

KTM POWERSPORTS AG BACK ON TRACK

“Back on track” is the best way to describe the current situation of the KTM Group. After the most difficult financial year in the company’s history (2008/2009) KTM has returned to the profit zone following immediate and successful restructuring measures. A turnover of €110.7 million has resulted in a clear profit of €3.6 million for the first quarter of the current financial year.

KTM has managed to increase its market share in contrast to the still declining trend in the motorcycle market. Altogether 17,056 motorcycles were sold in the first quarter 2009/10 (-15% compared to the previous year). Inventory at both KTM and its dealers was reduced by more than one third.

Following the positive company development, the KTM Power Sports AG has issued an invitation to shareholders to attend an extraordinary general assembly on February 26, 2010. The most important item on the agenda of the meeting is a resolution to further increase capital via the main shareholders by an additional € 30-40 million.

This planned measure will not result in any changes to the industrial leadership of CROSS Industries and KTM Powersports AG. CROSS Industries will continue to hold more than 50% of the shares in KTM Powersports AG. Thus the management of KTM will continue to pursue its successful chosen course, also in the future.

FOR FURTHER INFORMATION

Ross Walker
Marketing Co-ordinator
KTM-Sportmotorcycle UK
Tel: + 44 (0) 1280 709500
Email: ross.walker@ktm.co.uk

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