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For Immediate Release

HARLEY-DAVIDSON AND YORK UNION REACH AGREEMENT Motorcycle Production to Resume Tonight

York, Pa., Feb. 22, 2007 -- Harley-Davidson Motor Company reported that motorcycle production will resume with the third shift this evening at the Company's final assembly operations in York, following today's ratification of a new labor agreement by its unionized employees. The new three-year agreement between the Company and International Association of Machinists and Aerospace Workers (IAM) Local 175 becomes effective today.

Harley-Davidson employees in York had been on strike since Feb. 2, after rejecting an initial proposed labor agreement Jan. 31.

IAM Local 175 represents about 2,800 production employees at Harley-Davidson's facility in York, which produces the Company's Touring and Softail motorcycles and is the Company's largest production operation.

"We are eager to get back to work producing motorcycles again," said Fred Gates, General Manager of Harley-Davidson's Operations in York. "Our employees take enormous pride in building the best, highest quality motorcycles in the world and we all look forward to focusing our attention on meeting the needs of our customers."

"The agreement is an important step in managing costs that could be detrimental to the business over the long term if the Company doesn't start to control them now," said Gates. "The agreement helps reduce the escalation in health care and other labor-related costs while continuing to provide an outstanding total compensation and benefits package. We appreciate the support of our union employees for sharing in the solutions to ongoing business challenges," Gates said.

The new labor agreement provides annual wage increases of four percent in each of the contract's three years. The agreement also establishes a two-tier wage structure which starts employees hired after the contract's effective date at a wage rate that is lower than current employees, but equalizes pay by the end of the contract's term. On the benefits side, unionized employees will participate in a new health plan that continues to require no employee premium but includes increases in the level of out-of-pocket costs that employees could incur for deductibles and co-pays. Under the agreement, unionized employees in York continue to be fully covered by the Company's traditional non-contributory pension plan. However, for new hires, the agreement reduces the Company's match of optional contributions that employees can make to the contributory portion of the plan. The agreement also doubles the Company's 401(k) match to 50 percent and provides other compensation and benefit improvements.

Harley-Davidson's production and distribution facilities in Wisconsin are expected to resume normal operations over the next several weeks as a result of the resumption of production in York. The Company's Wisconsin operations experienced reduced production and temporary layoffs of some employees due to the strike. The Wisconsin production facilities supply engines, transmissions and other components to Harley-Davidson's final assembly operations in York and Kansas City.

The Company expects to release information on the business impact of the strike early in the week of Feb. 26.

Harley-Davidson Motor Company, the only major U.S.-based motorcycle manufacturer, produces heavyweight motorcycles and a complete line of motorcycle parts, accessories and general merchandise. For more information, visit Harley-Davidson's web site at www.harley-davidson.com.

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