



Mattighofen, 28th of October 2010

KTM RESULT EXCEEDS ALL EXPECTATIONS: THE PROJECT X-BOW ON A GOOD WAY TOO!

At the end of the fourth quarter of the business year 2009/2010 motorbike manufacturer KTM is pleased to bring some very positive news: The expected results have been exceeded by far.

- EBIT: 22.4 million EUR
- Net income after taxes: 11.3 million EUR
- Free Cash Flow: 42.3 million EUR
- Revenue: 459.08 million EUR
- Sales: 65.942 vehicles
- Equity ratio: 36.9%

The EBIT increased considerably by 87.5 million EUR to 22.4 million EUR due to the successful launch of new products. "Since we focused on our core business, Offroad Competition and on a competitive cost structure – with a slight increase in results, compared to the previous period - we found a fast and sustainable track with which to overcome the crisis. We are back in the front row and exceeded all expectations for the fourth quarter results by far," says CEO Stefan Pierer to the preliminary results.

KTM achieved a positive free cash flow in the amount of 42.3 million EUR in the fourth quarter and hence could further reduce the net debt considerably. Besides the capital increase of 29.8 million EUR in the third quarter, additional liquidity reserves could be established out of the business operations.

The new 125 ccm street motorcycle - produced in cooperation with Bajaj Auto Ltd. - was successfully launched with a presentation at the INTERMOT in Cologne. The new model family has sales potential in KTM's original markets as well as in the emerging markets. KTM therefore founded the 25th sales subsidiary KTM do Brazil in October 2010 for the distribution of KTM products in that country as of 2011.

And also business with the light-weight sports car KTM X-BOW, which has enriched the KTM product family since 2008, is very successful in the meantime - for the coming year there was even an announcement regarding the product portfolio: The KTM X-BOW „R“, which can be ordered from spring 2011, boasts around 300 horsepower. Countless changes make this increased power-rated alternative even faster and significantly increase the performance.

