

AN EVEN BETTER RIDE

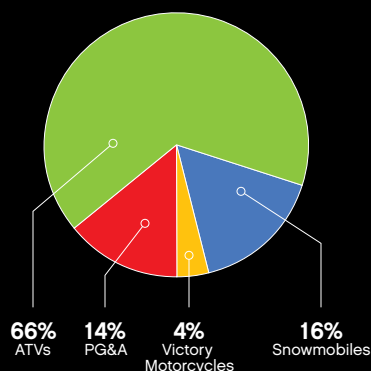


Polaris Industries Inc. 2004 Annual Report

Polaris at a Glance

Forward-looking statements made herein involve certain important factors that could change and cause actual results to differ materially from those anticipated. See Management's Discussion and Analysis of Financial Condition and Results of Operation beginning on page _____ of the Form 10-K included with this report.

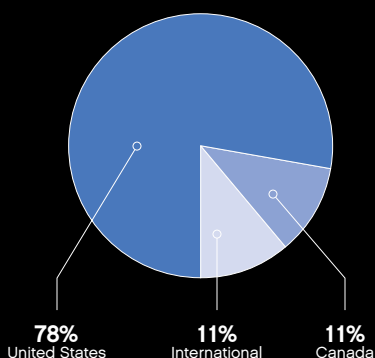
Percentage of Sales by
Product Line



\$1.773 Billion in 2004 Sales

Polaris sales reflect a diversified mix of motorsports products for work and recreation in all climates and seasons.

Percentage of Sales by
Geographic Area



Worldwide Opportunities

While the United States is the world's largest market for Polaris products, international markets represent a significant growth opportunity.

NOTE: All periods presented reflect the classification of the marine products division's financial results, including the loss from discontinued operations and the loss on disposal of the division, as discontinued operations.



ALL-TERRAIN VEHICLES (ATVs)

Polaris introduced the first American-made ATV in 1985. Since then we have pioneered such market-transforming improvements as automatic transmissions, long travel/independent rear suspensions, full floorboards, single lever hydraulic braking, on-demand AWD (true 4-wheel drive) and the industry's first electronic fuel injected 4x4. Today, we lead both the youth segment and the large 4-wheel drive segment with our Sportsman™ product line. Our *RANGER*™ off-road utility vehicle line has redefined the market with industry-leading power and ride quality. And our Predator™ sport quad takes handling to another level.



SNOWMOBILES

Polaris pioneered snowmobiles 50 years ago, and we are a recognized leader in the snowmobile industry. We maintain our leadership position by continually offering product and program innovations and competitively priced models covering all market segments: trail sport, two-up touring, trail luxury, performance, deep snow and youth.



VICTORY MOTORCYCLES

For the 2005 model year, three new models were introduced including the Vegas™ 8-Ball, a Ness Signature Series Kingpin™ and the Hammer — a top of the line cruiser — with a more powerful engine, a six-speed transmission and a fat 250mm rear tire. The Custom Order Program continued for model year 2005 allowing customers to go online and custom configure a bike from more than 3,000 combinations.



PARTS, GARMENTS AND ACCESSORIES (PG&A)

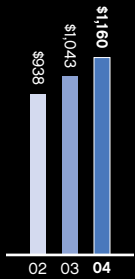
Pure Polaris® PG&A complete the riding experience. We have designed and engineered PG&A to enhance the performance of Polaris products ever since we introduced the first snowmobile in 1954. Pure Polaris offers more than 40,000 items consisting of service parts, a diverse array of accessories and Polaris-designed clothing products tailored to meet the needs of the Polaris rider. Pure Polaris also offers retail credit, extended service contracts and insurance products to facilitate the consumer's buying experience.

2004 OVERVIEW

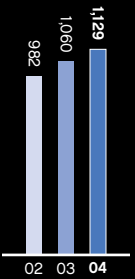
The \$6 billion ATV industry recorded worldwide retail sales of over 1.1 million ATV units, up seven percent from 2003. The industry continued to grow in 2004 particularly internationally where regulation changes have made riding ATVs more convenient and overall acceptance of ATVs continues to develop and expand. In 2004, Polaris introduced five completely new products and upgraded several current models for model year 2005, including: a new limited edition 700 EFI (electronic fuel injection) XP *RANGER*; an 800 EFI Sportsman; a military version ATV built for the consumer; a new Troy Lee edition Predator 500; and the new value-priced Phoenix. In addition, we have several limited edition models that were introduced in conjunction with our 50th Anniversary celebration in 2004.

PRIMARY COMPETITORS

- Arctic Cat
- Bombardier
- Honda
- John Deere
- Kawasaki
- Kymco
- Suzuki
- Yamaha



Sales
(dollars in millions)



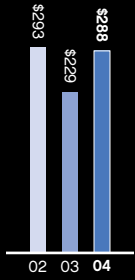
Worldwide ATV Industry
(units in thousands)

2004 OVERVIEW

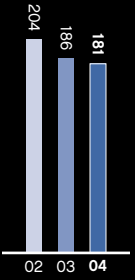
Approximately 181,000 units were sold worldwide by the snowmobile industry during the season ended March 31, 2004, down three percent from the previous season. Better snowfall and increased riding in the previous season helped the industry begin to recover in 2004. Polaris increased sales for 2004 by 26 percent largely due to new product introductions such as the Fusion™ 900 and 900 RMK™ models featuring the new IQ™ chassis. In addition, lower levels of dealer inventory coming into the 2004–2005 selling season allowed for production increases in calendar year 2004.

PRIMARY COMPETITORS

- Arctic Cat
- Bombardier
- Yamaha



Sales
(dollars in millions)



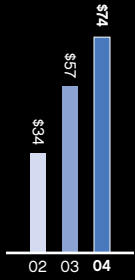
Worldwide Industry
(units in thousands)
Season ended March 31

2004 OVERVIEW

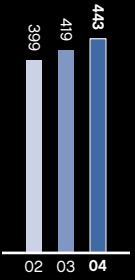
Motorcycle sales in the U.S. continued to expand in 2004. The cruiser and touring segments of the United States motorcycle market, where Victory currently participates, experienced six percent growth in 2004 over 2003 for both segments combined. Victory continued to expand its presence through major motorcycle shows and rallies, plus an increased number of Victory Rider's Association rides. Polaris' sales increased 29 percent in 2004 over 2003, as Victory added more models to its line-up and the Victory brand continued to gain recognition as the new American motorcycle company in the industry.

PRIMARY COMPETITORS

- Harley-Davidson
- Honda
- Kawasaki
- Suzuki
- Yamaha



Sales
(dollars in millions)



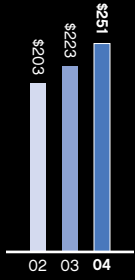
U.S. Industry
(units in thousands)
Cruisers and Touring

2004 OVERVIEW

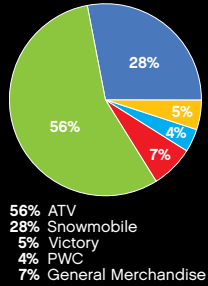
Pure Polaris PG&A sales increased 13 percent in 2004 to \$251 million. The PG&A business was positively impacted by balanced growth during the year across each product line in 2004 versus 2003. Pure Polaris operating margins remained the highest in the Company. We anticipate 2005 to be another good year for PG&A with all product lines expecting growth.

PRIMARY COMPETITORS

- Parts Unlimited (aftermarket distributor)
- Powersports OEM's
- Tucker Rocky (aftermarket distributor)



Sales
(dollars in millions)

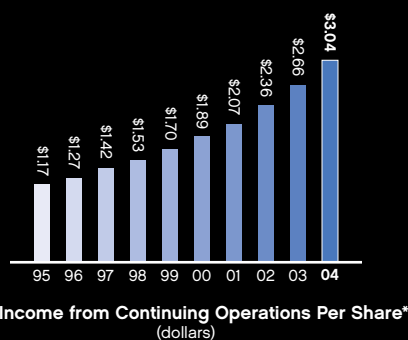
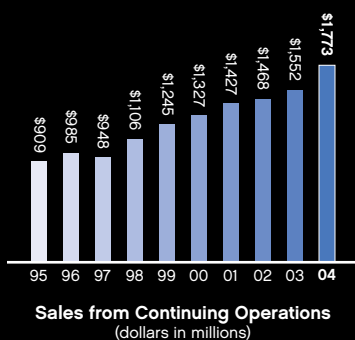


PG&A Product Mix
by Business Line

Polaris Industries Inc. is headquartered in Medina, Minnesota, and designs, manufactures and markets innovative, high-quality, high-performance motorized products for recreation and utility use. • Our product lines consist of all-terrain recreational and utility vehicles (ATVs), snowmobiles, motorcycles and related parts, garments and accessories (PG&A). Polaris engineering, manufacturing and distribution facilities are located in Roseau, Minnesota; Osceola, Wisconsin; Spirit Lake, Iowa; Vermillion, South Dakota; Passy, France; Ballarat, Victoria, Australia; Winnipeg, Manitoba; Gloucester, United Kingdom; Askim, Norway; Östersund, Sweden; and Hudson, Wisconsin (joint venture with Fuji Heavy Industries, Ltd.). • Our wholesale finance company, Polaris Acceptance, is a 50/50 joint venture. Polaris products are sold through a network of nearly 2,000 dealers in North America, five subsidiaries and 40 distributors in 126 countries outside North America. • Polaris common stock trades on the New York Stock Exchange and Pacific Stock Exchange under the symbol PII, and the Company is included in the S&P SmallCap 600 stock price index.

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Financial Highlights (dollars and shares in thousands, except per share data)

	2004	2003	% Change
FOR THE YEAR			
Sales from continuing operations	\$ 1,773,206	\$ 1,552,351	14%
Operating income from continuing operations	211,637	179,898	18
Net income from continuing operations	136,813	119,823	14
Percent of sales	7.7%	7.7%	
PER SHARE			
Net income from continuing operations – diluted	\$ 3.04	\$ 2.66	14%
Dividends paid	0.92	0.62	48
Net book value	8.03	7.09	13
FINANCIAL POSITION			
Total assets	\$ 792,925	\$ 671,352	18%
Stockholders' equity	361,732	319,378	13
Average shares outstanding – diluted	45,035	45,056	—
OTHER INFORMATION			
Property and equipment (net)	\$ 200,901	\$ 171,744	17%
Capital expenditures	88,836	59,209	50
Depreciation and amortization	59,339	52,657	13
Borrowings under credit agreement	18,000	18,008	—
Return on average shareholder equity from continuing operations	40%	40%	
Average dividend yield	1.6%	1.8%	
Total return to shareholders	57%	54%	
Number of employees – average	3,616	3,380	7

NOTE: All periods presented reflect the classification of the marine products division's financial results, including the loss from discontinued operations and the loss on disposal of the division, as discontinued operations.

* In 1998, Polaris entered into a settlement agreement related to a trade secret infringement claim brought by Injection Research Specialists, Inc. The one-time provision for litigation loss of \$61.4 million, or \$0.77 per diluted share, has been excluded from the 1998 financial data presented.

2004 — **another record year** for Polaris.

Thomas C. Tiller — President and Chief Executive Officer



By most measures, 2004 was another very good year for our company — maybe our best year ever:

- Sales from continuing operations grew by \$221 million, or 14 percent, to a record \$1.773 billion.
- Net income from continuing operations grew by 14 percent to \$137 million. Earnings have increased for 23 consecutive years, and for the last 27 consecutive quarters, we've reported sales and EPS growth.
- Earnings per share from continuing operations increased by 14 percent to \$3.04.
- Return on shareholders' equity continued strong at 40 percent, and our debt to total capital ratio remained at a very low 5 percent.
- With the stock price finishing 54 percent higher than the previous year, our total yield to investors was 57 percent, compared to 11 percent for the S&P 500 and 18 percent for the Russell 2000. This is the second straight year Polaris shareholders enjoyed a greater than 50 percent return.
- Our market capitalization grew from just under \$2 billion to approximately \$3 billion.
- We thanked our customers, dealers, suppliers, employees, communities, and shareholders for a great first 50 years.
- We laid out a clear plan to take the company to the next level of performance over the next five years, which I will describe in detail in this letter.

Summary of 2004

We delivered balanced top line growth, with every business growing at least 10 percent. In 2004, as in past years, our growth was driven by great new products. Every business delivered outstanding innovations to the market, and the market responded favorably.

ATVs, our largest business, led the way. We introduced the Sportsman MV, a military-tough vehicle for consumers; the world's biggest and baddest ATV, the Sportsman 800 Twin EFI; and the full-featured entry-level Phoenix 200. RANGER continued its phenomenal success in the utility segment. Competitors are copying it — a sure sign we're ahead of the pack.

Snowmobiles produced terrific sales growth — up 26 percent — but not as much momentum as we expected from the new IQ platform. This advanced chassis has won rave reviews, but nothing drives sled sales like fresh snowfall.

Entering its seventh model year, Victory is shaping up as a real business. In 2004 we continued to upgrade our dealer network, improved quality, and introduced the 100 cubic inch, fat-tire Hammer, another step in our plan to methodically build Victory's position as the New American Motorcycle.

Parts, garments and accessories (PG&A) growth is solidly on track. The revolutionary new Lock & Ride™ system integrates accessory and vehicle design, making our accessories the easiest to install by the dealer — or the consumer.

We continued to close the dealer gap. We're shrinking the performance differences among dealers by raising standards for stores inside and out, funding 35 new upgrades through capital assistance grants and introducing the ATV Experience Center to help dealers sell more productively. We signed about 160 fully engaged new dealers who are selling at five times the average of the 175 low-performing dealers that departed.

Every international region posted strong growth. The fast-growing international ATV market and European introduction of the street-legal quadricycle helped offset slower domestic ATV market growth. A few years ago, sales outside of North America were 6 percent of our total; today they are 11 percent.

Our 50th Anniversary was a home run. I doubt there was a company in America that combined more fun and performance in 2004. In July 2004, we concluded our 50th anniversary with a tremendous weekend celebration in St. Paul, Minn. It was a special opportunity to thank all our customers, dealers, employees and suppliers — and to recognize the loyal riders, individuals and business partners particularly responsible for our success over the years. More than 25,000 people showed up, and we saw the heart of our great company.

There were a few disappointments in 2004 as well.

The exit from the marine business was a tough but necessary decision. It was a difficult decision to exit the marine business, but the reality is we are a stronger company as a result. Given our new vision and a declining personal watercraft market, it wasn't sensible to invest in the marine business when we could apply the same resources to other investment opportunities to build an even stronger Company.

We faced higher prices for raw materials. Higher oil prices boosted the cost of transportation, plastics and energy for our products and plants. The cost of important raw materials like steel and aluminum also increased significantly throughout the year. Despite these increases, because of our sustained productivity efforts and favorable currency swings, we were still able to expand our gross margin percentage modestly.

The competitive climate remained challenging. Like most industries, ours is highly competitive. Every year there are shorter product development cycles, ever higher expectations from consumers, tougher emissions regulations, and new entrants. 2004 was no exception.

We lost market share in snowmobiles. While our other three businesses grew at or above the market rate, we did not in our heritage business. That was a significant disappointment.

Enough about the past. Let's focus on what is really important — the future.

Our game plan for the next five years: Dominant in Powersports

After 23 consecutive years of earnings growth, nearly seven straight years of quarterly sales and earning per share growth, and a total return to shareholders of over 400 percent over the past seven years, there should be little doubt that our business approach delivers very dependable performance for investors over the long haul. But after such a good, long ride, many shareholders might wonder — how much upside could possibly be left?

I'm convinced Polaris can achieve a great deal more.

In 2004, we set out to define what success might look like in five years. We started with today's core assets, products and capabilities, and took a clean sheet of paper to envision the Company's future. As our chairman, Greg Palen describes in his letter, the Board played a very active role in examining and debating our strategic alternatives, along with the senior management team. Ultimately, we concluded that the best course was to sharpen our focus on areas where we have a realistic chance to win big — and to step up our pursuit of innovative products with high quality and low cost operations.

Our goal is clear. Over the next five years, Polaris will drive to become the best in the world at what we do — to become Dominant in Powersports. Becoming Dominant in Powersports is not about being the biggest powersports company in the world. It means becoming the best. It means becoming the preferred choice in the minds of riders, dealers and people who work in the powersports industry. It means having the highest quality products, the best dealer network and the strongest brand. And it means delivering financially.

Specifically, we've set the following goals:

- **Grow sales to \$3 billion by 2009.** That means growing the top line by an average of 12 percent per year. We grew by 14 percent in 2004.
- **Expand net income to 9 percent of sales by 2009.** Achieving this objective requires that earnings per share grow at an average of 15 percent per year. In 2004, earnings per share grew by 14 percent.
- **Build a dominant brand with industry-leading quality and distribution.**

We plan to achieve this vision through a dual strategy of product innovation and growth initiatives. And in the process, attain our goals for growth, profitability and brand preference.

Product innovation

Product innovation is in the blood at Polaris — for 50 years it has always been at the core of our success. Our growth and success has always come from developing new products. But we are convinced we can get even better. Here is how:

Building strength in existing strong businesses. We will focus on core competitive competencies and markets where we've already demonstrated leadership — and where we aspire to be the best in the world: ATVs, snowmobiles and utility vehicles. Our mindset is to attack, not defend, and to innovate, not follow. This path will require investments in technology, people and distribution to drive consistent growth. While there will be risk, we believe these investments will provide outstanding returns to Polaris shareholders, as they have for many years.

Over the past several years, we have evaluated every new product introduction to learn more about why some were home runs and others didn't work out as well. Through better market research, a more careful initial selection of projects, and by following a more disciplined product development process, I am convinced we can do an even better job with our core strength. Customers saw the first inkling of the results in the 2005 model year product introductions. It was the first of a continuing wave of new products that will grow stronger each year.

Building powertrain capability. The engine and transmission are the heart of every vehicle we make. Because emission regulations and competitive forces are rapidly driving improvements in engines and transmissions, it's essential that we stay at the forefront of new developments — by controlling new technology or partnering with those who do. Engines have a long development cycle and require substantial investments, but in our business, there's no greater payoff when you bet right.

Expanding parts garments & accessories (PG&A) and financial services. The lower investment and higher return businesses, PG&A and financial services, diversify our portfolio and also make Polaris products more appealing to riders and more profitable for dealers. We will continue to develop products with integrated solutions like Pure Polaris packages and the Lock & Ride family of accessories, which is cutting dealer installation labor by a factor of six or more. We have invested considerable effort over the last five years to integrate these two important, profitable parts of our business into the core offering, and that has worked well. We will continue to differentiate ourselves by the quality of our total product and service offering, including PG&A and financial services.

Growth initiatives

While innovation has been at our core for 50 years, over the next five years, the following areas represent new areas of emphasis or investment. Just like six years ago, when our strategy was to focus people and investments on PG&A, International, and Financial Services, these are the areas where, over the next few years, we will devote incremental resources:

Dealer network. The powersports industry's distribution model was largely built on small, family-owned businesses in virtually every town in North America. But retailing is growing much more sophisticated, and as we push the quality and the rate of new product introductions, we need dedicated powersports dealers with the capacity and merchandising skills to sell and service these products. Through concerted recruitment, dealer management, and marketing and investment programs that underscore our shared destiny, the Polaris North American dealer network will evolve over the next five years. We expect there to be fewer dealers, and the dealers that remain will have a stronger, more profitable relationship with Polaris.

Victory. We have spent the last several years building a motorcycle company from scratch. It has been a long, hard job. But as we approach \$100 million in sales, the signs are clear that Victory has earned a place in the heavyweight cruiser category. The next five years should be fun as we continue to build the brand, expand the product offering and strengthen the distribution. One new model at a time, we will target new market segments and broaden the brand's appeal to riders who want new technology, adventurous styling and superior value. By the end of this decade, Victory should be a \$250 million business.

Global expansion. The Company is evolving to a significantly more global mindset. By the end of the decade we expect Polaris will have a significant brand presence and around 15 percent of sales, or \$450 million, in markets outside North America. We will concentrate first on Europe, where the ATV market is growing at very strong double digit rates and we already have local Polaris teams in place. As we develop specific, unique products and build distribution for international markets, we will also make investments on the ground. Globally transferring the Polaris

culture is critical, but from France to Australia, we have already found people whose integrity, love for the product and competitive fire are as strong as in Roseau and Osceola.

One big idea. As we advance our powertrain and chassis technology, we're not just improving features or developing new models. We're also working on ideas that can create or transform a market. When the ATV evolved to a stable four-wheel platform twenty years ago, it changed the life and productivity of every farmer, rancher and hunter who once depended on a tractor, horse or pickup for work that couldn't be done on foot. Our next big idea should do no less.

World-class technology. In April 2005, our new Polaris Technology Center opens with approximately 300 people dedicated to designing the best powersports products in the world. This investment — the largest in the Company's history — will accelerate development of broadly appealing vehicles with more sophisticated and reliable subsystems and clean, fuel-efficient engines. Located just north of Minneapolis, this state-of-the-art facility will help us to continue to attract and retain the best-qualified people in the world, who will design and produce the highest quality products in the world.

Productivity. Our industry is extremely cost-competitive, with global players eager to take our business and these pressures will only increase in the future. We plan to stimulate sustainable cost reductions throughout our operations and supplier base to help offset many of these pressures. We will aggressively seek improvements to our cost structure that yield savings without affecting the customer. For example, extending the production planning horizon helps us reduce the number of platforms and use more common components. More disciplined logistics solutions — such as improvements in packing and moving materials, products and spare parts — can offset transportation costs. Global sourcing in Asia helps reduce the costs of some price-sensitive entry-level ATV models. And we're streamlining the sales process to increase customer face time and reduce travel time.

Best team. Polaris has always had the best, most-productive workforce in the industry, but perhaps the most exciting realization for all of us is what happens as we become even better. Success fosters more success, creating a snowball effect that will dramatically distinguish us from the rest of the industry. Today, for example, we attract the best engineering graduates for our entry-level training program. For every opening, we have overwhelming interest. Through project work and rotational assignments, we teach them leadership as well as specific product technologies. In five years, they'll be leading sections of the company, not just project teams. Our most important, sustainable competitive advantage is attracting, developing and retaining the best people in the industry.

As we begin a new half century, I remain humbled by the proud legacy of this Company and excited about its great potential. It should be a great next 50 years.



Thomas C. Tiller – President and Chief Executive Officer

THE GOALS

- **Grow \$3 billion by 2009**
- **Expand net margins to nine percent**
- **Build a dominant brand with industry-leading product quality and distribution**

ACHIEVED BY

Product innovation

- Build strength and share in existing strong businesses — dominance mindset in ATVs, snowmobiles, and utility vehicles
- Waves of new products — planned and executed flawlessly
- Gradually build powertrain capability to control our destiny
- Expand PG&A and Financial Services through integrated offerings

Growth initiatives

- A leaner, stronger, more profitable dealer network — 1,500–1,700 in North America
- A bigger, stronger Victory motorcycle business
- Global expansion — focused in Europe first
- At least one “big” product idea derived from existing technology
- World-class technology development
- Relentless focus on productivity to fuel our growth — global sourcing
- The best team in the powersports industry, fueled with a consuming passion for the customer, the dealer and the ride

Polaris has a long-standing tradition of engaged and knowledgeable board members who are **passionate about the Company**, its business and the best interests of its shareholders.

Gregory R. Palen – Chairman



We have worked over the last several years to strengthen the board of directors, its effectiveness, and its independence. We have also made an effort to diversify the perspectives of our board.

In October 2004, we added board member Bob Caulk, whose nomination to fill a two-year term as a Class I director is presented in the proxy statement. Bob is the current president and CEO of United Industries Corporation. He brings significant experience as an executive in operations, marketing, and acquisitions. We are happy to have the benefit of his service. Bob replaces one of our long-time board members, Dick Stonesifer, who retired from the board in April of 2004. On behalf of the entire board, I want to thank Dick for sharing his expertise and support to Polaris over the years.

We have made it a practice to schedule board meetings around the country so that members can meet customers, dealers, suppliers, and employees as well as enjoy Polaris products together. In particular, our board focuses its attention on the following areas:

Ensuring integrity. The board has spent a tremendous amount of time over the past year complying with Sarbanes Oxley and other regulatory requirements. The recent corporate scandals remind us that free enterprise doesn't work without honesty and integrity. Our society is better off with this renewed priority.

Polaris stakeholders, however, will notice little difference because of our history of integrity and conservative accounting practices. You can count on our continued care for protecting value and virtue, and we look forward to spending more time as a board adding value.

Shaping strategy. During the next year, we'll spend a greater percentage of our time on strategic initiatives such as: leadership; development and succession; quality; innovation; the dealer network; growth; acquisitions; becoming more global; and the new five-year vision to become a \$3 billion company.

Sustaining culture. The culture at Polaris is a strength, a competitive advantage, and something we will continue to carefully preserve. It is characterized by dedication, hard work, integrity, and product innovation.

Supporting people. Polaris employs people who live the product, which provides the impetus for developing waves of new products that are exciting and useful. All Polaris employees are also shareholders, which strengthens our resolve to maximize shareholder value. It's impressive to note that Polaris employees lead all other local companies in giving to United Way. This is evidence that Polaris employees are good people who are willing to donate to others in order to make a difference in the world.

In 2004, the 50th Anniversary celebration was a highlight for all of us as we shared in the passion of 25,000 like-minded Polaris riders and reflected on what this company and its employees have accomplished: DELIVERING CUSTOMERS FREEDOM AND FULFILLMENT THROUGH "THE WAY OUT."


We are proud of the achievements of the Polaris employees and the leadership of Tom Tiller and the management team. Twenty-seven consecutive quarters of increased sales and earnings is a remarkable record. A \$10,000 investment in 1998 would have grown to more than \$50,000 in 2004. That's extraordinary, and we're proud and thankful.

We will continue to support the culture and integrity — and develop the strategy and people — of Polaris so that our Company remains outstanding into the next decade and beyond.

A handwritten signature of Gregory R. Palen in dark ink. The signature is stylized, with a large 'G' and 'P' and a cursive 'Palen'.

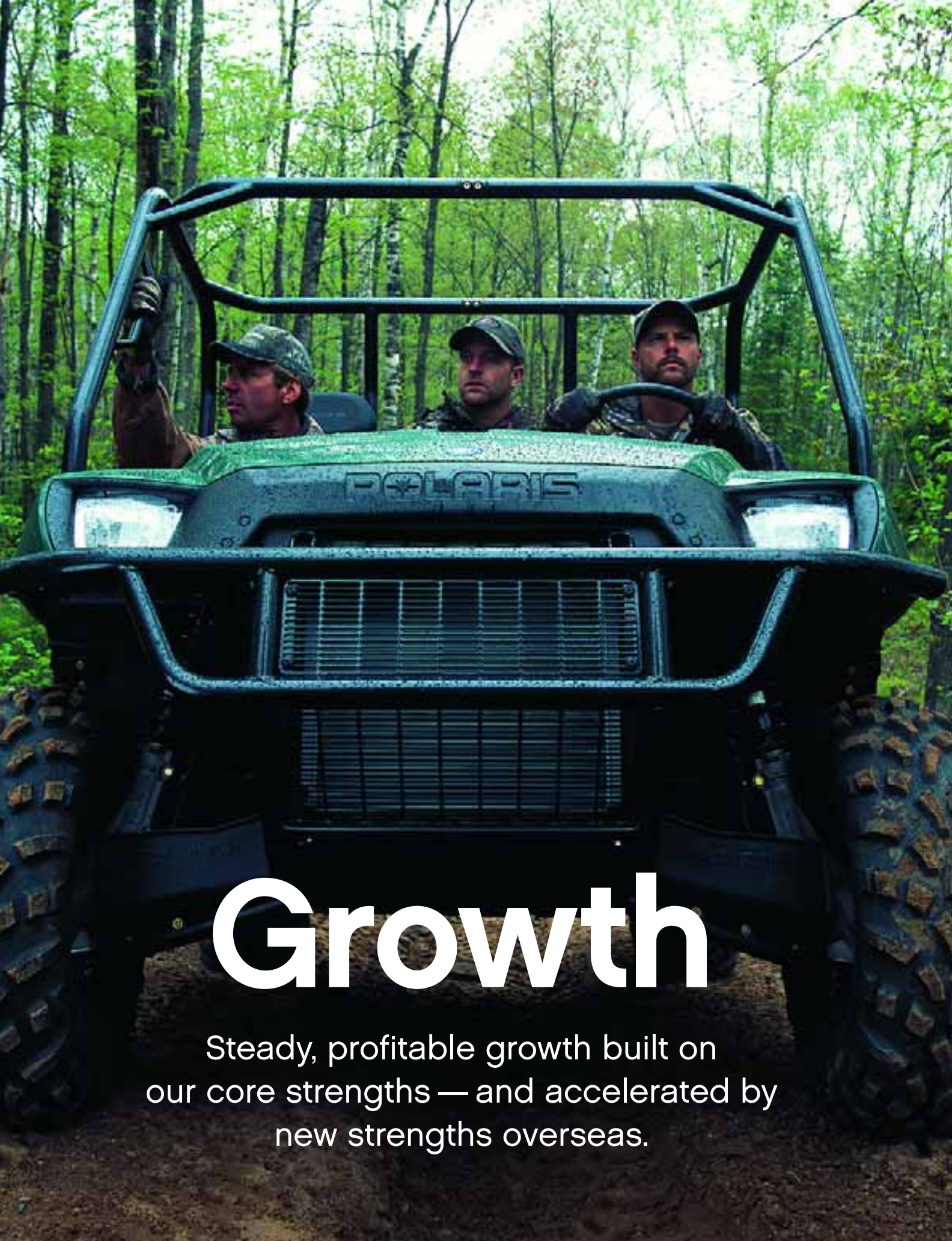
Gregory R. Palen – Chairman





We are on a path to
Dominance in Powersports
through:

- Continued **Growth**
- Product **Leadership**
- Breakthrough **Innovation**
- Industry-Leading **Productivity**
- More Powerful **Dealers**
- Deeper Brand **Loyalty**
- And an **Even Better Ride**



Growth

Steady, profitable growth built on
our core strengths — and accelerated by
new strengths overseas.

Strong, steady core businesses

Polaris is among the market share leaders in ATVs, utility vehicles and snowmobiles, which together account for more than 80 percent of total company sales. These business lines provide a foundation of excellence for our company, and a platform for future growth — as we shift from a strong market position to dominance in all three product categories.

ATVs. The Polaris Sportsman line is the best-selling ATV line in the industry, popular with a broad range of riders, including recreationalists, farmers, ranchers and hunters. With complementary lines such as the trail riding Predator 500, utilitarian All-Terrain Pickup, mid-sized Phoenix for young adults and women, and three youth models for four-wheeling kids, Polaris offers ATVs for every kind of rider. ATV worldwide industry unit sales have averaged 15 percent annual growth since 1996. Polaris ATV sales have grown by almost 29 percent during that time — propelling Polaris to number two in market share. First-time buyers still comprise 38 percent of all sales, a healthy sign of continued market growth.

Utility vehicles. Primarily used for agriculture, landscaping and construction, utility vehicles are a subset of the ATV market — but they represent a distinct and substantial revenue opportunity. Our *RANGER* line of two-, four- and six-wheel drive vehicles is targeted at the \$1 billion worldwide utility vehicle market. *RANGER* sales were up more than 20 percent in 2004. Polaris is outpacing the competition in the utility vehicle market, surging from seventh in market share in 2000 to fifth in 2001 to a close second in 2004.

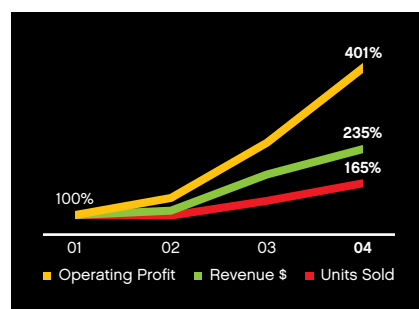
Snowmobiles. For the first time in three years, Polaris snowmobile sales grew in 2004. The 26 percent increase in sales was largely due to lean inventory levels at the end of last season and the successful launch of two completely new snowmobile platforms for the 2005 model year. More new product introductions in coming years will be aimed at making Polaris the dominant leader in snowmobiles. The outlook for the snowmobile market looks positive. While a lack of snow in some key regions has hampered retail sales in recent years, the number of snowmobile registrations are up 6 percent in the Upper Midwest and

32 percent in the Northeast — showing that rider desire is strong and ready when the snow flies.

Burgeoning sales opportunities overseas

Polaris estimates the market for our products outside of North America to be \$1.8 billion. Accordingly, we are aggressively executing a diversified, global powersports strategy. Our sled sales are growing fast in Scandinavia, our ATVs are a market leader in Australia, and a new European line of ATVs — modified as street-legal quadricycles — instantly became our number one seller in France and is growing quickly in other countries.

Polaris international sales have grown from \$90 million in 2002 to nearly \$200 million in 2004, with about half of 2004 sales coming through our five overseas direct subsidiaries. We will continue to build our worldwide presence over the foreseeable future and open more Polaris subsidiaries in those countries where the powersports market is mature enough to support a direct sales model.

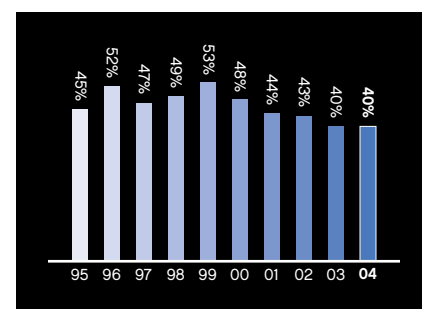


International Growth

The Polaris strategy to expand worldwide operations has been extremely profitable. From 2001 to 2004, international operating profit increased more than 300 percent with revenues growing over 135 percent.



The new Polaris **street-legal quadricycle** line is a big hit in Europe. It is among the sales leaders in a European ATV market that is now as large as the United States snowmobile market.



Return on Average Shareholder Equity from Continuing Operations

Historic strong sales performance in ATVs, utility vehicles and snowmobiles along with related PG&A, has fueled shareholder returns that are well above the industry average.

Market leadership asserted with wave after wave
of new products — thoughtfully planned
and flawlessly executed.



Leadership

Growing by bringing new products to market

Polaris demonstrates market leadership when we go on the offensive — introducing new products that excite our riders and broaden our competitive advantage.

Our strategy for growing sales and market share is clear: introduce more new products than anybody else and make sure they are the best vehicles on the market. It started last year, when we celebrated our 50th Anniversary by introducing more new ATVs, snowmobiles and motorcycles than ever before. That trend will continue. Polaris is committed to perennially storming the market with fresh new products in every power-sports category where we compete.

New in ATVs. Approximately 62 percent of our ATV line is new for model year 2005, including these two upgraded models:

- **Sportsman.** The Sportsman 800 Twin EFI takes our industry-first ATV electronic fuel injection technology a step further, with a more powerful engine and dual exhaust. We call it the Biggest, Baddest ATV ever, and the editors at *Field & Stream* magazine seem to agree. They

bestowed a “Best of the Best” award on the Sportsman 800 Twin EFI in 2004.

- **Predator.** A special Predator 500 Troy Lee Edition ATV — designed in collaboration with the California motorsports racing design shop Troy Lee Designs — features performance upgrades such as close-ratio gears, Maxxis® radial tires and aluminum shocks.

New in Snowmobiles. Dedicated snowmobilers log hours on their sleds, and they demand a smooth ride. The latest Polaris models provide the smoothest ride on snow.

- **900 Fusion & 900 RMK.** Our 2005 models for trail riding and mountain climbing, respectively, feature our new IQ Front Suspension system — a Polaris-exclusive design that provides better cornering, less bottoming and the kind of instinctive handling that’s typically only available on racing sleds.

New in motorcycles. Victory sales currently account for less than 5 percent of Polaris revenue. But a significant growth opportunity exists: the domestic cruiser and touring market is estimated at over \$6 billion. Victory sales grew at a healthy pace again in 2004 — up 29 percent. We

expanded our core Victory product line beyond the Vegas and Kingpin in model year 2005, reaching out to new riders with both a value and a high-powered offering.

- **8-Ball.** This model offers the distilled essence of the Vegas. It allows riders to buy an American-made motorcycle at a price comparable to many Japanese models.
- **Hammer.** With a bigger 100 ci/1634cc engine and 6-speed overdrive transmission, Hammer is the most powerful cruiser in the Victory line. It also sports a 250mm rear tire — developed by Dunlop specifically for the Hammer — that ties into the current trend in fat-tire motorcycles.

New in PG&A. When it comes to boosting sales with new products, we do not forget parts, garments and accessories — which represents 14 percent of total company sales.

- **Lock & Ride.** Most riders like using attachments on their ATV, but they don’t like spending a half-hour to screw them on and off. The proprietary Polaris Lock & Ride ATV accessory line offers windshields, cargo boxes, gun scabbards and more — all can be attached and detached in seconds without tools.



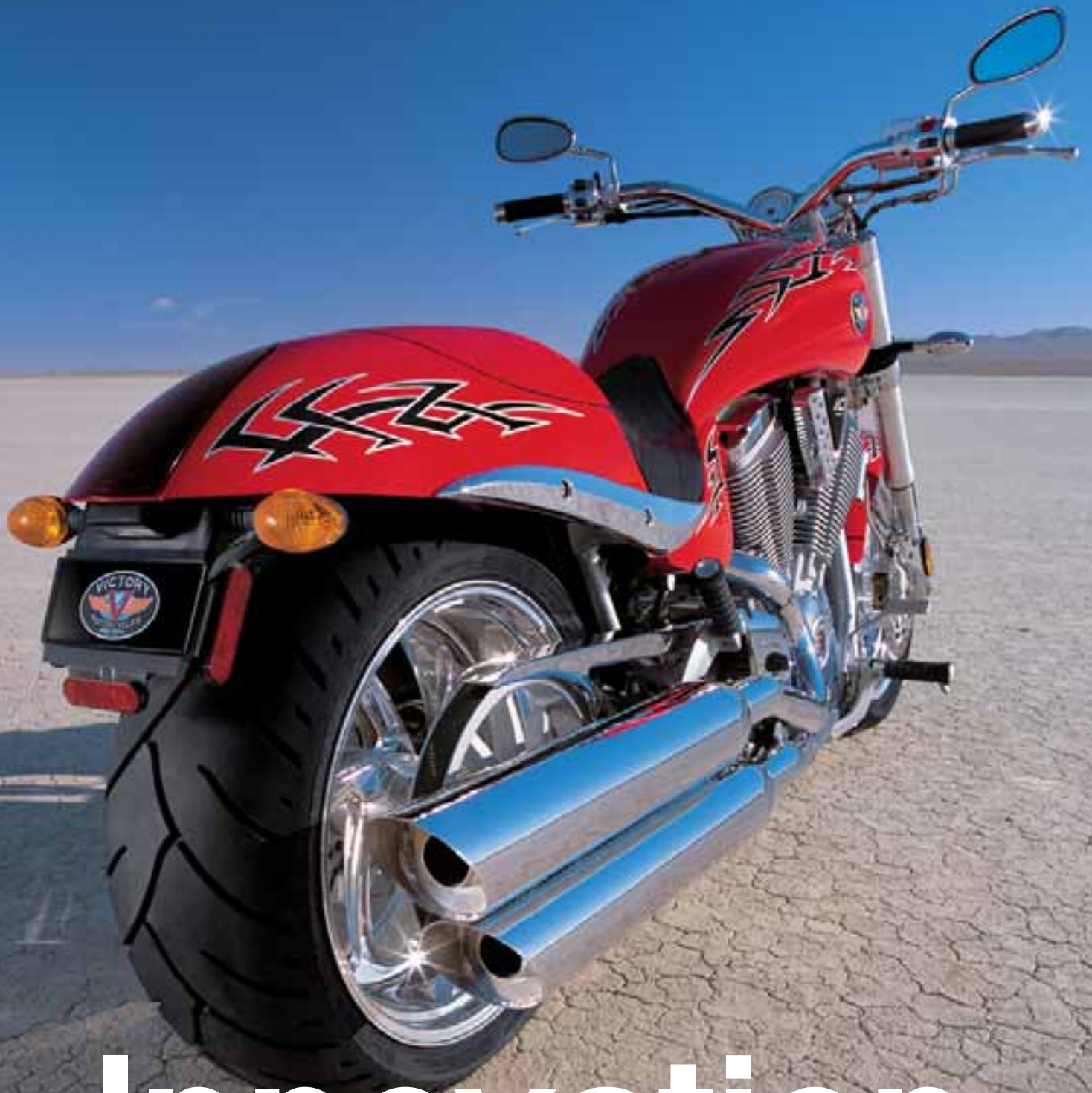
This year Polaris introduced the **440 IQ race sled** — the most sophisticated snocross snowmobile ever built. At the Duluth National Snocross races in November 2004, Polaris 440 IQ racers dominated the competition with crowns in four of six classes.



In 2004, the United States Department of Defense awarded a \$10 million ATV contract to Polaris. Our military-modified ATVs inspire new models for the civilian market. For example, the new **Sportsman MV** features dual winches, steel racks and run flat tires — just like the ATVs being used by U.S. forces in Iraq.



The **Predator 500 Troy Lee Edition** was named “Sport ATV of the Year” by *The 2005 ATV Guide*. Two years ago, the publication gave the award to the original Predator 500.



Innovation

World-class technology
breeds competitive differentiation.

Technology is our differentiator

Polaris has historically been a technology leader in the powersports industry, with industry-first innovations that improve vehicle power, fuel-performance, ride, handling and comfort. In 2004 about 60 percent of our sales came from products introduced within the last three years. To maintain our leadership position, we are making the largest investment in the history of the company.

Opening in April 2005, the new Polaris Technology Center in Wyoming, Minn. will be the most advanced powersports product development facility of its kind. By consolidating several of the research and development departments currently located at three factory locations, the center will create a more centralized R&D hub for ATVs and motorcycles while much of the snowmobile R&D will remain at the current Roseau location.

As competition in all powersports categories tightens and regulatory agencies continue to raise the bar on emissions requirements, powertrains will become even more important as a differentiator. Engines and transmissions represent the best

opportunity to enhance vehicle performance and provide a unique ride. Here's a sampling of some of our most recent powertrain innovations:

Snowmobiles. Our Liberty 900 Engine is a lightweight high-displacement twin that features a long-stroke, high-torque design for rapid-fire acceleration and smooth power delivery from idle to full velocity. Liberty 900 also features a CleanFire™ Injection system that improves fuel economy and reduces fuel emissions.

Environmental sensitivity is the key for snowmobiles to gain access to our nation's most beautiful places to ride — such as Yellowstone National Park. Polaris is taking the lead on developing cleaner snowmobile engine technology. Our new four-stroke snowmobiles for model year 2006 feature our CleanFire fuel injection system and a reliable four-valve-per cylinder overhead cam engine that exceeds Environmental Protection Agency emissions standards through 2012.

Motorcycles. We introduced the 92-cubic inch, 5-speed transmission Freedom™ V-twin engine on our Victory Vegas models a few years ago. Then we took it up a notch with a 100-cubic inch, 6-speed Freedom V-twin

on our new Hammer motorcycle. The editors at *Motorcycle Cruiser* magazine were pleased with the results:

"The beefed-up (Hammer) engine works well with even more authoritative acceleration throughout the rpm range than the (Vegas and Kingpin) Freedom engine, which already rules the world of mid-teens V-twins. The welcome sixth gear makes highway cruising a relaxed proposition and ... allows the rider to easily rack up the miles."

ATVs. Polaris introduced the world's first electronically fuel injected 4X4 ATV with the Sportsman 700 Twin EFI. Electronic fuel injection means smooth and responsive power at all speeds, easier starting and better performance in cold weather or high altitudes, and significantly improved fuel economy — approximately 15 percent better gas mileage.



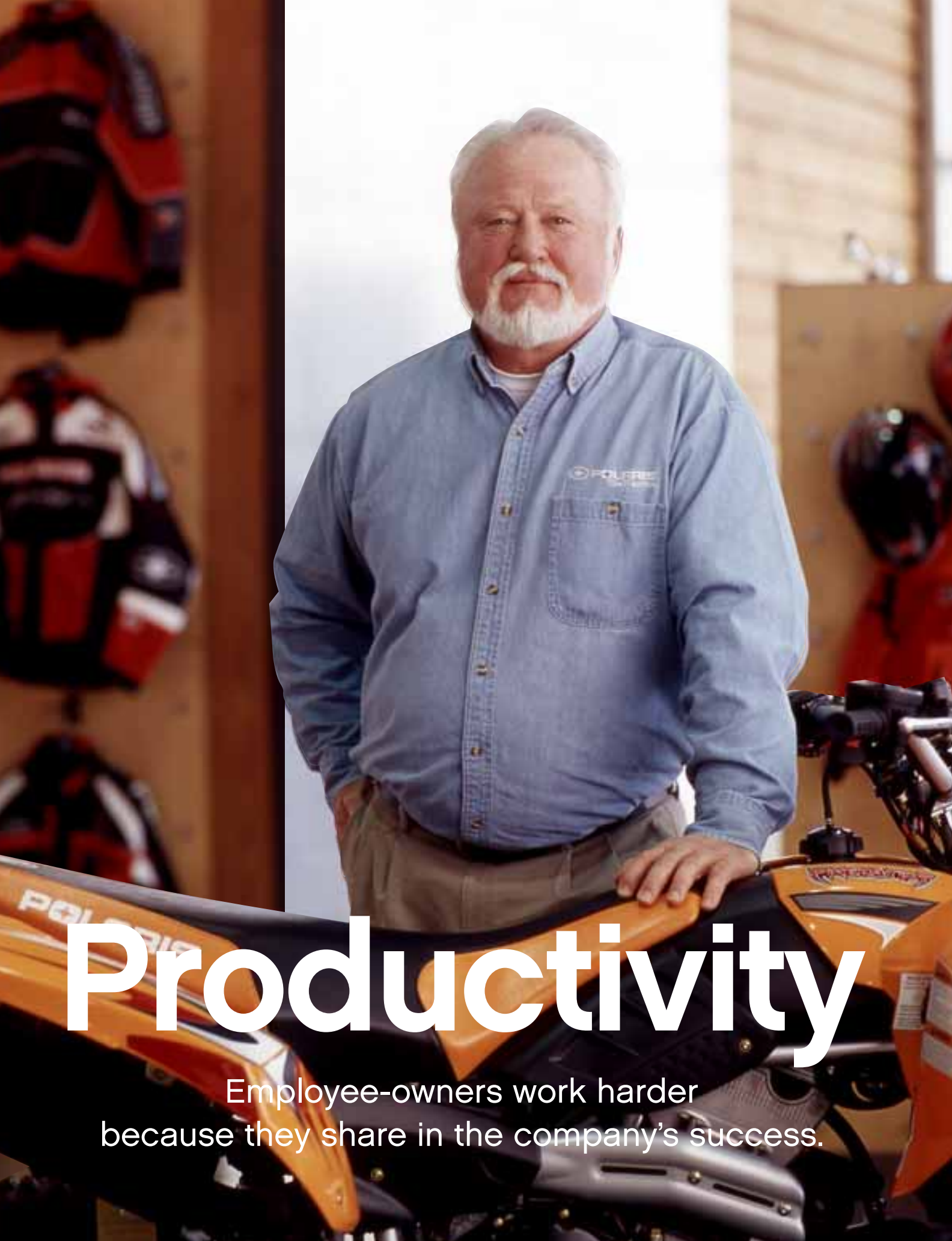
RFIDs meet ATVs — Polaris' proprietary **SpeedKey™** system allows owners to set the speed at which others drive their *RANGERS*. A set of color-coded keys loaded with Radio Frequency ID (RFID) technology communicate with the carburetor to regulate velocity. Yellow keys keep the *RANGER* under 25 mph, while black keys allow for top speed.



The new **900 Fusion** features 82 patentable ideas — including the Rider Select™ comfort system, which offers seven different handlebar positions for customizing a rider's position to their style of riding.



The new **Polaris Technology Center** will include state-of-the-art virtual and laboratory testing, as well as field proving grounds for ensuring Polaris products are the fastest, toughest, safest, and best-riding vehicles on the market.



Productivity

Employee-owners work harder
because they share in the company's success.

Ray Monsrud (pictured left) got his first job with Polaris as a test driver in 1968. Today, he still lives in Roseau, Minn., and works as a Polaris dealer trainer. He is the only active employee to be inducted into the Polaris Hall of Fame, and he's a testament to the strong work ethic and dedication of all Polaris employees.

"Everybody who works at Polaris is so committed, so proud of what we do. We all ride Polaris products ourselves, and we'll make a sales pitch on a Polaris sled or ATV to anyone who will listen.

I remember the flood a few years ago, when all the Polaris employees were out sandbagging to protect the factory ... many before they laid sandbags around their own homes. And when we finished at the plant, we just kept going, sandbagging around the town's school and courthouse. We're both Polaris employees and Roseau citizens, and there's always been a strong bond between our company and our community.

When employees were given ownership opportunities after the company buyout in the 1980s, that's when things really took off. Over the years, I've received company

stock in bonuses and bought shares through our employee share purchase program. Now I live in a brand new home, and I have the opportunity to be financially secure when I retire — all because of Polaris."

A two-pronged strategy for growing margins

Polaris has a stated goal to grow earnings faster than sales through higher productivity and lower costs.

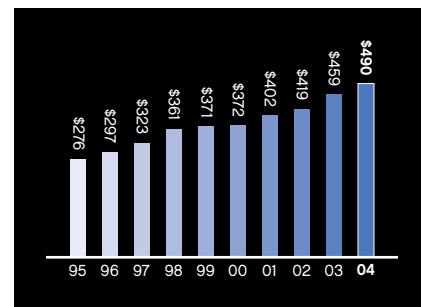
Productivity. The implementation of industry-standard improvement processes similar to Six Sigma has dramatically improved efficiency at all Polaris factories. Labor per vehicle has been reduced by 33 percent over the past six years. Flexibility is also a critical factor in productivity. That is the goal behind our "produce what sells" assembly line initiative to streamline production and tightly tailor it to current demand. When completed in 2005, we estimate the initiative will reduce supply chain lead-time by 35 percent.

Cost reduction. Polaris realizes significant cost savings through enhanced product quality. Over the past year, plant defects are down 42 percent, which has helped reduce

our internal cost of quality by 25 percent. High-quality products also yield cost savings after sale. Since 2001, customer problems per vehicle are down 31 percent. In the *RANGER* product line, for example, that has translated into a 46 percent reduction in warranty occurrences over the past two years. Similar savings are expected in motorcycles, where Victory has been recognized as the highest quality motorcycle on the market.

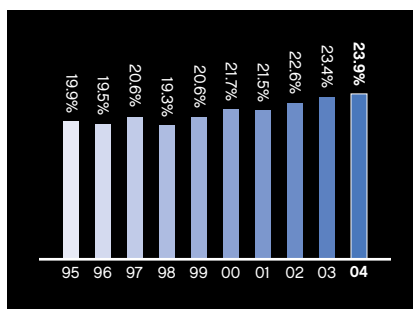


Polaris' top-selling Sportsman ATV line is also a top cost-saver. Over the past three years, an **aggressive cost-down strategy** has reduced Sportsman production expenses by 11 percent.



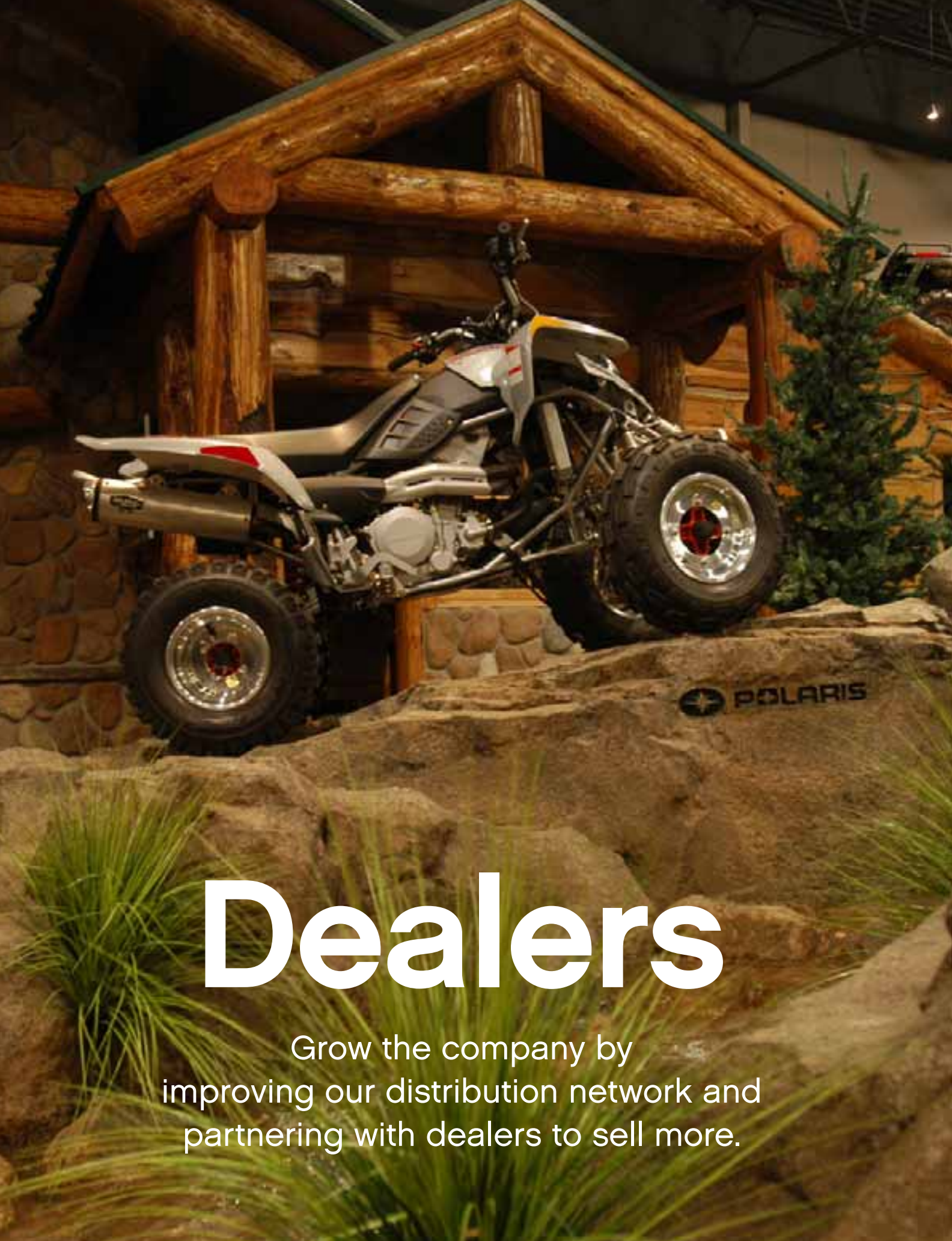
Sales from Continuing Operations Per Employee (dollars in thousands)


Polaris employees are the envy of our industry. They are non-union. They own Polaris stock and have a vested interest in our company's prosperity. And they believe in the products we manufacture, because they themselves are Polaris riders. (Product sales to employees are a significant source of sales for Polaris, accounting for more sales than most dealers in our network.) This helps explain why Polaris employees are fiercely loyal — with an extremely low turnover rate — and profoundly productive — with a sales-per-employee ratio nearly twice the industry average.



Gross Margin Percentage from Continuing Operations

Steadily increasing margins demonstrate the effectiveness of Polaris' productivity and cost-out strategies.



 POLARIS

Dealers

Grow the company by
improving our distribution network and
partnering with dealers to sell more.

Managing a more profitable dealer network

Our concerted effort to improve the sales productivity of our dealer network is showing excellent results.

Defined dealer territories and business planning processes have created needed structure for our dealer network. Each dealer in North America is now assigned a cluster of zip codes — their area of primary responsibility (APR). This gives the dealer focus in their sales efforts, and eliminates intra-network competition among Polaris dealers. Each dealer meets with their Polaris district sales manager to review market trends in their APR, devise a marketing plan for the year, and set clear sales goals.

The result is better coordination between Polaris and the dealer that leads to industry-best sales efforts.

Helping dealers be more profitable

Supporting our dealers means more than helping them set goals — it also means giving them the tools to achieve them.

PG&A incentives. Parts, garments and accessories sales carry the highest margins for Polaris — and for

our dealers. We further incent dealers to sell PG&A with wholesale discounts on parts and apparel based on volume sold. And, we make sure our dealers' shelves stay stocked. We have a 97 percent fill-rate on PG&A orders from dealers; 99 percent of dealer PG&A orders received by 3 p.m. are shipped out in the same day.

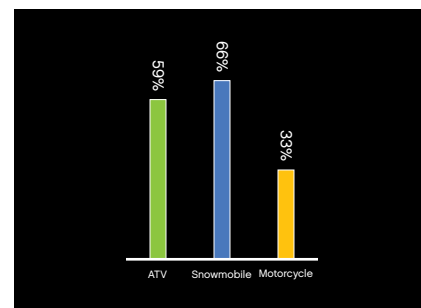
Marketing support. From pre-designed ads to easy-to-host events, Polaris provides dealers with ways to capitalize on corporate marketing and tangibly boost sales. More than 80 percent of our North American dealers participated in the 2004 Polaris Open House promotion — and saw a 16 percent average increase in weekly retail sales as a result. In contrast, non-participating dealers saw their business decline 15 percent during the same period. We also support our dealers by providing them with the names of potential buyers in their APR. During 2004, more than 80,000 names were gathered through Web site registrations, brochure request or other corporate marketing interactions that were provided to our dealers as potential sales leads.

Capital assistance. The Polaris Capital Assistance Program (CAP) continues to run strong. Over the

last four years, CAP grants averaging \$40,000 have been awarded to about 160 dealers for store improvements. Fifty-six dealers used their CAP money to upgrade to a Power Store — the new role model for Polaris dealerships (see caption) — and power up their sales.

CAP Grant Dealers Sales Increase

Van Wall Equipment , Olathe, Kansas New Building	137%
Zack's V-Twin Cycles , Hyde Park, New York New Building	59%
Mid-America Moto Plex , Sioux Falls, South Dakota Power Store Conversion	58%



Percentage of Polaris North American Star Dealers by Product Line

Polaris dealers are considered a "Star" dealer if they exclusively sell Polaris products in a given line. Star dealers receive special benefits such as product financing and cooperative advertising for each exclusive Polaris line they sell. So the more a dealer specializes in Polaris products, the more benefits they receive from Polaris.



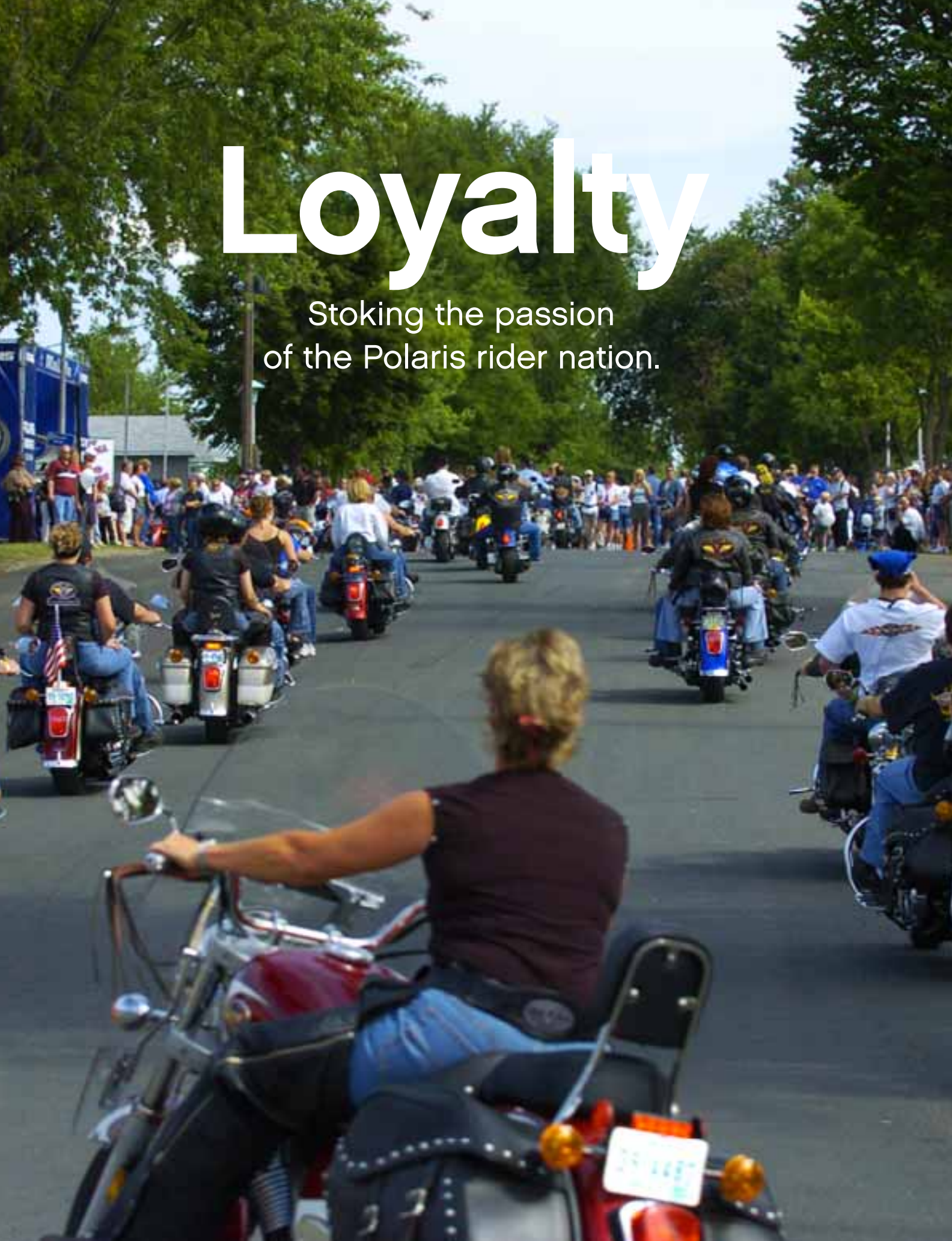
The Polaris Power Store concept brings the riding experience right into the dealership — with ATVs and snowmobiles parked amid a rocky mountainscape, and a highway running right through the Victory motorcycle display. Mies Outland, Watkins, Minn. (pictured above) saw sales increase 110% percent after receiving a capital assistance grant to **upgrade to a Power Store**.



The Polaris Dealership Development team designed this **ATV Experience Center** as a more attractive model for merchandise presentation. The ATV Experience Center debuted in 200 Polaris dealerships in 2004 and will appear in 200 more stores in 2005.

Loyalty

Stoking the passion
of the Polaris rider nation.





Repeat customers are the surest sign of a strong brand

Over 80 percent of our customers who buy a new Polaris product stay with Polaris when they buy a new model. They stick with Polaris because we stick with them — keeping them actively engaged in their passion.

Whether they wear Pure Polaris apparel, go riding on an ATV Adventure Tour, or party at the Victory Rider's Association's annual Biketoberfest, Polaris customers have multiple avenues for living a rider's lifestyle.

Polaris riders helped kick off our 50th Anniversary celebration in February with a record-breaking event. More than 800 riders, many on vintage-era sleds, set the Guinness World Record for "Largest Organized International Snowmobile Trail Ride" at the Frostbite Days Festival in Roseau, Minn.

In July, more than 25,000 Polaris riders from around the world descended on the Minnesota State Fairgrounds to make the 50th Anniversary "Way Out Weekend" a party for the ages. A battalion of 700 Victory riders got the show going by making a thunderous parade entrance into the opening ceremonies. By the end of the day, one thing was clear — no other diversified powersports company has a more loyal legion of riders than Polaris.

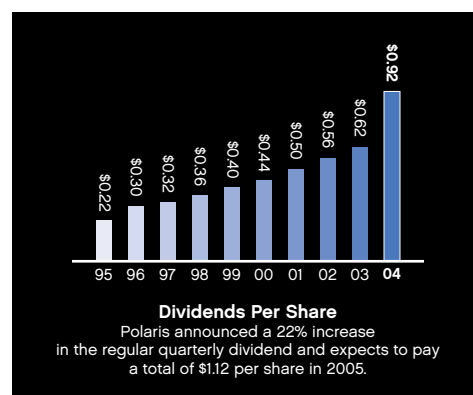
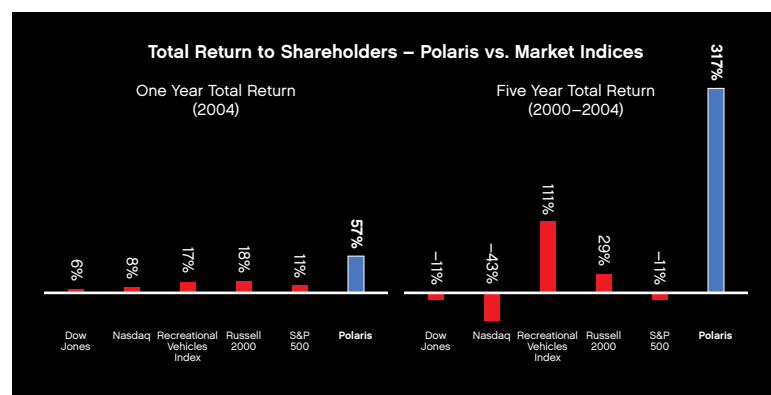


An **Even Better** Ride

The last five years have been good... Through share price appreciation, dividends paid and share repurchases, Polaris investors have seen the value of their investment grow appreciably.

...the next five will be even better. By 2009, Polaris expects to be Dominant in Powersports:

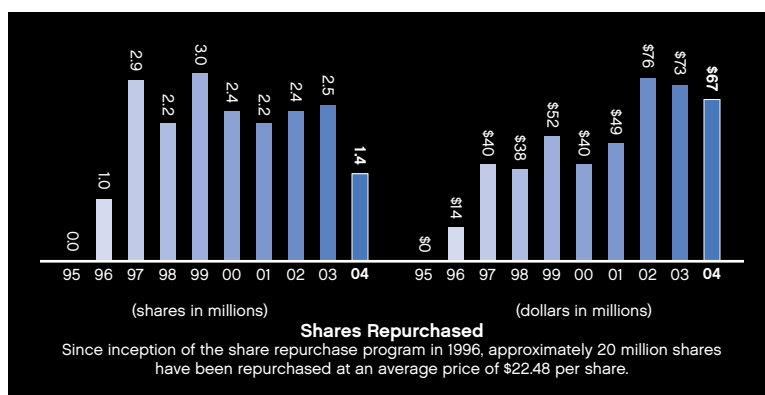
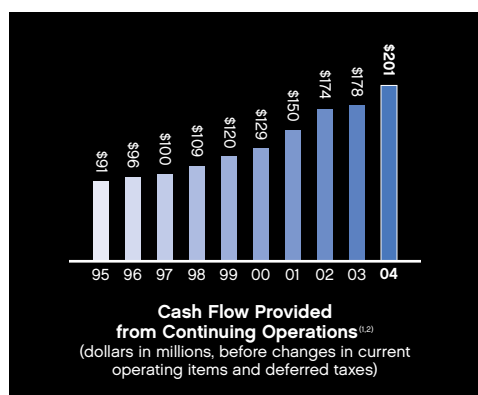
- **Grow** to a \$3 billion company
- **Expand net margins** to 9 percent of sales
- **Build a dominant brand** with industry-leading product quality and distribution





Polaris lead designer Mike Song drew this early rendering as he was designing the Hammer. It's a perfect example of the big ideas and bold spirit that will drive Polaris to achieve its "Dominant in Powersports" vision.

"I think people are starting to catch on to the modern American cruiser. In design, cruisers have remained antiques. At Victory, we're bringing the cruiser market into the 21st century. We're the most technologically advanced country in the world, so I think American motorcycles can be more than antiques."



- (1) In 1998, Polaris entered into a settlement agreement related to a trade secret infringement claim brought by Injection Research Specialists, Inc. The one-time provision for litigation loss of \$61.4 million, or \$0.77 per diluted share, has been excluded from the 1998 financial data presented.
- (2) A reconciliation of the Company's calculation of cash flow provided to the most directly comparable cash flow measure, as required by Regulation G, appears on page 23 of this Annual Report.

11-YEAR SELECTED FINANCIAL DATA in thousands, except per share and per unit data

The selected financial data presented below are qualified in their entirety by, and should be read in conjunction with, the Consolidated Financial Statements and Notes thereto and other financial and statistical information, including the information referenced under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," located in the Form 10-K included in this report.

For the Years Ended December 31,

	2004	2003	2002
Statement of Operations Data from Continuing Operations			
Sales data:			
Total sales from continuing operations	\$ 1,773,206	\$ 1,552,351	\$ 1,468,170
% change from prior year	14%	6%	3%
Sales mix by product:			
All-terrain vehicles	65%	67%	64%
Snowmobiles	16%	15%	20%
Motorcycles	4%	4%	2%
PG&A	14%	14%	14%
Gross profit data:			
Total gross profit from continuing operations	\$ 424,263	\$ 362,876	\$ 332,432
% of sales	24%	23%	23%
Operating expense data from continuing operations:			
Amortization of intangibles and noncash compensation	\$ 16,643	\$ 14,472	\$ 16,437
Conversion costs	—	—	—
Other operating expenses	228,018	192,093	166,188
% of sales	13%	12%	11%
Actual and pro forma data: ⁽¹⁾			
Net income from continuing operations	\$ 136,813	\$ 119,823	\$ 111,330
Diluted net income per share from continuing operations	\$ 3.04	\$ 2.66	\$ 2.36
Net income	\$ 104,504	\$ 110,929	\$ 103,592
Diluted net income per share	\$ 2.32	\$ 2.46	\$ 2.19
Cash Flow Data			
Cash flow from continuing operating activities	\$ 245,356	\$ 167,793	\$ 200,601
Purchase of property and equipment for continuing operations	88,836	59,209	52,313
Repurchase and retirement of common stock	66,830	73,125	76,389
Cash dividends to shareholders	38,856	26,657	25,273
Cash dividends per share	\$ 0.92	\$ 0.62	\$ 0.56
Cash distributions declared to partners	—	—	—
Cash distributions declared per unit	—	—	—
Balance Sheet Data (at end of year)			
Cash and cash equivalents	\$ 138,469	\$ 82,761	\$ 81,193
Current assets	465,655	337,716	343,659
Total assets	792,925	671,352	608,646
Current liabilities	405,193	330,478	313,513
Borrowings under credit agreement	18,000	18,008	18,027
Shareholders' equity/partners' capital	361,732	319,378	277,106

(1) In 1998, Polaris entered into a settlement agreement related to a trade secret infringement claim brought by Injection Research Specialists, Inc. The one-time provision for litigation loss amounted to \$61.4 million, or \$0.77 per diluted share in 1998. The settlement had no effect on the future operations of the Company. Excluding this charge, other operating expenses, net income and diluted net income per share from continuing operations for 1998 would have been \$101.2 million, \$78.4 million and \$1.52 per share, respectively.

2001	2000	1999	1998	1997	1996	1995
\$ 1,427,400	\$ 1,327,030	\$ 1,244,782	\$ 1,105,685	\$ 947,775	\$ 985,472	\$ 908,988
8%	7%	13%	17%	(4%)	8%	31%
58%	62%	59%	58%	48%	44%	39%
26%	23%	25%	28%	37%	42%	47%
1%	1%	3%	1%	—	—	—
15%	14%	13%	13%	15%	14%	14%
\$ 306,307	\$ 287,969	\$ 256,611	\$ 213,381	\$ 195,027	\$ 192,131	\$ 180,913
21%	22%	21%	19%	21%	19%	20%
\$ 16,482	\$ 12,702	\$ 10,472	\$ 8,703	\$ 5,887	\$ 5,325	\$ 5,616
—	—	—	—	—	—	—
150,386	143,152	119,600	153,903 ⁽¹⁾	79,505	76,240	67,163
11%	11%	10%	14% ⁽¹⁾	8%	8%	7%
\$ 97,716	\$ 89,466	\$ 84,642	\$ 38,761 ⁽¹⁾	\$ 75,964	\$ 70,708	\$ 64,759
\$ 2.07	\$ 1.89	\$ 1.70	\$ 0.75 ⁽¹⁾	\$ 1.42	\$ 1.27	\$ 1.17
\$ 91,414	\$ 82,809	\$ 76,326	\$ 31,015 ⁽¹⁾	\$ 65,383	\$ 62,293	\$ 60,776
\$ 1.94	\$ 1.75	\$ 1.53	\$ 0.60 ⁽¹⁾	\$ 1.22	\$ 1.12	\$ 1.09
\$ 192,034	\$ 105,055	\$ 134,469	\$ 124,701	\$ 97,655	\$ 88,872	\$ 81,215
52,856	61,590	60,659	56,796	32,389	37,128	38,964
49,207	39,622	52,412	37,728	39,903	13,587	—
22,846	20,648	19,732	18,582	16,958	16,390	116,639
\$ 0.50	\$ 0.44	\$ 0.40	\$ 0.36	\$ 0.32	\$ 0.30	\$ 2.13
—	—	—	—	—	—	—
—	—	—	—	—	—	—
\$ 40,530	\$ 2,369	\$ 6,184	\$ 1,466	\$ 1,233	\$ 5,812	\$ 3,501
305,317	240,912	214,714	183,840	217,458	193,405	175,271
565,163	490,186	442,027	378,697	384,746	351,717	314,436
308,337	238,384	233,800	204,964	191,111	161,387	155,722
18,043	47,068	40,000	20,500	24,400	35,000	40,200
238,783	204,734	168,227	153,233	169,235	155,330	118,514

**Regulation G Reconciliation — Cash Flow Provided to Net Cash Provided by Operating Activities
from Continuing Operations (dollars in millions)**

Year	Cash Flow Provided (as shown on page 21)	Deferred Income Taxes	Changes in Current Operating Items	One-time Provision for Litigation Loss, Net ⁽¹⁾	Net Cash Provided by Operating Activities
1995	\$ 91.4	\$10.0	\$(20.2)	—	\$ 81.2
1996	96.4	—	(7.5)	—	88.9
1997	100.0	—	(2.3)	—	97.7
1998	108.9	5.0	50.4	\$(39.6)	124.7
1999	119.6	3.0	11.9	—	134.5
2000	129.4	1.6	(25.9)	—	105.1
2001	149.9	(9.7)	51.8	—	192.0
2002	174.1	7.2	19.3	—	200.6
2003	177.5	(8.1)	(1.6)	—	167.8
2004	201.1	(1.5)	45.7	—	245.4

POLARIS INDUSTRIES INC. BOARD OF DIRECTORS



Board of Directors

(left to right)

Richard A. Zona, Thomas C. Tiller, R.M. (Mark) Schreck, John R. Menard, Jr., William E. Fruhan, Jr., Gregory R. Palen, Robert L. Caulk, Annette K. Clayton, Andris A. Baltins

BOARD OF DIRECTORS

Thomas C. Tiller

President and Chief Executive Officer of Polaris Industries Inc.

Committees:
Executive,* Technology

Gregory R. Palen

Chairman of the Board of Polaris Industries Inc. and Chief Executive Officer of Spectro Alloys and Palen/Kimball Company

Committees:
Executive, Technology

Andris A. Baltins

Member of the law firm of Kaplan, Strangis and Kaplan, P.A.

Committees: Compensation, Corporate Governance and Nominating*

Robert L. Caulk

President and Chief Executive Officer of United Industries Corporation

Annette K. Clayton

President of Saturn Corporation
Committees: Audit, Technology

William E. Fruhan, Jr.

Professor of Business Administration – Harvard University

Committees: Audit, Compensation,* Corporate Governance and Nominating

John R. Menard, Jr.

President of Menards, Inc.

Committee: Technology

R.M. (Mark) Schreck

President, RMS Engineering and retired Vice President of Technology, GE

Committees: Corporate Governance and Nominating, Technology*

Richard A. Zona

Chief Executive Officer, Zona Financial and retired Vice Chairman of U.S. Bancorp.

Committees: Audit,* Compensation

*Committee Chair

CORPORATE OFFICERS

Thomas C. Tiller

President and Chief Executive Officer

Jeffrey A. Bjorkman

Vice President – Operations

John B. Corness

Vice President – Human Resources

Michael W. Malone

Vice President – Finance, Chief Financial Officer and Secretary

Mary P. McConnell

Vice President – General Counsel

Bennett J. Morgan

Vice President and General Manager – All-Terrain Vehicles

Kenneth J. Sobaski

Vice President – Sales, Marketing and Business Development

GENERAL MANAGERS

Mark E. Blackwell

General Manager – Victory Motorcycles

Michael D. Dougherty

Director – International Operations

William C. Fisher

Chief Information Officer

Michael P. Jonikas

General Manager – Utility Vehicles

Eric R. Lindquist

General Manager – Snowmobiles

Scott A. Swenson

General Manager – Parts, Garments and Accessories

OTHER INVESTOR INFORMATION



STOCK EXCHANGES

Shares of common stock of Polaris Industries Inc. trade on the New York Stock Exchange and on the Pacific Stock Exchange under the symbol PII.

INDEPENDENT AUDITORS

Ernst & Young LLP
Minneapolis, MN

TRANSFER AGENT AND REGISTRAR

Communications concerning transfer requirements, address changes, dividends and lost certificates, as well as requests for Dividend Reinvestment Plan enrollment information, should be addressed to:

Wells Fargo Bank Minnesota, N.A.
Shareowner Services
161 North Concord Exchange
South St. Paul, MN 55075-1139
1-800-468-9716
www.wellsfargo.com/com/shareowner_services

ANNUAL SHAREHOLDERS' MEETING

The meeting will be held at 9 a.m. CST, Thursday, April 21, 2005, at the Polaris Industries Inc. corporate headquarters, 2100 Highway 55, Medina, Minnesota. A proxy statement will be mailed on or about March 4, 2005, to each shareholder of record on February 22, 2005.

SUMMARY OF TRADING

Quarter	For the Years Ended December 31,			
	2004	2003	High	Low
First	\$45.73	\$39.30	\$30.05	\$22.11
Second	48.15	41.10	33.03	24.38
Third	56.44	44.25	40.71	29.93
Fourth	69.41	51.83	46.15	37.00

CASH DIVIDENDS DECLARED

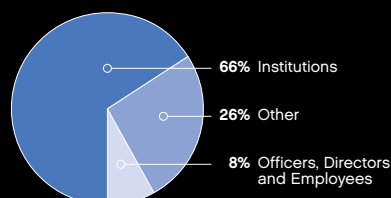
Cash dividends are declared quarterly and have been paid since 1995. As of January 20, 2005, the quarterly dividend was increased to \$0.28 per share.

Quarter	2004	2003
First	\$0.23	\$0.155
Second	0.23	0.155
Third	0.23	0.155
Fourth	0.23	0.155
Total	\$0.92	\$0.62

SHAREHOLDERS OF RECORD

Shareholders of record of the Company's common stock on February 22, 2005 were _____.

SHAREHOLDER COMPOSITION



DIVIDEND REINVESTMENT PLAN

Shareholders may automatically reinvest their dividends in additional Polaris common stock through the Dividend Reinvestment Plan, which also provides for purchase of common stock by voluntary cash contributions. For additional information, please contact Wells Fargo Shareowner Services at 1-800-468-9716 or visit the Wells Fargo Bank Web site at www.wellsfargo.com.

PRODUCT BROCHURES

For product brochures and dealer locations, write or call:

Polaris Industries Inc.
2100 Highway 55
Medina, MN 55340
1-800-Polaris (1-800-765-2747)

INTERNET ACCESS

To view the Company's annual report and financial information, products and specifications, press releases, and dealer locations, access Polaris on the Internet at:

www.polarisindustries.com
www.victory-usa.com

INVESTOR RELATIONS

Security analysts and investment professionals should direct their business-related inquiries to:

Richard Edwards
Director Investor Relations
Polaris Industries Inc.
2100 Highway 55
Medina, MN 55340
763-513-3477
richard.edwards@polarisind.com

RESEARCH COVERAGE AS OF FEBRUARY 2005

A.G. Edwards
Bank of America Securities
Craig-Hallum Partners
J. P. Morgan
Merrill Lynch
Midwest Research
Prudential Securities
Raymond James & Associates
RBC Capital Markets
Robert W. Baird & Co.
Ryan Beck & Co.
SBK Brooks Investment Corp.
Smith Barney Citigroup

STOCK-SPLIT HISTORY

August 1993	2 for 1
October 1995	3 for 2
March 2004	2 for 1



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