

Press Release

KTM Sportmotorcycle USA, Inc. announced today that it will officially adopt KTM North America, Inc. as the parent company name for KTM in the US and Canada on July 15, 2003.

A new subsidiary company, KTM Canada, Inc. has been formed to handle marketing, sales and distribution of KTM motorcycles, parts and KTM Hard Equipment aftermarket items in Canada.

A transition agreement was reached with the current KTM importer Barrett Marketing Group (BMG) in September 2002. BMG operated as the KTM importer since 1997 and during that time has made dramatic increases in KTM sales, market share and customer satisfaction.

Preparation began in January 2003, when KTM Sportmotorcycle USA, Inc. appointed Mr. Mario Lajoie as General Manager of KTM Canada, Inc. Mr. Lajoie brings with him more than 20 years of business experience from the powersports industry and is an avid Motorcycling enthusiast. His riding experience includes off-road racing.

Rod Bush, president of the parent company, KTM Sportmotorcycle USA, Inc. and KTM Canada, Inc. commented, "We look forward to the challenges of managing a multi-lingual and multiple currency business, and improving the strength of the KTM Canada dealer network. The folks at BMG did a fantastic job bringing KTM into a strong market position in Canada, and we're encouraged by the foundation they have put into place. With the very large infrastructure of KTM USA, the direct KTM factory support and the financial backing of the KTM Group, the prime objectives will be improving dealer profitability and customer satisfaction".

A new facility has been established near Montreal, Québec, Canada where a highly qualified bilingual sales and service staff is now in place to service KTM dealers and customers. After completing their orientation at KTM headquarters in Amherst, Ohio, the new staff is ready to handle the transition and ensure that KTM continues its growth in the Canadian market.

Please refer to the annexed document for KTM Canada contact information and organization chart. The office will be operational July 15.

If you have questions please call Melissa Tyo 440-985-6010 or email: mtyo@ktmdcs.com

Rod Bush President KTM North America Mario Lajoie General Manager KTM Canada Inc

KTM Canada, Inc.

1375 A Marie Victorin, St-Bruno, Québec J3V 6B7 Tel.: 450-441-4451 Fax: 450-441-3885 (effective July 15) Open Monday through Friday 8:30 a.m. to 5:00 p.m. EST

Mario Lajoie, General Manager Tom Etherington, National Sales Manager Guy Massicotte, Coordinator, Parts and After-sales service Melissa Tyo, Coordinator, Sales Administration Bill Fullerton, National Race & Promo Manager