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HARLEY-DAVIDSON REPORTS 2008 THIRD QUARTER RESULTS

Milwaukee, Wis., October 16, 2008 -- Harley-Davidson, Inc. (NYSE: HOG) today announced its results for the third quarter ended September 28, 2008. Revenue for the quarter was \$1.42 billion compared to \$1.54 billion in the year ago quarter, a 7.7 percent decrease. Net income for the quarter was \$166.5 million compared to \$265.0 million in the third quarter 2007, a decrease of 37.1 percent. Third quarter diluted earnings per share were \$0.71, a 33.6 percent decrease compared to last year's \$1.07.

"In the U.S., dealer retail sales of new Harley-Davidson motorcycles in the quarter were in line with our expectations," said Jim Ziemer, Chief Executive Officer of Harley-Davidson, Inc. "Although Harley-Davidson retail motorcycle sales in international markets overall continued to grow double digits in the quarter, unit sales in several European countries slowed more than we anticipated during September as a result of deteriorating economic conditions. We continue to carefully monitor all markets in light of the potential impact of the current economic realities."

For the full year 2008, the Company has narrowed its shipment expectations to 303,500 to 306,000 Harley-Davidson motorcycles. The Company has narrowed its expectations for diluted earnings per share for the full year to \$3.00 to \$3.10 from the prior range of \$3.00 to \$3.18.

"We also have been able to maintain Harley-Davidson Financial Services' position as a stable, consistent source of financing for dealers and retail customers during these turbulent conditions in the credit markets," Ziemer said. "Prudent management and customer access to credit will continue to be priorities at HDFS."

"During the third quarter, we completed our acquisition of Italian motorcycle maker MV Agusta Group, expanding our opportunities in Europe. Our 105th Anniversary Celebration at the end of August drew tremendous, highly enthusiastic crowds. And we opened the Harley-Davidson Museum™, with its broad appeal to riders and non-riders alike. So even in the midst of economic uncertainty, we continue to broaden our appeal, plant seeds for the future and give people unparalleled experiences and reasons to ride," Ziemer said.

"Going forward, we expect the global economy and consumer concerns to continue to create challenges for Harley-Davidson through the end of the year and in 2009. I remain confident about our future as we continue to manage and reinvest in the business," said Ziemer.

Motorcycles and Related Products Segment – Third Quarter Results

Revenue from Harley-Davidson motorcycles was \$1.05 billion, a decrease of \$131.7 million or 11.1 percent versus the same period last year. Shipments of Harley-Davidson motorcycles totaled 74,704 units, a decrease of 11,831 units or 13.7 percent compared to last year's third quarter.

Revenue from Parts and Accessories (P&A), which consists of Genuine Motor Parts and Genuine Motor Accessories, totaled \$259.0 million, an increase of \$7.5 million or 3.0 percent over the year-ago quarter. Revenue from General Merchandise, which consists of

MotorClothes[®] apparel and collectibles, totaled \$84.0 million, an increase of \$0.8 million or 1.0 percent over the year-ago quarter.

Gross margin for the third quarter of 2008 was 34.0 percent of revenue compared to 38.4 percent for the third quarter last year. This decrease is primarily due to higher product costs and the allocation of fixed costs over fewer units than last year's third quarter. Third quarter operating margin decreased to 16.4 percent from 23.2 percent in the third quarter of 2007. Operating margin for the third quarter of 2008 includes the impact of a one-time \$16.6 million expense related to the value of acquired in-process research and development at MV Agusta Group.

Motorcycle Retail Sales Data

During the third quarter, worldwide retail sales of Harley-Davidson motorcycles decreased 9.6 percent compared to the third quarter of 2007. U.S. retail sales of Harley-Davidson motorcycles decreased 15.5 percent for the quarter. The heavyweight motorcycle market in the U.S. decreased 3.1 percent for the same period.

Retail sales of Harley-Davidson motorcycles grew 11.3 percent in the Company's international markets during the third quarter of 2008 compared to the third quarter of 2007. Third quarter retail sales increased 12.4 percent in Canada; the Europe Region was up 2.9 percent; the Asia Pacific Region was up 17.5 percent; and the Latin America Region was up 41.6 percent.

During the first nine months of 2008, worldwide retail sales of Harley-Davidson motorcycles decreased 6.0 percent compared to the prior year. In the U.S., Harley-Davidson motorcycle retail sales decreased 11.9 percent for the first nine months of the year while the U.S. heavyweight market was down 4.0 percent for the same period. International retail sales increased by 12.6 percent for the first nine months of 2008.

Third quarter and year-to-date data are listed in the accompanying tables.

MV Agusta

On August 8, 2008, the Company completed the purchase of the privately-held Italian motorcycle maker MV Agusta Group. The Company acquired 100 percent of MV Agusta Group shares for total consideration of 68.3 million euros (\$105.1 million), which includes the satisfaction of existing bank debt for 47.5 million euros (\$73.2 million). As a result of the acquisition, the Company recorded \$87.9 million of goodwill and the \$16.6 million one-time expense related to the value of acquired in-process research and development. These results are included in the quarterly financial data.

Financial Services Segment

Harley-Davidson Financial Services (HDFS) operating income for the third quarter was \$35.6 million, a decrease of \$13.9 million or 28.0 percent compared to the year-ago quarter. The decrease is primarily due to a \$9.4 million write-down of finance receivables held for sale to fair value. In addition, last year's third quarter included a \$3.5 million securitization gain compared to no securitization transaction during the third quarter of 2008.

Income Tax Rate

The Company's third quarter effective income tax rate was 38.2 percent compared to 35.5 percent in the same quarter last year. The third quarter increase was due primarily to a non-

deductible in-process research and development charge for MV Agusta Group and the expiration of the federal research and development tax credit as of December 31, 2007. In October 2008, the federal research and development tax credit was reinstated for two years retroactive to January 1, 2008 continuing through December 31, 2009. The Company expects its full year effective income tax rate in 2008 will be approximately 35.5 percent.

Harley-Davidson, Inc. - Nine Month Results

For the first nine months of 2008, revenue totaled \$4.30 billion, a 0.9 percent decrease from the year-ago period. Diluted earnings per share were \$2.45, a decrease of 16.9 percent compared to the same period last year.

Through the first nine months of this year, shipments of Harley-Davidson motorcycles were 226,898 units, a 9.0 percent decrease compared to last year's 249,413 units. Harley-Davidson motorcycle revenue was \$3.26 billion, which is down 2.2 percent compared to last year's \$3.33 billion. P&A revenue totaled \$706.6 million, a 0.5 percent increase over last year's \$703.1 million. General Merchandise revenue totaled \$244.8 million, a 5.5 percent increase compared to \$232.0 million during the same period in 2007.

HDFS operating income was \$107.7 million, a 38.0 percent decrease from last year's \$173.6 million.

Cash Flow

Cash and marketable securities totaled \$504.9 million as of September 28, 2008. Cash used by operations was \$221.2 million, and capital expenditures were \$153.7 million during the first nine months of 2008. For the full year of 2008, capital expenditures are still expected to be between \$235 million and \$250 million.

Stock Repurchase

The Company repurchased 2.5 million shares of its common stock at a cost of \$100.1 million during the third quarter of 2008. On September 28, 2008, the Company had 232.8 million shares of common stock outstanding.

As of September 28, 2008, there were 16.7 million shares remaining on a board-approved share repurchase authorization. An additional board-approved share repurchase authorization is in place to offset option exercises.

Company Background

Harley-Davidson, Inc. is the parent company for the group of companies doing business as Harley-Davidson Motor Company (HDMC), Buell Motorcycle Company (Buell), Harley-Davidson Financial Services (HDFS) and MV Agusta Group (MVAG). Harley-Davidson Motor Company produces heavyweight motorcycles and offers a line of motorcycle parts, accessories, general merchandise and related services. HDMC manufactures five families of motorcycles: Touring, Dyna[®], Softail[®], Sportster[®] and VRSC[™]. Buell produces premium sport performance motorcycles and offers a line of motorcycle parts, accessories, and apparel. HDFS provides wholesale and retail financing and insurance programs primarily to Harley-Davidson and Buell dealers and customers. MVAG produces premium, high-performance sport motorcycles sold under the MV Agusta[®] brand and lightweight sport motorcycles sold under the Cagiva[®] brand.

Forward-Looking Statements

The Company intends that certain matters discussed in this release are “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as the Company “believes,” “anticipates,” “expects,” “plans,” or “estimates” or words of similar meaning. Similarly, statements that describe future plans, objectives, outlooks, targets, guidance or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this release. Certain of such risks and uncertainties are described below. Shareholders, potential investors, and other readers are urged to consider these factors in evaluating the forward-looking statements and cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this release are only made as of the date of this release, and the Company disclaims any obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

The Company’s ability to meet the targets and expectations noted depends upon, among other factors, the Company’s ability to (i) continue to realize production efficiencies at its production facilities and manage operating costs including materials, labor and overhead, (ii) manage production capacity and production changes, (iii) manage supply chain issues, (iv) provide products, services and experiences that are successful in the marketplace, (v) develop and implement sales and marketing plans that retain existing retail customers and attract new retail customers in an increasingly competitive marketplace, (vi) sell all of its motorcycles and related products and services to its independent dealers, (vii) continue to develop the capabilities of its distributor and dealer network, (viii) manage changes and prepare for requirements in legislative and regulatory environments for its products, services and operations, (ix) adjust to fluctuations in foreign currency exchange rates, interest rates and commodity prices, (x) manage access to reliable sources of capital and adjust to fluctuations in the cost of capital, (xi) adjust to regional and worldwide demographic trends and economic and political conditions, including healthcare inflation, pension reform and tax changes, (xii) anticipate consumer confidence in the economy, (xiii) manage the credit quality, the loan servicing and collection activities, and the recovery rates of HDFS’ loan portfolio, (xiv) retain and attract talented employees, (xv) detect any issues with our motorcycles or manufacturing processes to avoid delays in new model launches, recall campaigns, increased warranty costs or litigation, (xvi) implement and manage enterprise-wide information technology solutions and secure data contained in those systems, and (xvii) successfully integrate and profitably operate MV Agusta Group.

In addition, the Company could experience delays or disruptions in its operations as a result of work stoppages, strikes, natural causes, terrorism or other factors. Other factors are described in risk factors that the Company has disclosed in documents previously filed with the Securities and Exchange Commission. All of these risk factors are impacted by the current turbulent capital, credit and retail markets.

The Company’s ability to sell its motorcycles and related products and services and to meet its financial expectations also depends on the ability of the Company’s independent dealers to sell its motorcycles and related products and services to retail customers. The Company depends on the capability and financial capacity of its independent dealers and distributors to develop and implement effective retail sales plans to create demand for the motorcycles and

related products and services they purchase from the Company. In addition, the Company's independent dealers and distributors may experience difficulties in operating their businesses and selling Harley-Davidson motorcycles and related products and services as a result of weather, economic conditions or other factors.

TABLES FOLLOW