

HARLEY-DAVIDSON, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Unaudited

Year ended December 31, 2017
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
Motorcycles and related products revenue	\$ 1,328,711	\$ 1,577,135	\$ 962,136	\$ 1,047,045	\$ 4,915,027
Gross profit	477,485	575,623	276,975	323,261	1,653,344
Selling, administrative and engineering expense	238,643	255,976	257,327	285,440	1,037,386
Restructuring expense	-	-	-	-	-
Operating income from motorcycles & related products	<u>238,842</u>	<u>319,647</u>	<u>19,648</u>	<u>37,821</u>	<u>615,958</u>
Financial services revenue	173,221	188,034	189,059	181,883	732,197
Financial services expense	120,585	106,099	111,999	118,209	456,892
Operating income from financial services	<u>52,636</u>	<u>81,935</u>	<u>77,060</u>	<u>63,674</u>	<u>275,305</u>
Operating income	291,478	401,582	96,708	101,495	891,263
Investment income	879	577	1,083	1,041	3,580
Interest expense	7,673	7,726	7,896	7,709	31,004
Income (loss) before income taxes	<u>284,684</u>	<u>394,433</u>	<u>89,895</u>	<u>94,827</u>	<u>863,839</u>
Provision (benefit) for income taxes	98,315	135,566	21,686	86,513	342,080
Income (loss) from continuing operations	<u>186,369</u>	<u>258,867</u>	<u>68,209</u>	<u>8,314</u>	<u>521,759</u>
Income (loss) from discontinued operations, net of tax	-	-	-	-	-
Net income (loss)	<u>\$ 186,369</u>	<u>\$ 258,867</u>	<u>\$ 68,209</u>	<u>\$ 8,314</u>	<u>\$ 521,759</u>
Earnings (loss) per common share from continuing operations:					
Basic	\$ 1.06	\$ 1.48	\$ 0.40	\$ 0.05	\$ 3.03
Diluted	\$ 1.05	\$ 1.48	\$ 0.40	\$ 0.05	\$ 3.02
Weighted-average common shares:					
Basic	176,001	174,409	169,850	168,271	171,995
Diluted	177,070	175,324	170,688	169,195	172,932
Cash dividends per common share	\$ 0.365	\$ 0.365	\$ 0.365	\$ 0.365	\$ 1.460