



PRESS RELEASE

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Watts Tyres Plc and Balkancar ZARYA Plc establish Joint Venture in industrial wheel and tyre business.

Watts Tyres Plc and Balkancar ZARYA Plc have announced in Birmingham, England the establishment of a joint venture company "**Watts Zarya Limited**" offering the materials handling OEM market a high quality complete wheel and tyre solution with just-in-time deliveries.

Watts Zarya will pool the best in it's world class wheel and tyre manufacturing competencies, delivering high quality and reliable products, with the added value of offering complete assembled wheel and tyre solutions to OEM's on a timely basis.

Jean-Paul Mindermann, Chief Executive for Watts Tyres Plc commented:

"The new joint venture is a cornerstone of our strategy to be the leading wheel and tyre provider to the materials handling industry. Balkancar ZARYA is an excellent partner with high quality wheels to complement our tyres and existing wheel business. With Bulgaria recently joining the EU, the timing and location is perfect to offer OEM's the high quality and competitive solution that they are searching for."

Stoyan Stoev, Balkancar ZARYA's chairman commented:

"The market for industrial wheels and tyres is expanding. We are strategically focusing our resources in this sector. I believe we have made the best choice in partnering with Watts with whom we can expand our competitive position with existing OE customers and in the aftermarket."

Watts Zarya is already in advanced discussions with a number of key OEM's. The company will start supplying within the next 3 months.

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Editors Notes:

Watts Zarya Limited has been incorporated in Bulgaria with the clear objective of quickly becoming the leading supplier of complete wheel and tyre solutions to OEM's in the materials handling industry.

Watts and Balkancar ZARYA each hold a 50% stake in the joint venture, which will start trading on 1 May 2007. The company will operate on a global basis, but will initially be targeting European wheel and tyre business utilizing both companies distribution infrastructure throughout Europe.

Watts has also recently acquired a majority shareholding in its Mexican distributor and has expanded its US operations with the acquisition of Diprima's industrial tyre business.

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Company Details

Watts Tyres Plc

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Watts Tyres provides Wheel and Tyre Solutions to global industry.

Established in 1851 the Watts Group has a proud history of more than a century of achievement serving industry throughout the world.

The first solid tyre manufactured by Watts was introduced in 1960.

Watts produce some of the industry's best-known and proven brands. PREMIA, KARGO AND FMCX, can be trusted to deliver against your requirements every time. See <http://www.industrialtyre.com>

Balkancar ZARYA Plc

Balkancar ZARYA Plc., 1 Tosho Kutev Str., 5200 Pavlikeni, Bulgaria

Balkancar ZARYA Plc (BSE-SOFIA: ZARYA) is the single Bulgarian company specialised in steel wheel and rims manufacturing.

The company is recognised 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 <http://www.balkancarzarya.com>