

Decisions of the General Meeting of Shareholders of Balkancar-Zarya PLC

Press Release
June 2nd, 2007

At the General Meeting of Shareholders of Balkancar-Zarya PLC, BSE code - ZARYA, held on 01.06.2007, the following decisions have been taken:

- Adoption of the report of the management bodies about the activities of the company in 2006
- Adoption of the annual financial statement of the company for 2006
- Adoption of the report of the specialised auditing company about the verification of the annual financial statement of the company for 2006
- Election of a certified public accountant
- Adoption of the report of the Investor Relations Director
- Exemption from liability of the members of the management bodies for their activity in 2006
- Changes within the management bodies of the company: Discharge of Marin Simeonov Georgiev from the Board of Directors
- Amendments to the Statute of the company:

"The capital of the company may be increased under a decision of the Board of Directors up to BGN 20,000,000 nominal value."

"The Board shall be entitled to take decisions for increase of the capital up to the amount as per par. 1 within 5 years following the registration of this amendment to the Statute with the Commerce Registry."

"The total value of the shares issued in pursuance with the decision of the Board shall not surmount BGN 200,000,000 or their equal value in other currency."

"Within 5 years following the registration of this amendment to the Statute with the Commerce Registry, the Board of Directors shall be entitled to take decisions for issuance of any type of bonds, including interest bearing or discount, convertible, secured or unsecured, till reaching the total value as per par. 2. In its decision, the Board of Directors shall specify the type of the bonds, the parameters of the debenture loan and the terms and procedures for the bond issuing."

- Authorisation of the management bodies to make deals pursuant to Art. 114 of the POSA:

Authorisation of the executive member of the Board and of the procurator to conclude jointly

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or severally one or several credit contracts on behalf of the company (temporary financial support), by virtue of which the company shall use an unsecured financing from the holding KVK Invest AD (with seat and registered office in Haskovo, 19 Svoboda Square, incorporated as per file 190/1998 at the registry of Haskovo District Court) on amount of up to EUR 1 million or the equivalence of this sum in BGN, as the company shall commit itself to the obligation to pay interest on conditions common to the country.

- Taking of decision as per Art. 246 (3) of the Commerce Act for loss coverage at expense of the Reserves as follows:

The accumulated loss on amount of BGN 2,288,881.94 shall be covered with part of the additional reserves that totally amount to BGN 2,996,235.29.

- No distribution of dividend for 2006

- Adoption of a decision for increase in the capital at expense of own funds, namely of the reserves (as per Art. 246 (4) of the Commerce Act), and through transformation of part of the 2006 profit into capital (as per Art. 197 (1) of the Commerce Act):

The capital of the company shall be increased from BGN 165,257 to BGN 1,322,056 through the issuance of 1,156,799 new registered, dematerialised, voting shares of BGN 1.00 nominal value each by:

a) On the grounds of Art. 246 (4) of the Commerce Act, the capital shall be increased by BGN 601,799 with funds from the additional reserves.

b) On the grounds of Art. 197 (1) of the Commerce Act, the capital shall be increased also by BGN 555,000 through partly transformation of the 2006 profit into capital.

The right to obtain shares of the capital increase will be entitled to all shareholders registered with the Central Depository fourteen (14) days after the date of the GMS, i.e. as of 15.06.2007 (Record Date)

The final date for transacting shares of this company on the BSE-Sofia, in result of which the owner will have the right to obtain shares of the capital increase, will be 13.06.2007 (i.e. Ex Date: 14.06.2007).

Balkancar ZARYA Plc. (BSE-SOFIA: ZARYA) is the single Bulgarian company specialized in steel wheels and rims manufacturing. The Company is recognized as a leading international manufacturer and supplier of a wide range of industrial wheels to the original manufacturers of fork-lift trucks and tyre producers as well as supplier of original wheel parts for the aftermarket. Balkancar ZARYA news and information are available at www.balkancarzarya.com

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