



Owners of Chris-Craft® boats acquire Indian® motorcycle brand

London (July 26, 2004) -- Stellican Limited, a London-based private equity firm, today announced the acquisition of the trademarks and related intellectual property of Indian®, America's oldest and most iconic motorcycle brand.

Indian Motorcycle was founded in 1901 in Springfield, Massachusetts, two years before Harley-Davidson, and was a leader in the motorcycle industry for the next 50 years with a U.S. market share approaching 50%. The Indian® motorcycle was the pride of the American road, enjoying an unmatched reputation for quality and innovation. In fact, motorcycle historians cite the Indian® Chief® as the originator of today's cruiser class motorcycle. In addition to playing an important role at home in America, the company played an important role in World War II by contributing over 40,000 motorcycles to the war effort. In 1953, the company filed for bankruptcy and, for the ensuing 45 years, the Indian® brand was effectively dormant. It was not until 1998 that Indian Motorcycle was restarted by a series of investor groups. Unfortunately, however, their substantial efforts to make the company profitable ultimately failed. In September, 2003, Indian Motorcycle elected to be liquidated through an Assignment for the Benefit of Creditors process managed by CMA Business Credit Services in Burbank, California.

Indian® represents the only true American-made heavyweight cruiser alternative to Harley-Davidson. With eleven models across three distinct platforms, namely the Scout™, the Spirit™ and the famed Chief®, Indian Motorcycle had an extraordinarily distinctive product range and classic style. The company also sold a comprehensive range of parts, accessories and apparel.

In 2002, the United States heavyweight cruiser market (over 900cc) exceeded \$4 billion with over 230,000 units sold. The market recently has experienced double-digit growth rates with continued strong growth projected. The premium (+\$12,000/unit) heavyweight cruiser market is considered to be the most profitable segment. This is where Indian Motorcycle competed by providing the only credible alternative to Harley-Davidson in terms of brand, heritage, style and American quality. Today, Indian® has an extraordinary 94% aided brand awareness in the USA and enjoys a cult-like following among motorcycle enthusiasts and the population in general.

"I believe Indian® remains among the most powerful brands in the U.S. motorcycle market, and we are delighted to own such an iconic American brand," commented Stephen Julius, an Anglo-Italian financier and founding Partner of Stellican Limited. "Our primary goal is to return Indian® to its rightful position as a premium motorcycle brand, selling beautifully designed, high quality products and delivering world-class services. We will do so by carefully and thoughtfully developing the business from the ground up, guided by an overriding determination to remain true to the rich heritage of the Indian® brand. We are long-term brand builders, obsessed with product design and quality. We have clearly demonstrated our ability to the world over the last three years with our re-launch of Chris-Craft® boats, another business we own today and which we purchased out of the 2000 bankruptcy of Outboard Marine Corporation. We are confident we will repeat our success with Indian®," added Mr. Julius.

Stellican Limited is an unusual private equity firm in that it specializes in acquiring and reviving distressed companies, almost all with heritage brands, mainly in the recreational products area. Even more unusually, its capital is provided by its own principals who actively manage its portfolio companies directly. Most recently, in addition to Chris-Craft® boats, Stephen Julius, through Stellican Limited, acquired and turned around the iconic Italian yacht manufacturer, Riva, and the Italian Premier League soccer team, Vicenza.

Stellican will now begin the process of determining how best to re-position and re-launch the Indian® brand, addressing such issues as where to manufacture in the USA, which engine technology to utilize, which dealers to appoint and when to re-start production. An enormous investment has already been made in product and engine development and Stellican is aware of the need to re-start production as soon as

possible once its strategy has been clearly defined. In addition to world-class motorcycles, a key component of the future strategy will be an integrated approach to the parts, accessories and apparel business.

Stellican will ensure all of Indian Motorcycle's many constituents - suppliers, dealers, current and future customers and the motorcycle and business media - are kept informed of its plans as they develop over the coming months. Stellican will arrange one-on-one interviews with media at the appropriate juncture.

"We are excited about this challenge and are confident Indian® will live up to its great potential under our ownership. This is a tremendous opportunity to revive a great American brand and we intend to do exactly that," added David Wright, a Partner at Stellican.

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