

Ad hoc Release dated March 20, 2019

KTM Industries AG: Pierer Industrie and Bajaj in discussions for Bajaj to participate at KTM Industries level

Pierer Industrie AG holds approximately 62% of the shares of KTM Industries AG (the “Company”). The listed company KTM Industries AG holds approximately 51.7% of the shares of KTM AG; Bajaj Auto International Holdings BV (referred to as Bajaj) holds approximately 48% of the shares of KTM AG.

KTM Industries AG was informed by Pierer Industrie AG and Bajaj that they have started discussions on assessing the possibility of transferring Bajaj’s 48% stake in KTM AG to KTM Industries AG, with the Pierer-Group continuing to retain the controlling majority over KTM Industries AG.

Pierer Industrie AG and Bajaj will now evaluate the proposals in detail. The transaction decision is targeted to be made in the second quarter of 2019.

If Pierer Industrie AG and Bajaj decide to execute the transaction, KTM Industries AG will examine the legal and economic requirements and conditions of a capital increase by contribution in kind from the existing authorized capital of the Company. The authorized capital enables a capital increase of up to 50% of the existing share capital. If the transaction is executed, the Company's stake in KTM AG would increase from current 51.7% to approximately 99.7%.

About KTM Industries-Group

The KTM Industries Group is the biggest European motorcycle producer and focuses on sport motorcycles and electro mobility. With its worldwide renowned brands KTM, Husqvarna Motorcycles and WP, the group is in its segments among the technological and market leaders. Within the group there is a high degree of technological network, which is, in this form, unique in Europe. Strategic partnerships at an operational level strengthen the competitiveness in our respective markets. All these factors are the basis for the high innovation level of the KTM Industries-Group and ensure a sustainable organic growth.

The Management Board

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For more information:

Investor Relations
Mag. Michaela Friepeß
Tel.: +43 7242 - 69402
Email: ir@ktm-industries.com
Website: www.ktm-industries.com
ISIN: AT0000KTMI02
Valorennummer (Schweiz) 41860974
Ticker symbol: KTMI
Reuters: KTMI:VI
Bloomberg: KTMI:AV