POLARIS INDUSTRIES INC/MN

Form 10-Q July 24, 2015 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 10-Q

(Mark

one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to Commission File Number 1-11411

POLARIS INDUSTRIES INC.

(Exact name of registrant as specified in its charter)

Minnesota 41-1790959
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

2100 Highway 55, Medina MN 55340 (Address of principal executive

offices) (Zip Code)

(763) 542-0500 (Registrant's telephone number, including area

code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer

Non-accelerated filer " (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes "No x

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 20, 2015, 66,147,942 shares of Common Stock, \$.01 par value, of the registrant were outstanding.

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Part I FINANCIAL INFORMATION Item 1 – FINANCIAL STATEMENTS POLARIS INDUSTRIES INC. CONSOLIDATED BALANCE SHEETS (In thousands, except per share data)

Current assets: Cash and cash equivalents \$118,819 \$137,600 Trade receivables, net 151,495 204,876 Inventories, net 708,269 565,685 Prepaid expenses and other 66,497 71,526 Income taxes receivable 15,183 2,691 Deferred tax assets 113,056 114,177 Total current assets 113,056 114,177 Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 232,966 Other long-term assets 53,226 68,678 Total assets 52,181,554 52,074,935 Liabilities and Sharcholders' Equity Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable 30,0639 343,470 Accrued expenses: Compensation 45,099 33,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 22,758 79,252 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 10,429 10,568 Cap		June 30, 2015	December 31, 2014
Current assets: \$118,819 \$137,600 Trade receivables, net 151,495 204,876 Inventories, net 708,269 565,685 Prepaid expenses and other 66,497 71,526 Income taxes receivable 15,183 2,691 Deferred tax assets 113,656 114,177 Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 75,326 68,678 Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity Surrent portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable \$4,948 \$2,528 Accounts payable \$4,949 \$3,104 Sales promotions and incentives 130,158 13,630 Dealer holdback 120,258 72,758		(Unaudited)	2011
Cash and cash equivalents \$113,495 204,876 Trade receivables, net 151,495 204,876 Inventories, net 708,269 565,685 Prepaid expenses and other 66,497 71,526 Income taxes receivable 15,183 2,691 Deferred tax assets 113,656 114,177 Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 52,181,554 \$2,074,935 Total assets 52,181,554 \$2,074,935 Liabilities and Shareholders' Equity 2 Current liabilities 84,948 \$2,528 Accounts payable \$4,948 \$2,528 Accounts payable \$45,099 \$3,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,09	Assets		
Trade receivables, net 151,495 204,876 Inventories, net 708,269 565,685 Prepaid expenses and other 66,497 71,526 Income taxes receivable 15,183 2,691 Deferred tax assets 113,656 114,177 Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 75,326 68,678 Total assets 30,639 343,470 Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable \$4,948 \$2,528 Accounts payable \$45,099 343,470 Actrued expenses: 200,003 343,470 Compensation 68,246 102,379 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,2	Current assets:		
Inventories, net 708,269 565,685 Prepaid expenses and other 66,497 71,526 Income taxes receivable 15,183 2,691 Deferred tax assets 113,656 114,177 Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 75,326 68,678 Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity Current flabilities \$2,2181,554 \$2,074,935 Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accurued expenses: 2 Compensation 68,246 102,379 Warranties 45,099 \$3,104 30 39 38,430 Dealer holdback 120,258 120,093 14 14 14 14 14 10	Cash and cash equivalents	\$118,819	\$137,600
Prepaid expenses and other 66,497 71,526 Income taxes receivable 15,183 2,691 Deferred tax assets 113,656 114,177 Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 5,181,554 82,074,935 Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity Turrent portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable \$4,948 \$2,528 Accounts payable \$49,484 \$2,528 Accounts payable \$49,48 \$2,528 Accounts payable \$49,498 \$2,528 Accounts payable \$45,099 \$3,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 72,758 79,262	Trade receivables, net	151,495	204,876
Income taxes receivable 15,183 2,691 Deferred tax assets 113,656 114,177 Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Cother long-term assets 75,326 68,678 Total assets 32,181,554 \$2,074,935 Liabilities and Shareholders' Equity Current liabilities Current portion of capital lease obligations and notes payable 300,639 343,470 Accrued expenses: Current portion of capital lease obligations and notes payable 45,099 53,104 Sales promotions and incentives 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Cuther 120,258 120,093 Cuther 120,258 120,093 Cuther 120,258 130,158 138,630 Dealer holdback 120,258 120,093 Cuther 120,258 Cuther 120,258 Cuther 120,258 Cuther 120,258 Cu	Inventories, net	708,269	565,685
Deferred tax assets 113,656 114,177 Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 75,326 68,678 Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity *** *** Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable \$4,948 \$2,528 Accounts payable \$4,948 \$2,528 Accounts payable \$4,999 \$3,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 10,429 10,568 Capital lease obligations and notes payable	Prepaid expenses and other	66,497	71,526
Total current assets 1,173,919 1,096,555 Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 75,326 68,678 Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity *** *** Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable 300,639 343,470 Accrued expenses: **** Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 751,659 850,810 Long-term liabilities 10,429 10,568 Capital lease obligations and notes payable 10,429	Income taxes receivable	15,183	2,691
Property and equipment, net 569,126 555,428 Investment in finance affiliate 87,625 89,107 Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 75,326 68,678 Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity *** *** Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable 300,639 343,470 Accrued expenses: *** Compensation 68,246 102,379 Warrantics 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 36,17 20,000 Long-term income taxes payable 36,117 23,6	Deferred tax assets	113,656	114,177
Investment in finance affiliate	Total current assets	1,173,919	1,096,555
Deferred tax assets 40,528 41,201 Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 75,326 68,678 Total assets \$2,074,935 Liabilities and Shareholders' Equity *** Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable \$45,099 \$3,104 Sales promotions and incentives \$130,158 \$138,630 Dealer holdback \$120,258 \$120,093 Other \$2,758 79,262 Income taxes payable \$1,120 \$1,134 Total current liabilities \$51,659 \$50,810 Long-term debt	Property and equipment, net	569,126	555,428
Goodwill and other intangible assets, net 235,030 223,966 Other long-term assets 75,326 68,678 Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity Total payable \$4,948 \$2,528 Accounts payable 300,639 343,470 Accrued expenses: Total payable \$2,528 Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation </td <td>Investment in finance affiliate</td> <td>87,625</td> <td>89,107</td>	Investment in finance affiliate	87,625	89,107
Other long-term assets 75,326 68,678 Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable 300,639 343,470 Accrued expenses: Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities 10,429 10,568 Deferred compensation \$16,743 <	Deferred tax assets	40,528	41,201
Total assets \$2,181,554 \$2,074,935 Liabilities and Shareholders' Equity \$4,948 \$2,528 Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable 300,639 343,470 Accrued expenses: \$200,639 343,470 Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities 11,280,065 \$1,200,140 Deferred compensation \$16,743<	Goodwill and other intangible assets, net	235,030	223,966
Liabilities and Shareholders' Equity Current liabilities: \$4,948 \$2,528 Accounts payable \$30,639 343,470 Accrued expenses: \$2,528 Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities 116,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding - - Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively 5661	Other long-term assets	75,326	68,678
Current liabilities: \$4,948 \$2,528 Accounts payable 300,639 343,470 Accrued expenses: 82,528 Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding — — Common stock \$0.01 par value,	Total assets	\$2,181,554	\$2,074,935
Current portion of capital lease obligations and notes payable \$4,948 \$2,528 Accounts payable 300,639 343,470 Accrued expenses: Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity:	Liabilities and Shareholders' Equity		
Accounts payable 300,639 343,470 Accrued expenses: 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding — — Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively \$661 \$663 Additional paid-in capital 567,294 486,005 <td>Current liabilities:</td> <td></td> <td></td>	Current liabilities:		
Accrued expenses: Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding	Current portion of capital lease obligations and notes payable	\$4,948	\$2,528
Compensation 68,246 102,379 Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities 1102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding	Accounts payable	300,639	343,470
Warranties 45,099 53,104 Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 363,417 200,000 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: **Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding **G61 \$663 Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively \$661 \$663 Additional paid-in capital 567,294 486,005	Accrued expenses:		
Sales promotions and incentives 130,158 138,630 Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 363,417 200,000 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: - - Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding \$661 \$663 Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and \$661 \$663 Additional paid-in capital 567,294 486,005	Compensation	68,246	102,379
Dealer holdback 120,258 120,093 Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity:	Warranties	45,099	53,104
Other 72,758 79,262 Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding	Sales promotions and incentives	130,158	138,630
Income taxes payable 9,553 11,344 Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding — — Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively \$661 \$663 Additional paid-in capital 567,294 486,005	Dealer holdback	120,258	120,093
Total current liabilities 751,659 850,810 Long-term income taxes payable 10,429 10,568 Capital lease obligations and notes payable 35,117 23,620 Long-term debt 363,417 200,000 Deferred tax liabilities 16,446 18,191 Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding — Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively \$661 \$663 Additional paid-in capital 567,294 486,005	Other	72,758	79,262
Long-term income taxes payable Capital lease obligations and notes payable Sapital lease obligations and notes payable Capital lease obligations and notes payable Sapital	Income taxes payable	9,553	11,344
Capital lease obligations and notes payable Long-term debt Solution debt Long-term debt Solution debt Solution debt Solution deptical dept	Total current liabilities	751,659	850,810
Long-term debt Deferred tax liabilities Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital 200,000 18,191 102,997 96,951 \$1,280,065 \$1,200,140 \$13,528 \$	Long-term income taxes payable	10,429	10,568
Deferred tax liabilities Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital 16,446 18,191 102,997 96,951 \$1,200,140 \$16,743 \$13,528 \$	Capital lease obligations and notes payable	35,117	23,620
Other long-term liabilities 102,997 96,951 Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital \$663 \$663 \$663	Long-term debt	363,417	200,000
Total liabilities \$1,280,065 \$1,200,140 Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital \$663 \$663 \$663 \$663	Deferred tax liabilities	16,446	18,191
Deferred compensation \$16,743 \$13,528 Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital \$663 \$663 \$663		102,997	96,951
Shareholders' equity: Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital \$663 \$663 \$664	Total liabilities	\$1,280,065	\$1,200,140
Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and outstanding Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital Section 20,000 shares authorized, 66,144 and \$66,307 shares issued and outstanding, respectively Additional paid-in capital Section 20,000 shares authorized, 66,144 and \$66,307 shares issued and outstanding, respectively Additional paid-in capital	Deferred compensation	\$16,743	\$13,528
outstanding Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital 567,294 486,005	A •		
Common stock \$0.01 par value, 160,000 shares authorized, 66,144 and 66,307 shares issued and outstanding, respectively Additional paid-in capital \$663 \$663 \$664 \$663	Preferred stock \$0.01 par value, 20,000 shares authorized, no shares issued and		
66,307 shares issued and outstanding, respectively Additional paid-in capital 567,294 5003 486,005		_	
Additional paid-in capital 567,294 486,005	-	\$661	\$663
Retained earnings 371,492 401,840			
	Retained earnings	371,492	401,840

Accumulated other comprehensive loss, net (54,701) (27,241)
Total shareholders' equity 884,746 861,267
Total liabilities and shareholders' equity \$2,181,554 \$2,074,935
The accompanying footnotes are an integral part of these consolidated statements.

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POLARIS INDUSTRIES INC. CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Sales	\$1,124,327	\$1,013,959	\$2,157,672	\$1,902,305
Cost of sales	804,913	709,045	1,544,527	1,338,974
Gross profit	319,414	304,914	613,145	563,331
Operating expenses:				