

Balkancar ZARYA acquires majority shareholding in the capital of Balkancar RUEN

Press Release
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Bulgarian steel wheels manufacturer Balkancar ZARYA has bought a 51% stake in forklift parts manufacturer Balkancar Ruen for BGL3.4 million (USD2.4 million). KVK Invest – the holding company and owner of majority of the shares in the capital of Balkancar ZARYA, holds additional 9% of the Assenovgrad-based acquired company.

With this acquisition, in line with its strategy for business development, Balkancar ZARYA aims to diversify its business and achieve synergy.

“Balkancar ZARYA enters a new segment in the industrial vehicles manufacturing industry, growing from a product supplier into a system supplier to manufacturers,” ZARYA said in a statement.

Balkancar ZARYA expects its consolidated sales revenue to reach BGL8.5 million (USD6.0 million) because of the acquisition. Before, Zarya forecast a 24% year-on-year jump in sales to BGL6.0 million (USD4.3 million).

Balkancar Ruen, established in 1966, posted a first half net profit of BGL52,000 (USD36,897.80) on total sales revenue of BGL2.2 million (USD1.6 million). For 2006, its net profit was BGL65,000 (USD46,122.20) and sales were BGL4.3 million (USD3.1 million). It exported about one-third of its products to foreign markets last year.

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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