Media Information 19 March 2012

### Husqvarna Motorcycles – a company profile.

Husqvarna Motorcycles is an international manufacturer of motorcycles for cross-country and road use. Originally founded in Sweden, the company has been part of the BMW Group since 2007 and can look back on more than a century of manufacturing motorcycles. This makes it the world's oldest motorcycle manufacturer with uninterrupted production. For decades now, the brand has clocked up great successes in international racing, including 82 world championship titles in off-road events.

Since 2008, the development, manufacture and marketing of Husqvarna motorcycles have been located in Cassinetta di Biandronno, in the north Italian province of Varese. That is where the headquarters was established back in 1987 when the company was taken over by the Cagiva MV Agusta Group. In 2011, shipments totalled 11,243 units.

In addition, the introduction of the Husqvarna Nuda 900 and Husqvarna Nuda 900 R models signalled the brand's return to the street bike segment. These models, too, developed in partnership with BMW Motorrad, are distinguished by their typically purist and sports-oriented Husqvarna design. Most recently, prospects of a further expansion of the model range have been opened up by the prototype Husqvarna Concept MOAB and Husqvarna Concept Strada and Concept BAJA.

Parallel to this, the alliance between Husqvarna Motorcycles and BMW Motorrad strengthens the company's capacity for technical innovation. The prototype of an anti-lock braking system specifically designed for off-road use, as well as the all-electric Husqvarna e-GO concept bike, underscore the future viability of this tradition-rich motorcycle maker.

Company Bayerische Motoren Werke Aktiengesellschaft

Postal Address BMW AG 80788 München

> Telephone +49 89 382-0

Internet www.bmwgroup.com

Media Information 19 March 2012

Subject

Date

Page 2

#### History: roots in Sweden, motorcycle development since 1903.

Husqvarna is the original name of a town in southern Sweden, where a metalworking business was founded in 1689. Today, in the same town (now spelled Huskvarna) there is a factory museum, in which exhibits from all former and present branches of production can be seen. Production of motorcycles began in 1903.

The first motorised bicycle bearing the Husqvarna badge was powered by a 1.5 hp single-cylinder two-stroke engine and achieved a maximum speed of 50 km/h (30 mph). In the years that followed, the firm consistently pushed ahead with the expansion of this new line of business. At first the engines were bought in, but all other components were developed in-house. From the outset, Husqvarna motorcycles were distinguished by their light weight and high reliability. Their qualities quickly proved themselves in sporting competitions, which in those days were staged predominantly on unsurfaced tracks. The first Husqvarna motorcycle completely developed and produced in Sweden was launched in 1918 and subsequently sold in large numbers. The 550 cc V-twin engine of the Husqvarna 150 model delivered12 hp.

As early as the 1920s and 1930s, Husqvarna motorcycles were being built for the road, but were also entered for prestigious racing events such as the Tourist Trophy. Its commitment to international competitions made Husqvarna famous throughout Europe, and sporting triumphs contributed substantially to rising sales figures. It was chiefly on the light and robust four-stroke machines that the Husqvarna works riders scored Grand Prix victories, and in 1933 also won the European Championship title in the 500 cc class, thus cementing the brand's reputation. Husqvarna became a byword for reliability and advanced technology, and up until the late 1930s the brand enjoyed steadily rising demand.

Media Information 19 March 2012

Subject

Date

Page

З

## Realignment: lightweight two-strokes, off-road sport and a leap into the USA.

The post-war years brought a fundamental reorientation to the motorcycle industry as a whole, to Husqvarna, and to its motorcycle division. The parent company focused on domestic appliances, and in the 1950s even introduced chainsaws and other garden equipment into its catalogue. The Husqvarna motorcycle range was limited to lightweight two-stroke models which, in modified form, were also deployed in the off-road sports that were becoming popular in the mid-1950s. The best-selling model was the single-cylinder Silverpilen (Silver Arrow), whose 175 cc engine produced 9 hp and which could be upgraded with modern technical refinements such as a telescopic front fork and hydraulic shock absorbers.

In the years that followed, numerous competition machines with two- and fourstroke engines were developed; and between 1960 and 1963, the first four Motocross world championship titles were won in the 500 cc and 250 cc classes. The sporting achievements of the robust and manoeuvrable Husqvarna motorbikes made the brand popular in the USA too, boosting sales figures there. Among the high-profile Husqvarna riders in the successful era of the 1960s and 1970s was Hollywood film actor Steve McQueen.

#### The move to Italy.

In 1983 Husqvarna marked yet another milestone with its TE 510 model. The exceptionally light and easy-handling off-roader with all-round lubrication and air cooling became the forerunner of a generation of four-stroke motorcycles for off-road use. As other manufacturers followed suit, it led to a revival of the four-stroke classes in international competitions. Here, too, Husqvarna riders scooped collected numerous world championship titles in the following years.

By 1977 the entire Husqvarna business had already become part of Sweden's Electrolux Group. Then, in 1987, the Husqvarna motorcycle division was sold to the Cagiva MV Agusta Group and the company headquarters transferred to Varese in Italy. In parallel with the continuing sporting successes, the production models were subjected to ongoing development. The unmistakable personality of the brand, characterised by lightness, reliability and cool, minimalist design, was retained after the move.

Media Information 19 March 2012

Subject

Date

Page 4

#### Restructuring under the aegis of the BMW Group.

Since October 2007, Husqvarna Motorcycles has been owned by the BMW Group. The resulting strong partnership between Husqvarna Motorcycles and BMW Motorrad enables the strengths of each to be combined in a selective way. Husqvarna can thus continue to build on the outstanding off-road performance of the brand and at the same time conquer new market segments. At the same time, the development know-how of BMW Motorrad is feeding into fascinating concepts and models. One of the first fruits of the partnership is Husqvarna's re-entry into the street bike segment with the Nuda 900 and Nuda 900 R models. The introduction of these models – based on the BMW F800 – signals Husqvarna's product offensive in the coming years.

#### Motorsport

# Triple triumph in the 1916 "Novemberkåsan", 82 world championship titles to date.

The development of Husqvarna Motorcycles is closely tied to sporting success. Participation in competitions brought the performance and reliability of the developed products to the attention of the public. Success became the proof of those quality attributes that also singled out Husqvarna motorcycles in everyday use. Hence, at an early stage the company competed in race events, which in the home country of Sweden took place on varied and usually mixed surfaces. The most famous example of these is the rally known in Swedish as the "Novemberkåsan" (November Turnout), which is held annually to this day. In 1916, on only the second occasion of the competition, Husqvarna dominated in impressive style. After 475 kilometres (295 miles), ridden largely on dirt roads and trails, the first three places were taken by Husqvarna riders.

This was followed in the 1920s and '30s by further triumphs at this and other cross-country trials, as well as numerous road-run Grand Prix successes. At this time the young engineer Folke Mannerstedt was developing highly competitive road racing motorcycles, including the V-twin four-stroke, weighing in at a mere 127 kg, on which works rider Ragnar Sunnqvist won the 1932 Swedish Grand Prix in the 500 cc class. His team-mate Gunnar Kalén repeated the success in the following year to become European champion in the 500 cc category. In

Media Information 19 March 2012

Subject

Date

Page

5

1934 and 1935 Husqvarna was again successful in the Swedish Grand Prix. Between 1923 and 1933 Kalén won the Novemberkåsan six times, and in 1934 he also rode a Husqvarna in the Isle of Man Tourist Trophy. In the Swedish TT, Husqvarna picked up a total of 13 class wins between 1926 and 1935. Sunnqvist also won the Finnish Grand Prix in 1932, the Italian and French in 1936, and the 1935 AVUS race in Berlin, all on Husqvarna machines.

#### Straight into a winning streak, even away from surfaced roads.

With its specialisation on purely off-road competitions, which became common during the 1950s, another glorious era began for Husqvarna, when off-road riding defined the character of the brand for decades. Participation in the Six Days with lightweight 175 cc machines marked the start of a success story which would surpass even the run of victories in road racing. In Motocross the first European championship, in 1959, and the first world championship, in 1960, were both won on Husqvarnas. The European title was picked up by Rolf Tibblin in the 250 cc class, and in the following year in the 500 cc category Bill Nilsson laid the foundation stone for an impressive collection of overall world championship victories. As well as Tibblin and Nilsson, in the years up to 1970 the Husqvarna riders Bengt Aberg, with two overall world championship victories, and Torsten Hallman with four, contributed to the dominant role of the Swedish brand in Motocross. Further world championship titles were won by Heikki Mikkola in 1974 and 1976 and by Håkan Carlqvist in 1979.

Technical innovations, new categories and the introduction of completely new competition categories illustrate the profound transformation that off-road sport has undergone in the past three decades. Husqvarna has taken up the sporting challenges associated with this and definitively influenced them through its own developments. For example, Husqvarna was one of the pioneers of the reintroduction of the four-stroke class in Motocross in the early 1980s. Then in the mid-1980s a new sports discipline came into being with the Supermoto series. This blend of asphalt and off-road racing, also known by its French name *Supermotard, has* likewise proved to be a promising field of activity for Husqvarna, as demonstrated by numerous national and international titles. In 2011 the brand won the "Supermoto of the Nations" and dominated the International German Supermoto Championship. What's more, Mauno

Media Information 19 March 2012

Subject

Date

Page 6

Hermunen triumphed on a Husqvarna SMR 449 in, among other events, the "Superbikers Mettet" in Belgium, Europe's premier Supermoto race. In the Enduro World Championship, held since 1990, Husqvarna has also played a leading role from the outset. Until the reallocation of rankings in 2004, the brand won at least one world championship title in each season. Most recently, Husqvarna became the 2011 Enduro constructors' world champion in classes E1 and E2. In the rider classification Juha Salminen on a Husqvarna TE 250 and Antoine Meo on a Husqvarna TE 310 each won the world championship in their category. This meant that four of the six possible titles were credited to the old-established badge. To date, a total of 82 world championship titles in the Motocross, Supermoto and Enduro categories have been won on Husqvarna motorcycles.

Also in 2011, in cooperation with the Speedbrain team, Husqvarna made a successful entrée into rallying. In the 2012 Dakar Rally good use was made of the experience gathered prior to the event on a motorcycle based on the Husqvarna TE 449. The Husqvarna / Speedbrain rally team ended the 2012 Dakar Rally on the Husqvarna TE 449 RR without a breakdown or any technical failure. By the end of the South American rally, Husqvarna had earned one stage win and a total of six podium places.

# Corporate and product structure: a fruitful partnership, the launch of a model offensive.

Since 2008, Husqvarna motorcycles have been developed and manufactured in Cassinetta di Biandronno in the north Italian province of Varese. Their marketing is also directed from the company headquarters there. Currently, 26 models comprise the range across the Enduro, Motocross, Supermoto and street bike segments, spanning a wide capacity range from 50 cc to 900 cc.

In October 2007, Husqvarna Motorcycles became part of the BMW Group, a move that opened up fresh opportunities in concept developments, technical innovations and stronger sales structures. As a complement to the existing Husqvarna dealer network, selected BMW motorcycle dealers worldwide also offer the current range of models.

Media Information 19 March 2012

Subject

Date

Page

7

With the introduction of the Husqvarna Nuda 900 and the Husqvarna Nuda 900 R, the company has completed a high-profile comeback in the street bike sector. This spectacular addition to the product range is the opening salvo of a model offensive which is aimed at placing Husqvarna in a significantly strengthened position in the international motorcycle markets. No sooner was the Husqvarna Nuda 900 R on the market than a vote among readers of Germany's MOTORRAD magazine in 2012 gave it a podium place in the hardfought Enduro/Supermoto segment, and in the spring of 2012, in the voting for the Red Dot Design Award 2012, the Nuda 900 R earned the "red dot: best of the best" accolade for the highest design quality.

Attractive prospects for further additions to the model range are held out by the prototypes of the Husqvarna Concept Strada and the Husqvarna Concept MOAB and Concept BAJA. A model based on the Husqvarna Concept Strada is already in development for volume production.

The company is systematically building up its exceptional expertise in the offroad sphere as well. Both the two-stroke and the four-stroke ranges are currently undergoing intensive redevelopment and, in some cases, fundamental revision.

#### Characteristic design, dedication and engineering skill.

The combined engineering knowledge of Husqvarna Motorcycles and BMW Motorrad, together with Husqvarna's well-known dedication, gives the latest models of the Husqvarna Motorcycles brand their special and unmistakable character. The essential qualities that underlie sporting success are faithfully reflected in the design of the current models, their sporty aura defined by the minimalist lines that emphasise dynamic forward momentum. Their form follows the technical demands placed on a motorcycle designed for racing, and from this the Husqvarna design department has developed a distinctive design language that consistently takes its cue from the product attributes: the traditional values of the brand are preserved alongside modern innovations for optimising performance, handling and safety.

Media Information 19 March 2012

Subject

Date

Page 8

#### The model portfolio

#### Motocross in five displacement categories.

Husqvarna's Motocross models carry in them the racing DNA that has matured over decades, along with the passion for competition. Even the entry-level models, the Husqvarna CR 50 and Husqvarna CR 65, unmistakably reflect the hallmark character of the brand in their design. In appearance and technology, both models borrow from the Husqvarna CR 125, on which two world championship titles have already been won and which, thanks to ongoing development, is repeatedly setting new benchmarks.

Innovations directly influenced by racing experience also determine the character of the Husqvarna TC 250. The return of the brand to the world championship in the MX2 class played a pivotal role in the development of this model. The fourstroke is powered by a single-cylinder engine weighing just 22 kg, with twin overhead camshafts, valve finger followers, weight-reduced piston and Keihin fuel injection. The 250 cc model also benefits from a chromoly frame as well as an Akrapovic titanium exhaust system – two features that also distinguish the top model in the Motocross category, the Husqvarna TC 449. Other specialities include a coaxially positioned rocker arm, of which the countershaft sprocket is located directly on the rocker arm pivot, a centrally installed two-section fuel tank, and a mapping switch with which the rider can adjust the settings while in motion, either to his needs or to the track characteristics.

#### Supermoto: exciting handling, dynamic design.

Husqvarna offers a diversity of choice, offering Supermoto models in five engine sizes for riding in combined off-road and asphalt competitions. Then there is the entry-level Husqvarna CR 50 and the Husqvarna SM 125, which is available in both a two-stroke and four-stroke versions. With its agile handling and dynamic design, the SM125 embodies those characteristics that have led to victory in countless Supermoto world championships.

Supermoto design reached a new evolutionary stage with the Husqvarna SMR 511. With its avant-garde lines and innovative technology these models similarly generate an easy-handling feel that is typically Husqvarna. The long saddle, the Coaxial Traction System (CTS) with a coaxial drive sprocket to the

Media Information 19 March 2012

Subject

Date

Page 9

swing arm pivot pin, the linkage mounted on the upper side of the swing arm and the Sachs suspension strut, not to mention the four-stroke engines with electronic injection and double butterfly throttle, set new standards in this category. The Husqvarna SM 630 likewise provides an exceptionally versatile top-of-the-range model with a 600 cc four-stroke engine – a particularly high-performance single-cylinder model that is a true rarity in the Supermoto class.

#### Enduro: the basis of Husqvarna's 82 world championship titles.

Of the 82 world championship titles won by Husqvarna to date, the overwhelming majority have been in the Enduro category. The technical expertise that made these repeated successes possible has been faithfully transferred to the brand's production models. There is currently a choice of six Enduro motorcycles. The three two-strokes – the Husqvarna WR 125, Husqvarna WR 250 and Husqvarna WR 300 – are not only designed for speed and lightness, but their handling is extremely agile, combined with a ready delivery of power.

Husqvarna's four-stroke TE 250 and TE 310 models are currently making their name in world championships. At the same time, the 2012 models offer numerous innovations which are based directly on the brand's racing expertise, including a modified frame, a new, fully-adjustable shock absorber for the rear suspension, a newly-tuned front fork and a LeoVince exhaust system, likewise new. The external design also has a fresh look. Heading the range is the Husqvarna TE 449 – in this model, too, the extensive experience gained from racing has been systematically applied to further development. With a lower saddle height, some tweaking of the chassis and a heat guard over the exhaust pipe, the Husqvarna TE 449 has been optimised for 2012.

As an addition to the model range there is a choice of three models in the "Dual" category. The two-stroke Husqvarna WRE 125 as well as the four-stroke Husqvarna TE 125 and TE 630 convey a racing feel in everyday riding.

Media Information

19 March 2012

Subject

Date

Page 10

## Streetwise: a comeback on the road and the start of a new model offensive.

The introduction of the Husqvarna Nuda 900 and Nuda 900 R models marks the brand's comeback in the street bike segment. Both of these twin-cylinder models are based on the BMW F800 and offer the fascination that typifies the brand but in an innovative form. With a spaceframe, weight-saving construction and a modified 900 cc engine, both models occupy a position between crossover and naked bike. At the same time, the hallmark Husqvarna features have been preserved in combination with trusted BMW qualities. Characteristic design, a purist look and performance-oriented technology make for intense riding fun.

The development of the Husqvarna Nuda 900 and Nuda 900 R models is the first result – actually seen on the road – of the close cooperation with BMW Motorrad. As further results of this partnership, the prototype Husqvarna Concept Strada as much as the Husqvarna Concept MOAB and the Concept BAJA have already been presented. With these concepts, Husqvarna offers a realistic look ahead to the short- and medium-term expansion of the range.

#### Innovative technology, futuristic concepts.

A further example of the potent technological alliance between BMW Motorrad and Husqvarna Motorcycles is the world's first anti-lock braking system (ABS) for use in off-road sport, already presented as a prototype. The first vehicle to carry this development is the Husqvarna TE 449. The off-road system comprises a twin-channel ABS, which analyses and assesses the rotation speed of the front and rear wheels, but only operates on the front wheel. In this way the rear wheel remains fully lockable. Optimised braking performance, enhanced braking safety and very high ride stability are thus coupled with maximum off-road enjoyment. BMW has already been offering ABS for motorcycles for the past 23 years. During this period the system has been systematically improved and has now reached a high state of development. To achieve this, the expertise of Husqvarna Motorcycles in the Enduro field and BMW Motorrad's innovative "Know-How" in rider assistance systems have been brought together. It marks the first presentation of a prototype which is adapted to the particular demands of ride dynamics in cross-country sports events and which, in the future, should markedly increase rider safety both on and off surfaced roads.

Media Information

Date 19 March 2012

Subject

Page 11

Beyond this, the all-electric Husqvarna e-Go concept opens up an alluring prospect for emission-free mobility in the future. Both in conceptual and technological terms, Husqvarna Motorcycles is today setting a course for the further strengthening of its position in the international motorcycle markets and for a successful future in both the short and the long term.

Media Information

Date 19 March 2012

Subject

Page 12

### Model range and prices in Germany 2012

Model	Price in euros incl. VAT (19%)
Enduro 2-stroke	
Husqvarna WR 125	€6,449.00
Husqvarna WR 250	€6,999.00
Husqvarna WR 300	€7,499.00
Enduro 4-stroke	
Husqvarna TE 250	€8,399.00
Husqvarna TE 310	€8,499.00
Husqvarna TE 449 (incl. Akrapovic silencer)	€8,799.00
Husqvarna TE 511 (incl. Akrapovic silencer)	€8,999.00
Supermoto 2-stroke	
Husqvarna SMS 125	€4,599.00
Supermoto 4-stroke	
Husqvarna SMR (SMS4) 125	€3,990.00
Husqvarna SMR 511	€8,999.00
Husqvarna SM 630	€7,299.00
Dual 2-stroke	
Husqvarna WRE 125	€4,499.00
Dual 4-stroke	
Husqvarna TE 125	€3,990.00
Husqvarna TE 630	€6,899.00
Motocross 2-stroke	<u>60 000 00</u>
Husqvarna CR 50	€2,299.00
Husqvarna CR 65	€3,749.00
Husqvarna CR 125	€6,199.00
Motocross 4-stroke	67 500 00
Husqvarna TC 250 <b>Street</b>	€7,599.00
Husqvarna Nuda 900	€9,990.00
Husqvarna Nuda 900 R	€9,990.00 €11,590.00
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Media Information

Date 19 March 2012

Subject

<sub>Page</sub> 13

#### The BMW Group

The BMW Group is one of the most successful manufacturers of automobiles and motorcycles in the world with its BMW, MINI, Husqvarna Motorcycles and Rolls-Royce brands. As a global company, the BMW Group operates 25 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2011, the BMW Group sold about 1.67 million cars and more than 113,000 motorcycles worldwide. The profit before tax for the financial year 2010 was euro 4.8 billion on revenues amounting to euro 60.5 billion. At 31 December 2010, the BMW Group had a workforce of approximately 95,500 employees.

The success of the BMW Group has always been built on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy. As a result of its efforts, the BMW Group has been ranked industry leader in the Dow Jones Sustainability Indexes for the last seven years.

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