

“Ready to Race?” – KTM issues corporate bond



19.04.2012

Erste Group Bank AG Lead Manager

Issuing volume of EUR 85 million

Interest rate 4.375 % p.a.

Erste Group Bank AG, as joint lead manager has successfully placed a KTM Power Sport AG bond with a maturity of five years. With a denomination of EUR 500, the bond targeted both private and institutional investors.

The bond issue has a face value of EUR 85 million. The coupon of 4.375% p.a. is paid half-yearly. Demand for the bond was very lively. Within just a few hours, the order book for institutionals posted a volume of EUR 200 million. The subsequent subscription period for private investors was closed early on 19 April at noon. The placement was almost entirely with private investors and retail intermediaries. The proceeds of the bond issue will be used exclusively for the premature repayment of bank loans.

“We were very happy to support KTM Power Sports AG on the capital market as joint leader manager. The excellent development of the company’s business and the wide recognition it enjoys contributed, as expected, to the excellent placement in the retail market,” said Franz Hochstrasser, Deputy CEO of Erste Group Bank AG.

KTM Power Sport AG is the holding company of the KTM Group, which comprises four further companies in addition to KTM Sportmotorcycle AG. KTM products are distributed worldwide by some 1,100 independent dealers and importers. Cooperation with the Indian company Bajaj Auto Ltd. has resulted in a wider range of street products and expansion into growth markets. The aim of the KTM Group is to attain a leading position among sports motorcycle manufacturers and strengthen its market leadership in innovative lightweight models.

The Group, which employs some 1,700 persons, reported sales revenues of EUR 526.8 million (+13.4%) and an increase in sales of 22.4% for the financial year 2011 despite the fact that the motorcycle market in Europe and the US shrunk by 5%. Earnings before interest and taxes (EBIT) were EUR 31.0 million in 2011. KTM (incl. Husaberg) recorded the highest number of new registrations (+18%) globally in a ranking of the world’s most popular brands in 2011.

Issuer	KTM Power Sports AG
Volume	EUR 85.000.000,-
Denomination	EUR 500,-
Interest	4.375% p.a. on the nominal value, payable half-yearly in arrears on every 24 April and 24 October of a year
Offer price	101.389% of nominal value, includes a sales commission of 1.5% of the nominal value
Maturity	5 years, redemption at maturity
Redemption:	24 April 2017 at 100% of nominal value
Initial exchange listing:	Vienna Stock Exchange, Second Regulated Market
Subscription period:	17 – 19 April 2012 (right to premature close retained)

Paying agent:	Erste Group Bank AG
Value date:	24. April 2012
ISIN	AT0000A0UJP7