



SUN-TWS

Sun Tyre & Wheel Systems acquires company in Sri Lanka

Sun Tyre & Wheel Systems, part of the \$6 billion TVS Group of India, today announced the completion of the acquisition of Watts Lanka Private Limited, a company set up for manufacturing Solid Industrial Tyres in Colombo, Sri Lanka.

Chennai (Madras), India – October 23, 2010 –

Sun Tyre & Wheel Systems is dedicated to serving the world's material handling industry with a wide range of tyre and wheel solutions covering most applications and operating environments. Watts Lanka Private Limited (to be renamed shortly) was a joint venture between Watts Tyres Limited of the UK and KVK Invest JSC of Bulgaria, principal shareholder in Balkancar Zarya PLC.

Sun Tyre & Wheel Systems is a global player with more than 95% of its sales overseas, with distribution across all continents, and despite expanding its manufacturing facilities in India substantially over the past 3 years, still finds itself seriously short of capacity. Even during the global recession, the company clocked a healthy growth rate of 40%, which is continuing unabated.

The acquisition of the Sri Lankan company will not only add much needed capacity and considerably ease delivery pressures, but also provide strategic location advantages by establishing a base in the world's center for solid tyres. Work has already begun on adding more manufacturing equipment to increase the base capacity in Colombo. Production and shipment from Sri Lanka will commence within the next 4 weeks.

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