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NEWS

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FOR IMMEDIATE RELEASE

HARLEY-DAVIDSON ANNOUNCES INTENTION TO PURCHASE WHEEL SUPPLIER Australia-Based Producer Brings Unique Capabilities

MILWAUKEE (Aug. 28, 2006) -- Harley-Davidson, Inc., (NYSE:HOG) today announced that it has entered into a business sales agreement to purchase the majority of the assets of Castalloy, its Australian supplier of cast motorcycle wheels and hubs. The renowned U. S. heavyweight motorcycle manufacturer has had a long business relationship with the supplier, which has been in voluntary administration since late 2004 as part of the insolvency of Ion Automotive Ltd.

Under terms of the arrangement, Harley-Davidson is establishing an entity called New Castalloy as a wholly-owned manufacturing operation. New Castalloy is expected to employ approximately 300 people at the North Plympton, Adelaide site. Harley-Davidson expects to close on the transaction, which is contingent on the completion of certain arrangements and obtaining operating licenses, toward the end of September. Production workers are represented by the AWU, the Australian Workers Union.

According to Matt Levatich, Harley-Davidson Vice President of Materials Management, "We would not be able to make this announcement today had it not been for the professionalism of the ION Administrator, McGrathNicol, and the strong support of the South Australian Government. All parties worked diligently toward a solution that positions our business for ongoing success. As part of the transaction, the government will be purchasing the land at the North Plympton site and leasing it to New Castalloy, and this was a critical part of our decision to invest in South Australia," said Levatich.

Harley-Davidson is a U.S. *Fortune* 500 company with 20 consecutive years of record growth. In 2005, the Company reported revenue of \$US 5.34 billion, net income of \$US 959.6 million and it shipped more than 329,000 new Harley-Davidson motorcycles to its dealers in more than 60 countries. Established in 1903, today the Company has more than 9,600 employees worldwide and operates seven U.S. production facilities.

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Harley-Davidson Announces Intention to Purchase Wheel Supplier

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“Castalloy has been a valued supplier to Harley-Davidson for more than two decades,” said Levatich. “We carefully assessed our sourcing options for this critical motorcycle component going forward, and Castalloy demonstrated unique capabilities. Their outstanding track record for quality, cost and delivery, along with the opportunity to further integrate this component area into our business, made them the clear and obvious choice,” Levatich said.

Harley-Davidson has named Donald M. Gogan managing director of New Castalloy, reporting to Levatich. Gogan joined Harley-Davidson in 1992 and has held a variety of leadership positions, most recently as a director of strategic planning and immediately prior to that, as manufacturing lead at the Company’s largest motorcycle manufacturing and assembly operation in York, Pa. Don, his wife and two children have plans to relocate to Adelaide in the near future.

Harley-Davidson, Inc. is the parent company for the group of companies doing business as Harley-Davidson Motor Company, Buell Motorcycle Company and Harley-Davidson Financial Services. Harley-Davidson Motor Company, the only major U.S.-based motorcycle manufacturer, produces premium heavyweight motorcycles and is a world-renowned, legendary brand. Harley-Davidson Motor Company also offers a complete line of motorcycle parts, accessories, apparel, and general merchandise. Buell Motorcycle Company produces sport motorcycles. Harley-Davidson Financial Services provides wholesale and retail financing and insurance programs to Harley-Davidson dealers and their retail customers.

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