



Statement regarding the production halt

Dear all,

Some of you may have seen articles published that make reference to the factory shutdown at KTM. These articles were based upon a news item published in Austria over the weekend. In anticipation that this might raise some concerns, we'd like to clarify the situation.

KTM is not immune to the current global recession and the company has taken the logical step of scaling back its manufacturing output in line with prevailing market conditions. In this respect it is following the example set by a great many of Europe's leading carmakers who have already announced or implemented their own plans to reduce production or cut it altogether for significant periods during 2009.

We would also like to point out that the stock of '80 cars still unsold' referred to in some articles has been produced deliberately, ahead of the planned factory closure, in order that KTM can continue to sell cars and fulfil orders through the remainder of 2009. In line with KTM's current sales strategy, all of these vehicles are expected to be sold by the end of the year.

We would like to stress that this temporary factory shutdown is by no means an end to the X-BOW project. There's an absolute commitment from KTM's board of directors to the project and production will resume in 2010!

Yours sincerely,

the KTM X-BOW Team

