execution Focus

Bundles





Tailored for Rider Applications

4X Higher Acc'y Revenue-Per-Unit

1H Bundle Revenue 2X vs. LY

New Product



435 New MY'17 Accessories

"Polaris Engineered" Advantage

Significant News in Every Category

Dealer Retail Execution

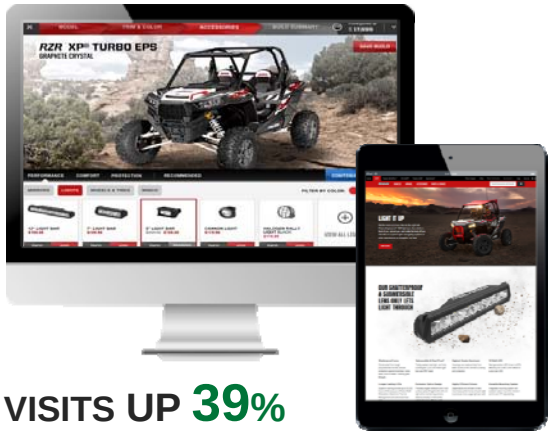


Retail Execution Field Support

Merchandising Solutions

Dealer Training Tools

Digital Tools



VISITS UP 39%

REVENUE UP 72%

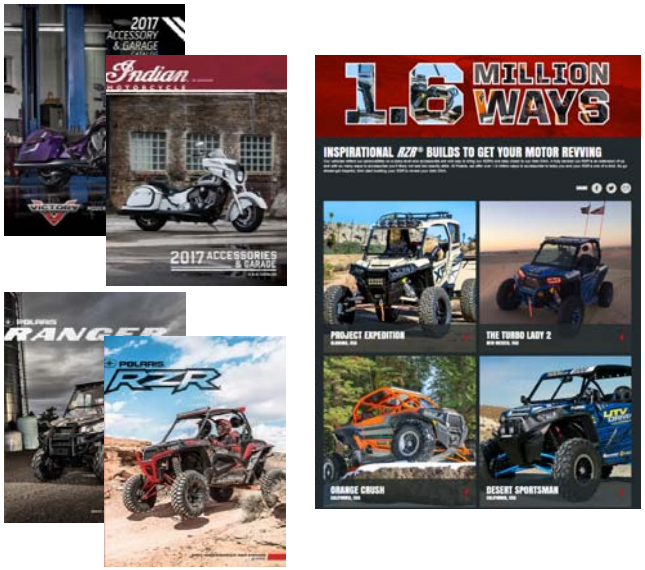
CONVERSION UP 7BPS

New Configurator

Buying Guides / Product Content

>7 Million Annual Visits

Database Marketing



~1.3M Installed Consumers (MY'11-'16)

Direct Mail – New Owner PG&A Catalog

Seasonal Promotions

Product Lifecycle

ptc flexplm

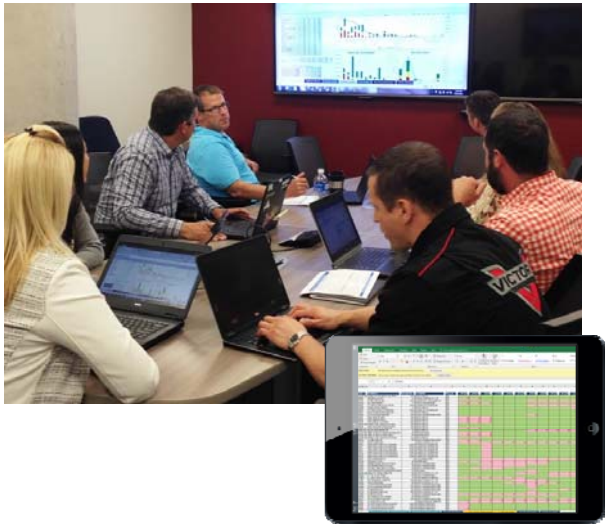


LEAN Lifecycle Management Tool

Single Source of Truth

Tracking & Exception Reporting

Sales, Inventory, Operations Planning

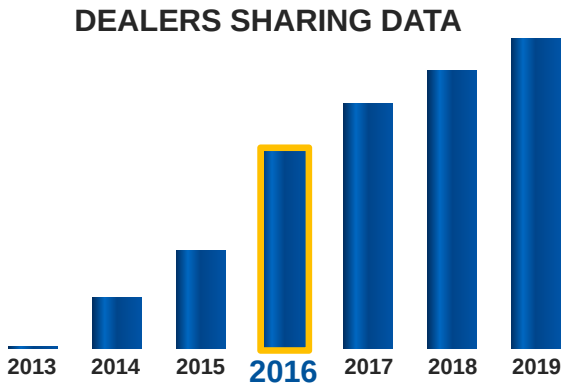


Alignment of Sales & Inventory Plans

Improved Demand Forecast Control

New Product Launch Readiness

Business Intelligence



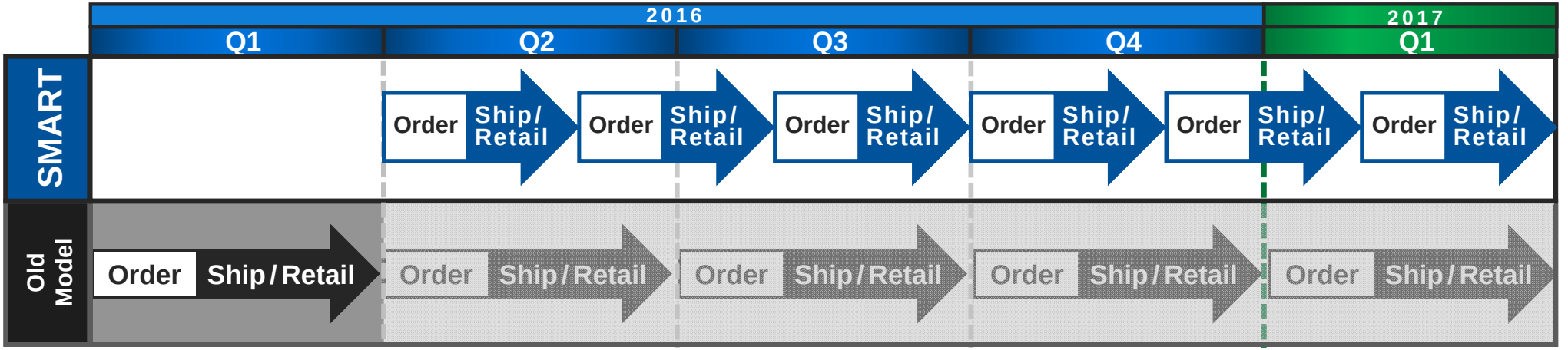
Dealer Inventory and Retail Data

Integrated into Critical Processes

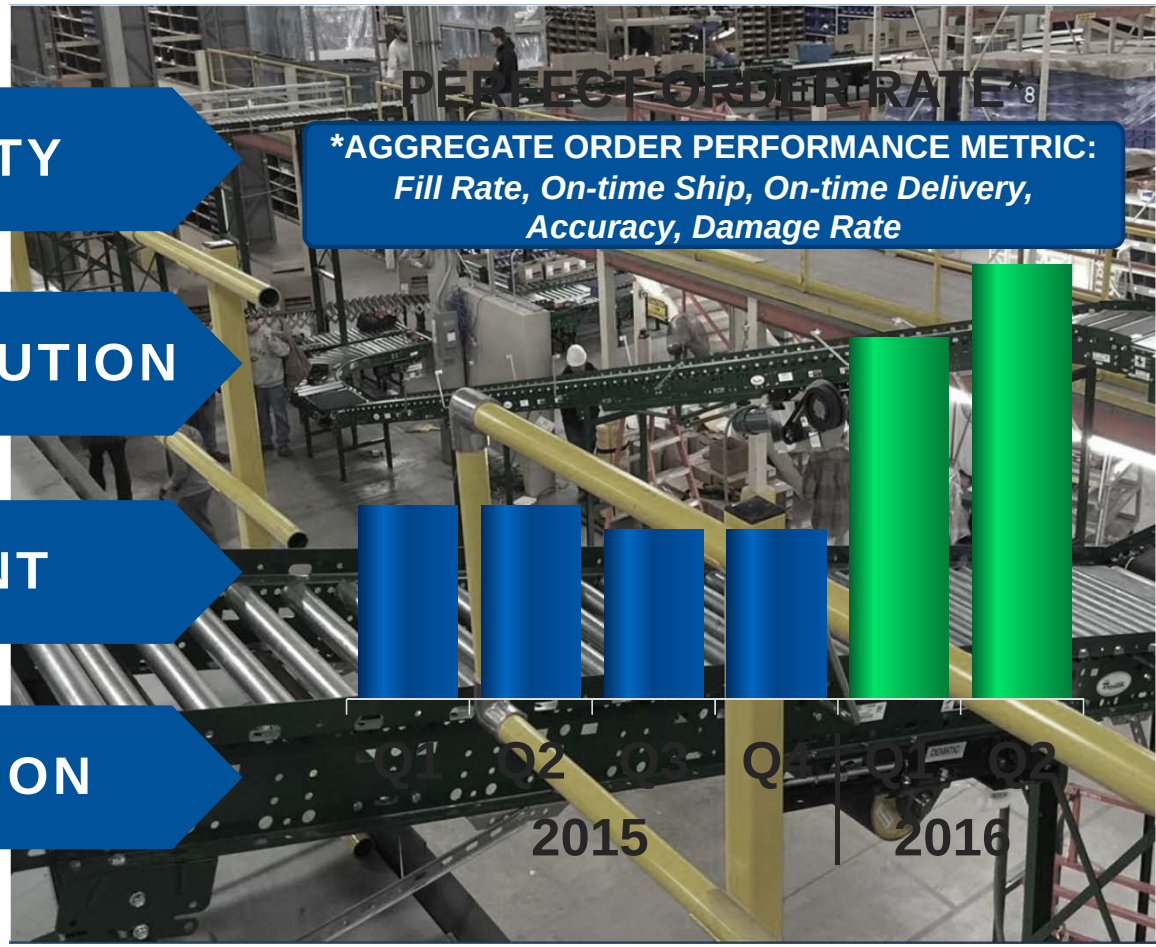
Data Science & Analytics Support

SMART (Stocking, Merchandising, and Retail Transformation)

SMART	Benefits
Integrated seasonal consumer promotions (pull)	Aligns with seasonality / promotional cadence
Retail merchandising tools & training (conversion)	Right product – data-driven sales / ordering tools
Retail & inventory data integrated with order form	Right time – shorter stocking cycles
Short / frequent demand planning cycles	Improved DC productivity / logistics
Orders ship within 21 days	Improved dealer and PII inventory turns



1. SAFETY & PRODUCTIVITY
2. PERFECT ORDER EXECUTION
3. SUPPLIER MANAGEMENT
4. INVENTORY OPTIMIZATION



1. **AMPLIFY BRAND POSITION**
   PRODUCT & MARKETING
2. **STRENGTHEN E-COMMERCE**
3. **DRIVE DEALER-DIRECT MODEL & CHANNEL DEVELOPMENT**
4. **REDUCE SYSTEM-WIDE COSTS**
   LEVERAGE PORTFOLIO



Klim – Apparel Center-of-Excellence







APPAREL CENTER-OF-EXCELLENCE
Rigby, Idaho

Premier O.E.M. – Plastics Design / Manufacturing



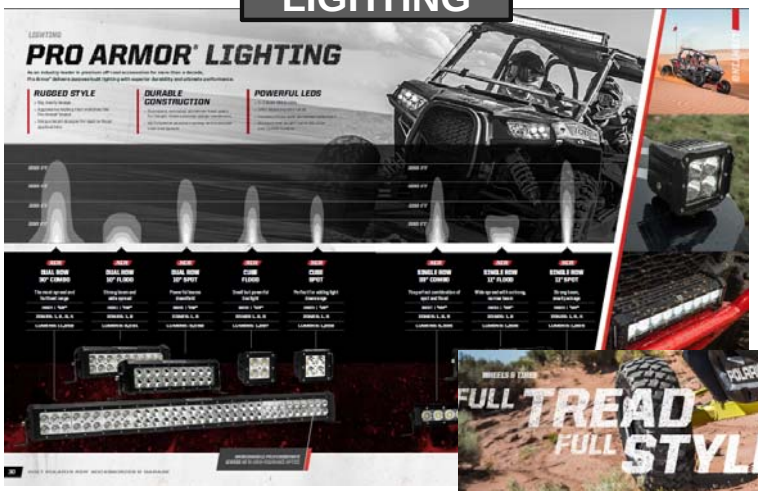


4.7 out of 5
49 Reviews

FIELD & STREAM
Best of the Test 2016

- **Strong aftermarket brand**
- **Alternative to OEM accessories**
- **Incremental consumer appeal**
- **Volume / cost leverage**
- **Increased revenue-per-unit**

LIGHTING



PRO ARMOR



SEATS



DOORS



WHEELS & TIRES

POLARIS INDUSTRIES INC. / ANALYST & INVESTOR MEETING

Steve Eastman

President – Parts, Garments & Accessories

Q&A

POLARIS INDUSTRIES INC.

MIKE DOUGHERTY

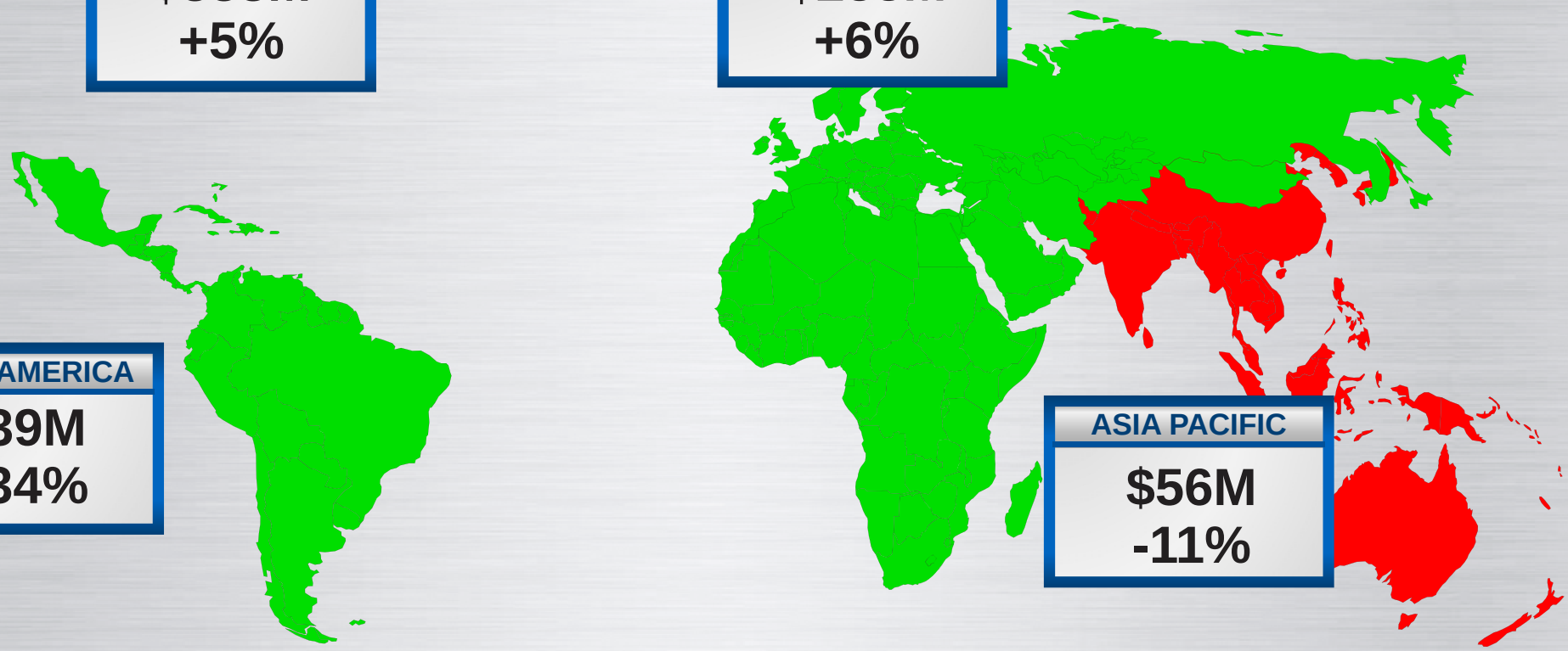
President – International

ANALYST PRESENTATION
JULY 26, 2016

2016 International Revenue Growth YTD

INTERNATIONAL
$333M
+5%

EMEA
$238M
+6%



LATIN AMERICA
$39M
+34%

ASIA PACIFIC
$56M
-11%

Latin America Fastest Growing Region

2016 Overview

INTERNATIONAL

EMEA

Growing and on plan. ATVs & Slingshot under pressure. Opole utilization improving.
EU Motorcycle market growing and Polaris gaining share. ORVs are stable.
No significant impact by Brexit yet other than GBR FX. Russia rebounding.

Latin America

Polaris growth momentum continues led by Mexico ORV and Brazil MC.
Brazil Macro economy showing signs or recovery.

Asia Pac

Australia has rebounded. Markets are stable. NZ struggling. China growing.
Indian MC driving growth in India. Multix launched but retail still slower than plan.

Product

MY17 ORV: Strengthening Premium Position: RZR Turbo, RGR 1000, Ride Command.
MY17 Motorcycle: Roadmaster and Chieftain infotainment
Future: Investments in key International programs are on track.

Beat Financial Plan. Build business foundation for future.

2016 Challenges

INTERNATIONAL

ORV Profitability



ATV competition

Weak Economies

Warranty

Slingshot



Limited Success

Niche Product

Still Learning

Multix Retail



Slower Than Plan

Product Issues

Retail Financing

Battling through key challenges

2016 HIGHLIGHTS

INTERNATIONAL

ORV Results



RZR #1 Line

Exceeding Expectations

AUS, EU, Mexico

Motorcycle Growth



Revenue +27% YTD

Octane Launch

CKD Brazil

BRIC Rev +33%



Brazil +70%

Russia +73%

India +20%

China +17%

Winning with RZR & Indian. Emerging Markets Foundation Growing.

GOING FORWARD

Going Forward – ORV / Snowmobiles

PROFITABLY COMPETE IN OFF ROAD

RZR Focus



#1 Business

Mexico, China, UAE

Key MY17 Product

Improve Profitability

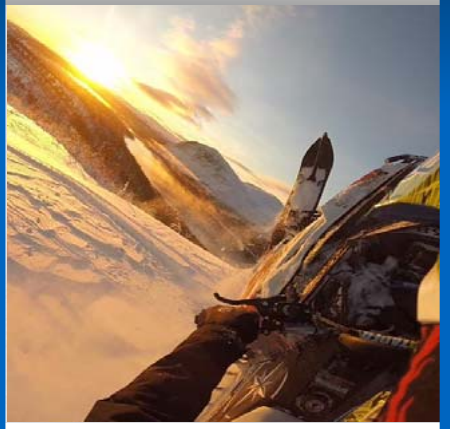


EU Localization

Reduce Logistics

Improve Mix

Maximize Snow



Russia Rebound

Gain Share

PGA

Going Forward – Motorcycles

Drive Motorcycle Growth

Full Throttle



EMEA Scout Sixty

Octane Momentum

Asia Expansion

Find Success



France Leads

Asia Homologation

Mexico Expansion

Drive PGA



Indian Focus

Strengthen Brand

Increase Rev$/unit

2016 Overview

Leverage Global Operations More Effectively

Improve Poland Productivity

- Increased production volume and supplier localization
- Leverage speed and proximity to market with new EU specific limited edition models

Streamline Global Logistics

- Consolidating distribution centers. Leveraging global scale.
- Reducing Inventory throughout value chain

Reduce Operating Expenses

- Reorganization in EU, Australia and Medina yielding results
- Leveraging global marketing and engineering more effectively

Significant Cost Reduction Opportunity

Going Forward - Build Emerging Markets

BUILD EMERGING MARKET FOUNDATION

GROW BRIC SIGNIFICANTLY

TRIPLE INDIAN MOTORCYCLE BUSINESS

ESTABLISH MULTIX MOMENTUM







2016 2nd Half Plan

INTERNATIONAL

WHAT ARE WE GOING TO DO?

PROFITABLY GROW REVENUE

TOP LINE

FULL THROTTLE WITH INDIAN & RZR
STABILIZE & MAXIMIZE DEVELOPED MARKETS (EU & ANZ)
AGGRESSIVELY BUILD EMERGING MARKET FOUNDATION

BOTTOM LINE

TAKE COST OUT OF POLAND, LOGISTICS & OPEX

Continue Momentum. Beat Expectations. Build the International Foundation.

POLARIS INDUSTRIES INC. / ANALYST & INVESTOR MEETING

Mike Dougherty

President – International

Q&A



POLARIS INDUSTRIES INC. | ANALYST & INVESTOR MEETING

Snowmobiles

Chris Wolf, Vice President

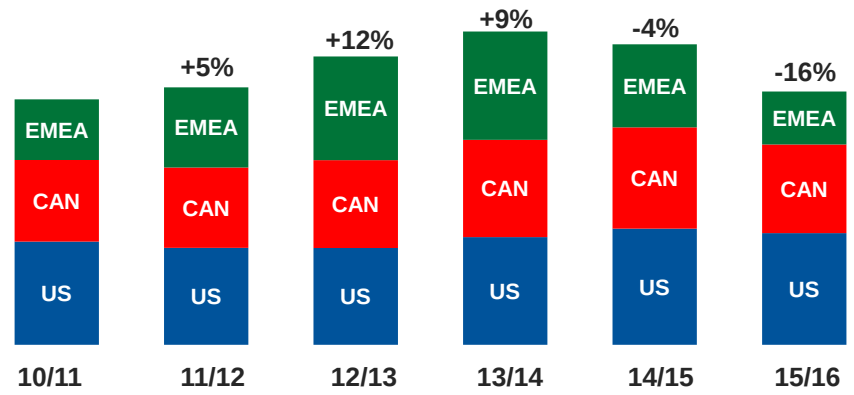
July 26, 2016

VIDEO

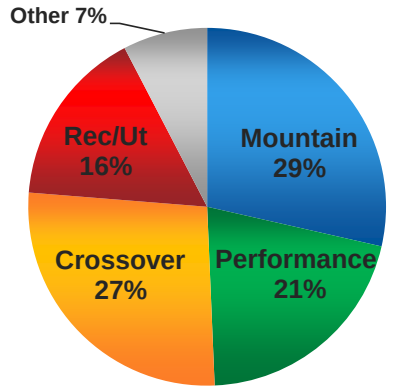
TERRAIN DOMINATION | POLARIS

Global Snowmobile Industry Performance

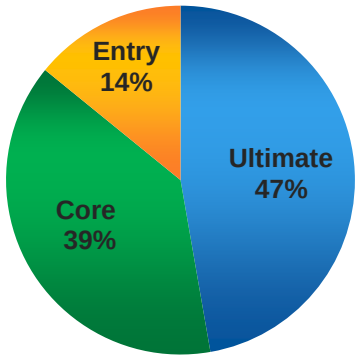
Industry Retail Units (5 yr CAGR +2% in N.A.; -3% in EMEA)



Growth in Crossover and Rec/Ut Segments



Growth in Ultimate Segment



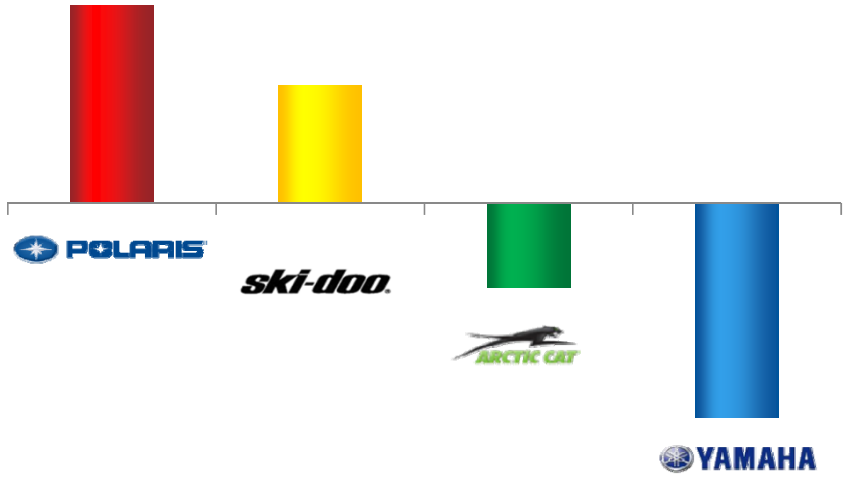
Snowmobile Industry Outlook

- Stable N.A. industry, but low snowfall drove decline last season
- Russia industry is weak, eroding EMEA volume
- Premium segments are growing fastest
- Registrations remain healthy at 1.9M in North America
- Rider demographics are stable

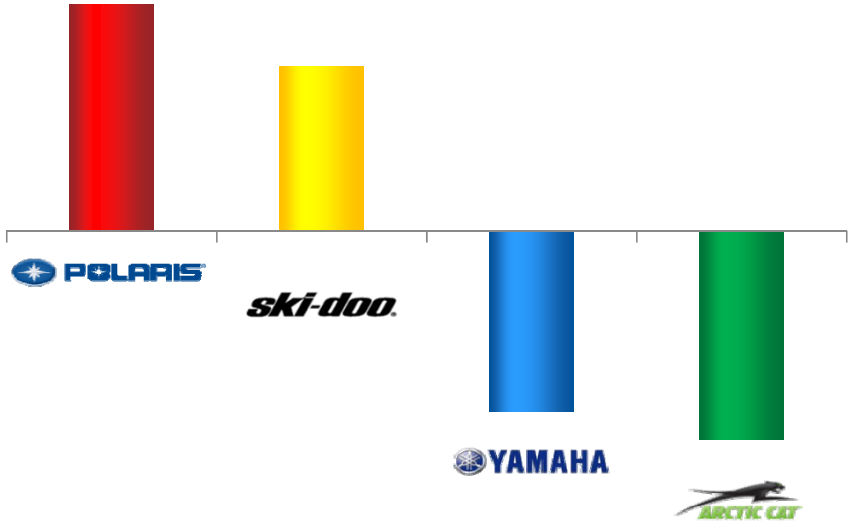
Fastest Growing Brand

TERRAIN DOMINATION | POLARIS

Retail Sales % Growth (Since MY'10 Pro-Ride Launch)



Market Share Pts. Growth (Since MY'10 Pro-Ride Launch)



Market Share (North America, Norway, Sweden, Finland)

Worldwide Share	12/13 Season	13/14 Season	14/15 Season	15/16 Season
BRP	↑	↓	↑	↑
POLARIS	↑	↓	↑	↑
ARCTIC CAT	↓	↑	↓	↓
YAMAHA	↓	↑	↓	↓

Polaris Performance Highlights During 15/16 Season

Gained market share in both North America and Scandinavia

Delivered highest North America market share in 13 years, and back to #1 in the mountains

Strong growth from new MY'16 RMK in the AXYS chassis. Continued gains in Crossover, Rec/Ute.

Rapid Timbersled growth continues, with product and distribution expansion



Product News

MY'17 Product News by Segment

TERRAIN DOMINATION | POLARIS

Trail and Rec/Ute





Crossover and Mountain

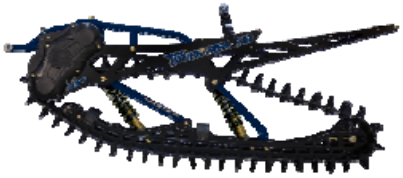




Timbersled



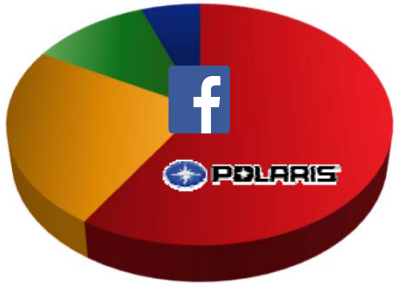




Generating Buzz with 8 New Models + 6 Limited Editions

Marketing Leadership

Industry-Leading Reach





Most Impressions & Engaged Fans

Best Partners and Athletes









Reaching New Audiences Through Partnerships

Driving Dealership Traffic

SNOWCHECKSELECT







Targeted Marketing & Sales Promotions Drive Retail

Growth Strategy Roadmap

1. Industry Leading Quality and Satisfaction

Continuously, tangibly improving quality

2. Product Innovation

Expanded AXYS lineup performing well on snow and in the marketplace

Timbersled product pipeline is strong

3. Strong Marketing Support

Growing, engaged fan base

Best partners in the industry

Snowmobiles Summary

Overview

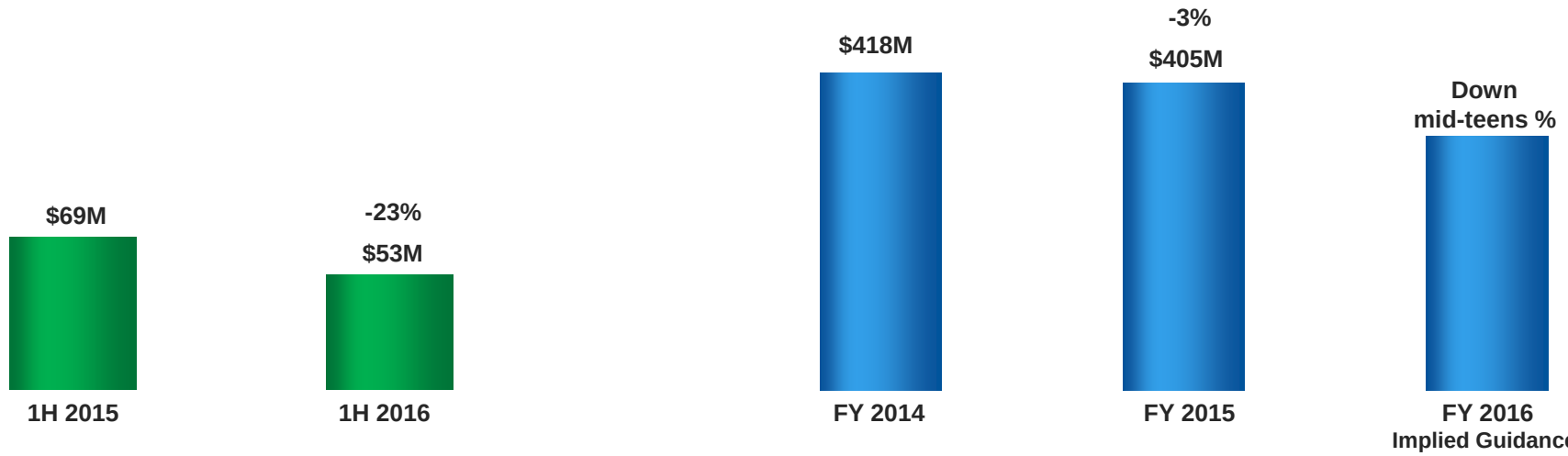
- Stable industry with extremely passionate riders
- Polaris is gaining share in our core segments
- Growing with new customers in new segments

Polaris Roadmap For Future Growth

- Industry leading rider satisfaction
- Product innovation in sleds, bikes, G&A
- Aggressive demand creation

Reducing Shipments to Drive Dealer Inventory Down

Snowmobiles Revenue Including Snow-Related PG&A



Chris Wolf

Vice President – Snowmobiles

Q&A

POLARIS®

OFF-ROAD VEHICLES

MATT HOMAN

PRESIDENT – OFF-ROAD VEHICLES

ANALYST MEETING

July 26, 2016

AGENDA

1. Market and Polaris Overview

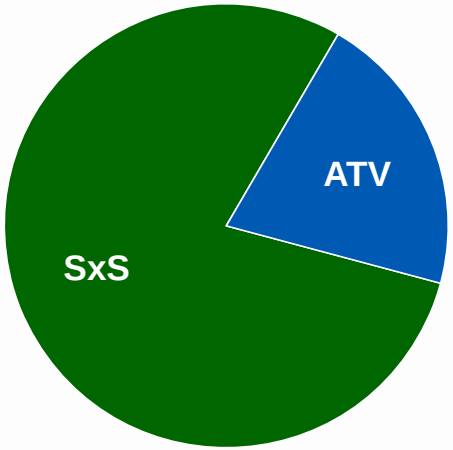
2. ORV Improvement Plan

3. ORV Vision

1. Market and Polaris Overview

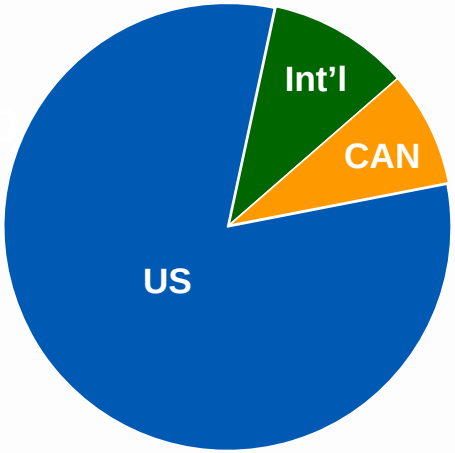
POLARIS ORV BREAKDOWN

Revenue



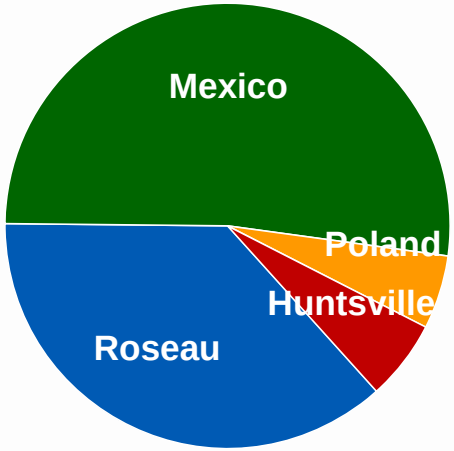
SxS #1
ATV important

Region



NA continues to lead
Int'l important long-term

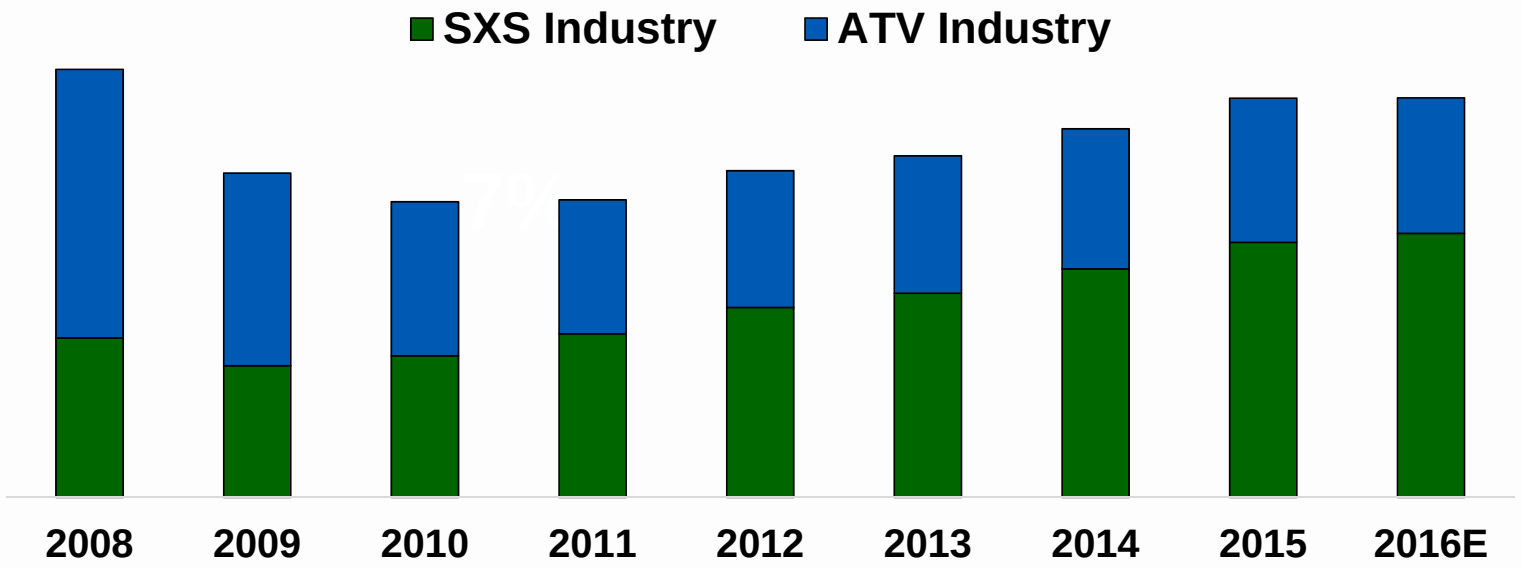
Manufacturing



Huntsville live
Roseau/Mexico critical
Poland feeds EMEA

SXS AND NORTH AMERICA REMAIN MOST CRITICAL

INDUSTRY TRENDS



5 Year CAGR ATV = Flat
5 Year CAGR SxS = 10%
2016 ATV 1H = down MSD vs. LY – weakened in Q2
2016 SxS 1H Estimate = up MSD vs. LY – weakened in Q2

1H INDUSTRY TRENDS SLOWED IN Q2

ADDITIONAL GROWTH OPPORTUNITIES

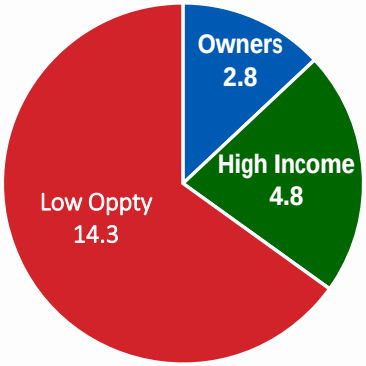
RURAL LANDOWNERS

4M Multi-Acre Homeowners

TODAY	FUTURE
24% own ORV	26% own ORV

20K retail opportunity = 5 points of share

RECREATION INTENDERS



3M Intenders on PII.com

5M High-Income Rec Enthusiasts

POLARIS INSTALLED BASE

Polaris Owners

2.3M



LARGE TARGET GROUPS EXIST

MARKET SHARE TRENDS

	ATV	SxS	
POLARIS	↓	↓	Value ATV, Utility SxS key drivers
HONDA	↓	↑	Utility SxS
YAMAHA	↑	↑	ATV value + youth
BRP	↑	↑	ATV value
Kawasaki	↓	↑	Utility SxS
JOHN DEERE		↓	Continued threat

TARGETED COMPETITIVE ACTIVITY IMPACTS MARKET SHARE

COMPETITIVE FOCUS

ATV

Can-Am “L” models performing well

Yamaha new Youth and “value” Kodiak

SxS

Honda Pioneer – especially 1000cc

Kawasaki – Pro-FXT utility solid

Polaris General – big gains in crossover

SELECT COMPETITORS AND SEGMENTS GAINING

RANGER VIDEO

POLARIS®
ENGINEERED ACCESSORIES

ATTACK WITH PRODUCT

POLARIS RANGER®

15 NEW Hunt, Utility, Ag



POLARIS GENERAL

13 New Accessories

RZR PRO ARMOR

FOR THE MASSES



POLARIS SPORTSMAN®

25 New Integrated w/New Sportsman

AGGRESSIVE PG&A LAUNCH PLAN

BATTLE FOR EVERY CUSTOMER

$3 MILLION MORE ADVERTISING

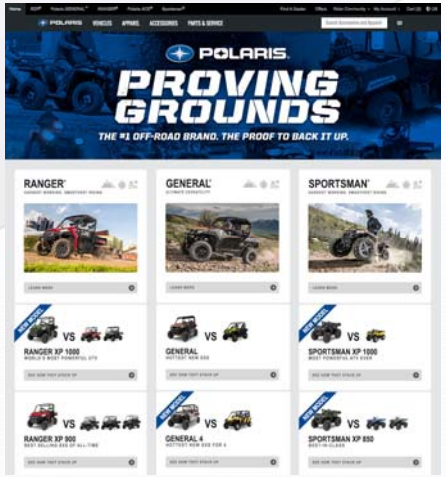
ESPN SPORTSCENTER Discovery CHANNEL HISTORY

+25% TV

facebook YouTube Google

+56% DIGITAL

COMPETITIVE TARGETING



Proving Grounds Website



Infomercials





15 Competitive Videos

STRONG 2H MARKETING PLAN

FIGHT FOR EVERY SALE



1ST EVER APP



POLARIS FACTORY AUTHORIZED CLEARANCE





Competitive Offers

BIGGEST CONTEST EVER



$3 MILLION
IN PAYOUTS

POWERFUL IN-STORE TOOLS

3. ORV Vision

ORV VISION

The Undisputed Leaders of the Off-Road

We Will Deliver Unmatched Product Innovation

- **Unmatched ride, handling AND powersports technology**
- **Fastest new product life cycle**

We Will Transform the Customer Buying Experience

- **Best digital shopping, lead generation, and customer service after sale**

We Will Turn Our Lean Enterprise into a Competitive Advantage

- **RFM delivers competitive advantage in flexibility and cost**
- **Culture of continuous cost/waste reduction**

#1 OFF-ROAD VEHICLE COMPANY IN THE WORLD

ORV SUMMARY

1. 1H Performance Poor

2. Rock Solid 2H Plan to Improve

3. Clear Vision to Win

POLARIS®

OFF-ROAD VEHICLES

MATT HOMAN

PRESIDENT – OFF-ROAD VEHICLES

Q&A

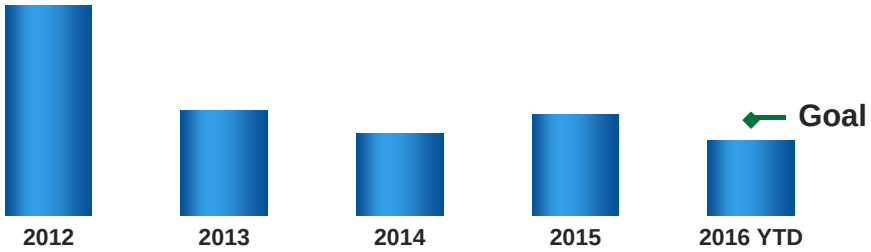
Ken Pucel

EVP – Global Operations, Engineering & Lean

July 26, 2016

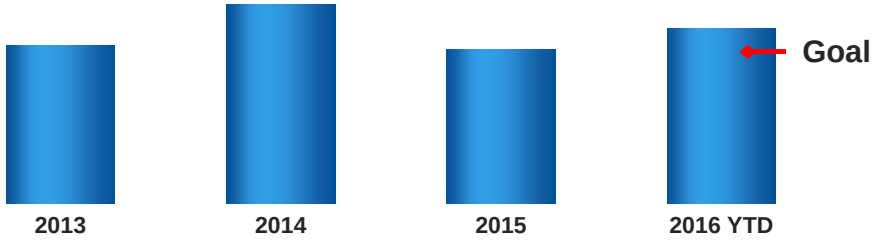
Safety (TRIR)

Polaris Total Recordable Injury Rate



Quality (Rework %)

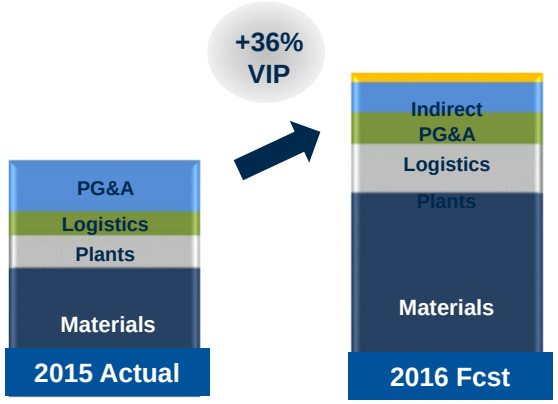
Warranty $ / Sales



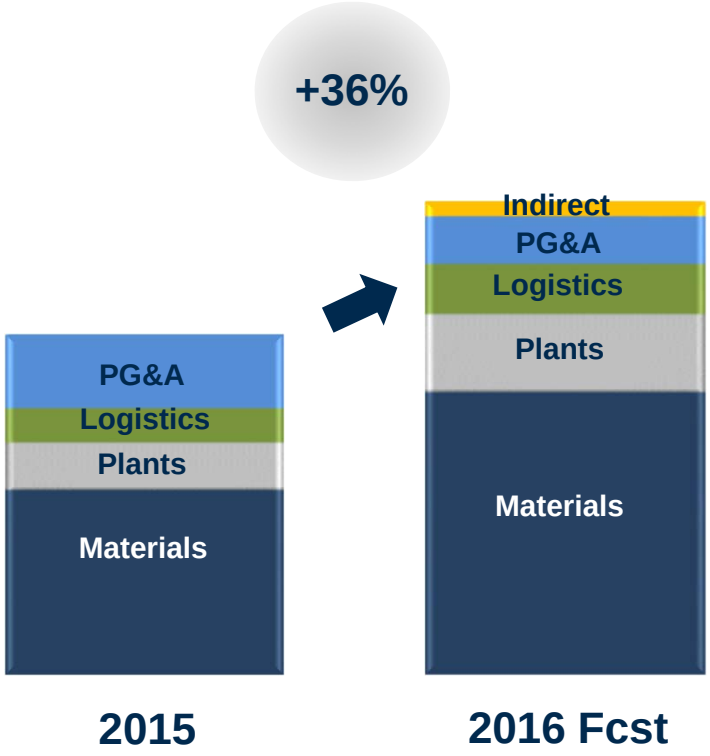
Delivery

Product	Capacity	Plant	Delivery
ATV	G	Huntsville	G
Ranger	G	Roseau	G
RZR	G	Spirit Lake	G
Snow	G	Milford	G
Motorcycles	G	Monterrey	G
Slingshot	G	Opole	G
GEM	G	Osceola	G
TOTAL	G	TOTAL	G

Gross Value Improvement (Cost Down)



2016 Progress



All Teams Contributing

Solid Momentum across all areas

Materials Reductions (40%+ YoY)

Negotiations and PWC “Should Cost”
Engineering VAVE
Engineering ORV De-Content

Plants (60%+ YoY)

Spirit Lake and Plant VIP momentum

Logistics (40%+ YoY)

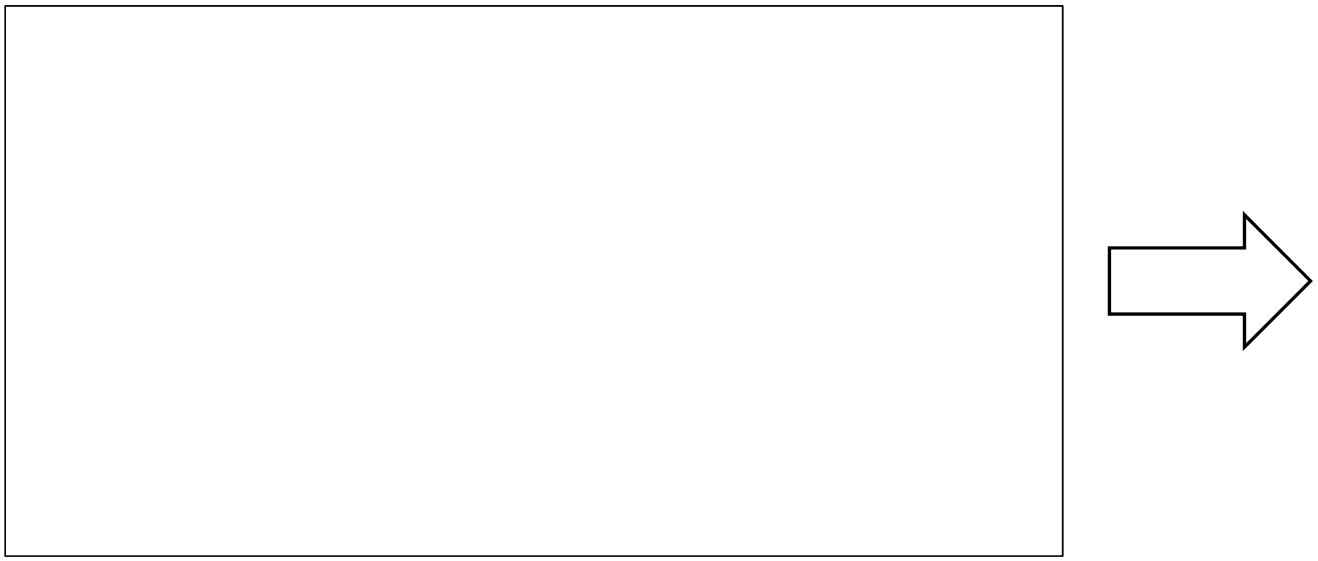
Leverage, Truck utilization, and Network Optimization

PG&A Pricing Optimization, Supply Chain Productivity

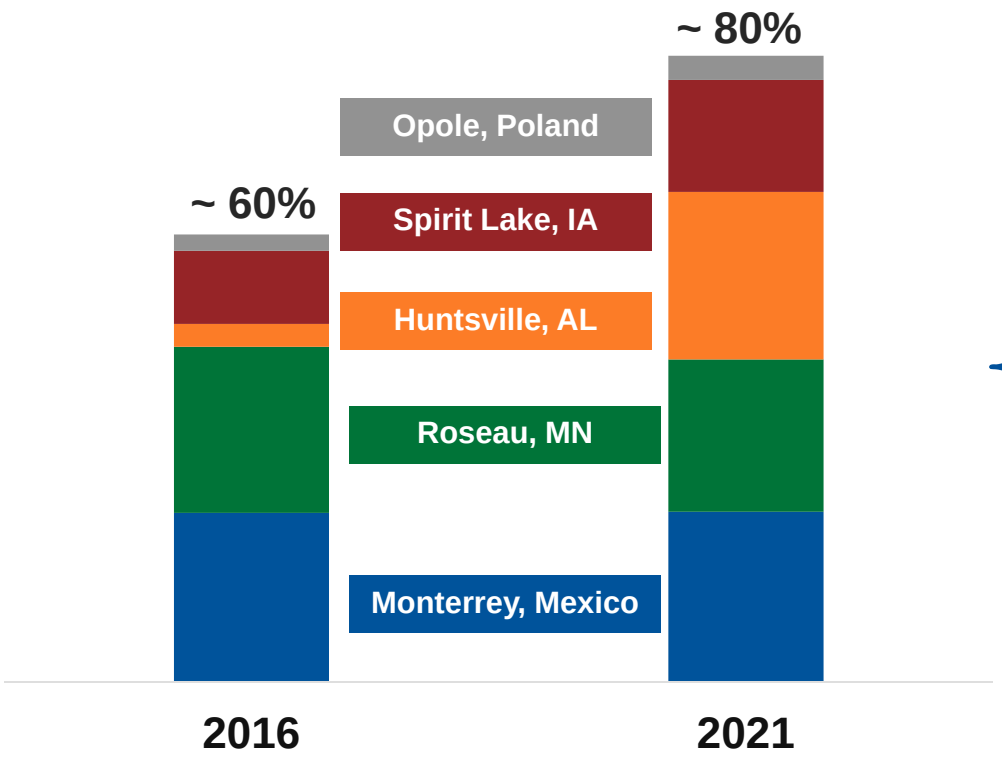
1,300+ Projects in VIP System

30+ Projects > $1M

305 Projects for 2017 already in hopper



Network Capacity Utilization



- Lean Transformation Continues
- Plants Aligned to Support Retail Flow Management (RFM)
- Drive Opole volume with EMEA targeted products
- Ramp Huntsville to support ORV and Slingshot Growth
- Spirit Lake capacity in place to support Motorcycle growth
- Load Roseau: Vertical Integration / Insourcing
- Maintain Monterrey Leverage







2016 Production: 2 Lines Rangers/1 Line Slingshots

Commence Construction June 2015 → **Building Occupancy** April 2016 → **Ranger SOP** May 2016 → **Slingshot SOP** July 2016 → **Injection Molding SOP's (5)** Jun-Nov 2016 → **Liquid Paint SOP** October 2016

Production Status

KPI's	Comments
Safety	Implementing new *LIFE* Program
Quality	Validated and released ~1000 units
Delivery	97% on time to schedule
Cost	Performing at budget

Lean & Technology Enabler

Focus Area	Improvement	VIP
Labor Productivity	8%	Additional $12M+ VIP Technology Integration into Plant Network
Lead Time Reduction	50%	
Backshop Velocity	33%	
Reduction in WIP	30+%	



>$600M Gross VIP

Category	Total Spend	Net Rate of Improvement
Materials	80%	3%
Plants	10%	5%
Logistics	10%	1%

Global Operations and Engineering

3%

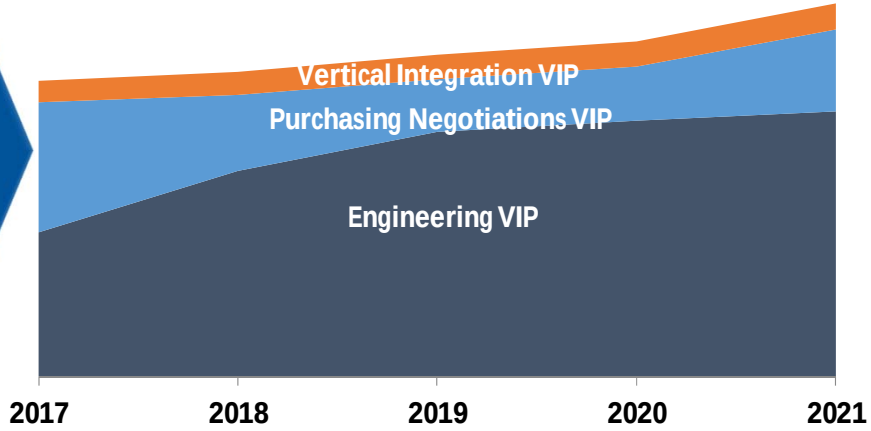
Net Annual Improvement

3% Rate of VIP Creates potential for 300-500 bps of gross improvements in Gross Margins

2011-2015

1.6% Annually

Material Cost Drivers



2016-2021

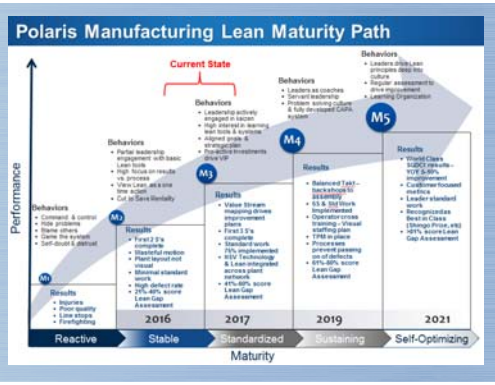
~3% 2016
~3% Annually
Improved Quality

Material Cost Initiatives

- LCC/LCR
- Insource
- Re-sourcing
- Design / VAVE
- Platforming
- Localization
- Commodity Leverage
- Negotiation

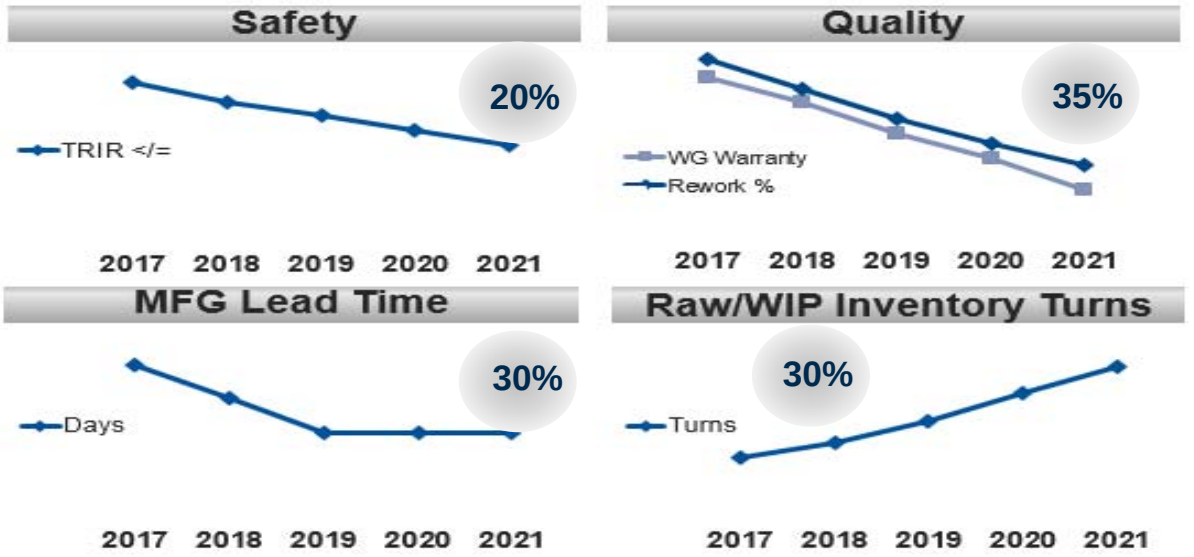
Increasing Material Cost Savings From 1.6% to ~3% Annually. >$400 Million Gross VIP.

Achieve Best-in-Class performance in SQDCI by driving 5 key strategies and building upon 4 key enablers



Five Strategies Delivering ~ $100 M of Gross VIP and 5% Net Annual Cost Improvement

I. Quality System Execution
II. Lean Manufacturing
III. Best people, Best team
IV. Manufacturing Agility
V. Benchmarking Best Practices



Driven to Become the Undisputed, Best Manufacturer

Hands On Plant Learning

Transformation

Transform workstations and get tools / materials into strike zone

Standard Work

Use visual work instructions (VWI) to improve operator standard work

Leader Standard Work

Establishing cadence for leaders to coach and develop employees

Cascading Goals and Metrics

Establish key standard metrics across organization across all levels

Cycle Time Reduction

Establish tools such as Pro-planner to help better balance cycle time to Takt time

Setup Reduction

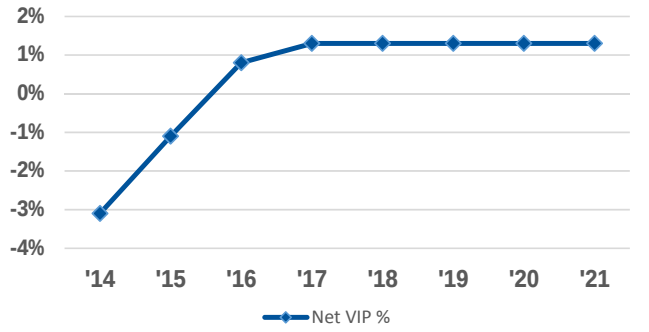
Reduce time required to switch from one product to another



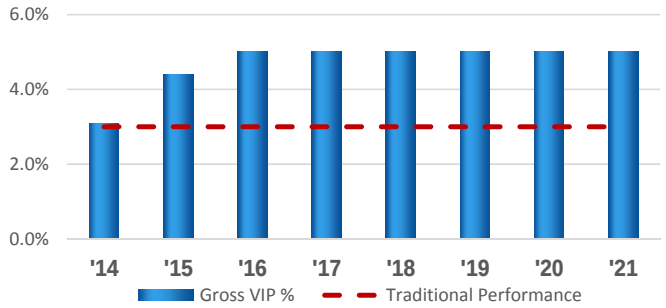
Performance Improvement	Snow (Dec '15)	Weld (Nov '16)
Periodic Cycle-time Reduction	56%	62%
Walking Distance Reduction	29%	16%
Reduction in Space	29%	33%
Cycle-time / unit reduction time	12%	11%

ATV Assembly
SXS Assembly
Snow Assembly
Weld
Materials
Tube Fabrication
Injection Mold

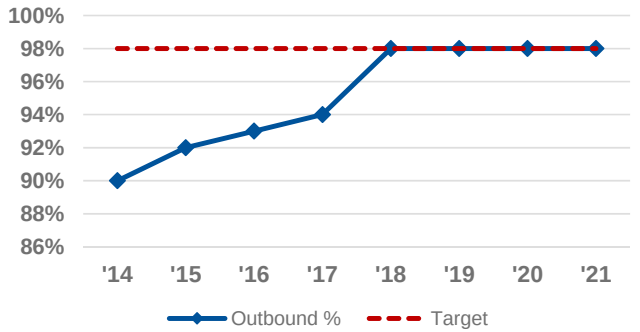
Logistics Net Performance



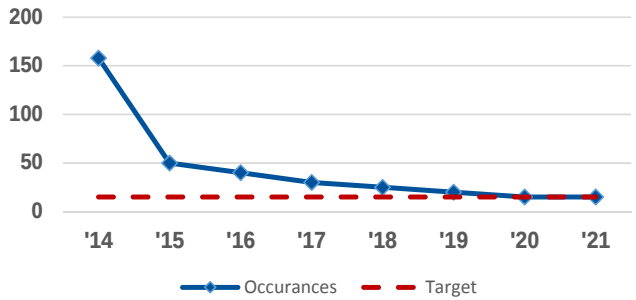
Logistics Gross VIP



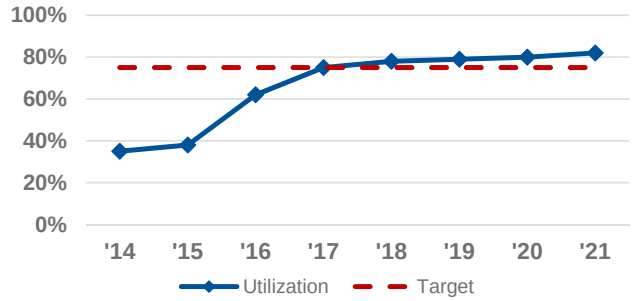
On -Time Logistics Performance



Logistics Related Part Shortages



Inbound Truck Utilization



Key Logistics Strategies

PLANNING optimized logistics networks

BUYING leverage logistics services

OPERATING customer focused logistics

- Inbound to Manufacturing
- Outbound to Dealers

BENCHMARKING best practices and cost



Develop organization, processes & tools to drive ongoing rates of improvement in inventory performance.

Initiatives & Capabilities

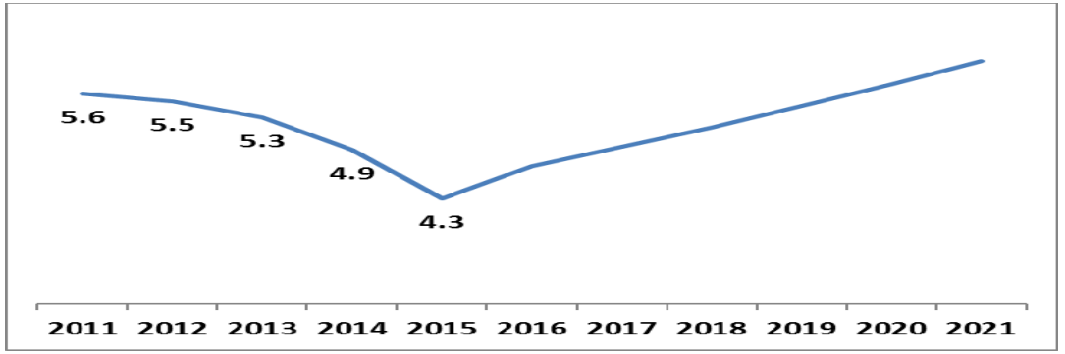
Supply Chain Design
Localization & insourcing
Vendor managed inventories
PLC & VHC

Supplier Management
Performance & corrective action

SIOP
Process Improvements
Forecasting
Designed inventory optimization
Supplier lead times

Lean Materials Processes
RFM
Material flow
Optimization of planning process

Inventory Turns Trend

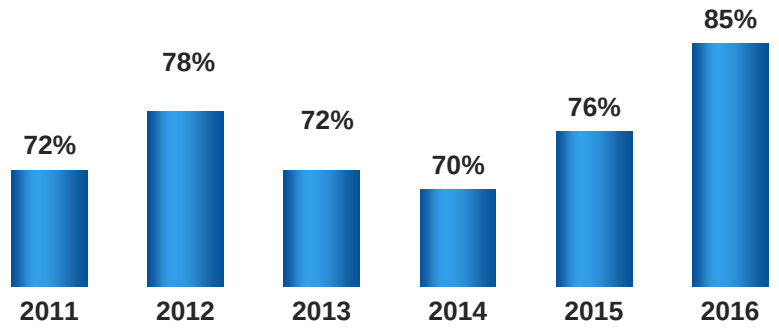


30%+ Improvement Over Next 5 Years

Goal: ~ $100 million Improvement in 2016

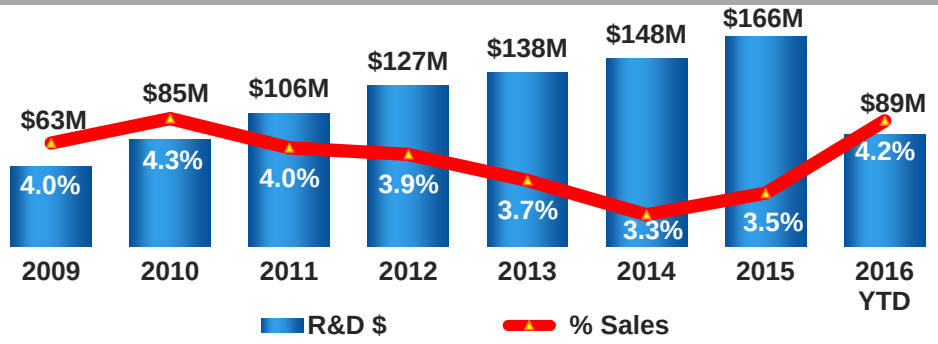
Design → **Plan** → **Execute & Sustain**

Product Development Vitality Index



% Contribution to Sales of Vehicles Introduced in Past 3 Years

R&D Investment



Product Design Capability Focus

Safety Systems Engineering

Superior Ride and Handling

Exceptional Powertrains – Gas and Electric

Vehicle style and ergonomics

Electronics and Software for the Rider Experience

Integrated Advanced Manufacturing Engineering

Priorities

Product Development Systems for Safety and Quality

Product Innovation and Customer Focused Technology

Value Improvement and waste reduction

Product Development for Global markets