



## **Clean Plus Auto Care 'Premium' – € 500.000 per year Agreement Confirmed for Immediate Distribution in the UK : € 90.000 Initial Order Received for January Delivery**

*Falken Industries LTD – Clean Plus® Product Group today announced that it had reached an indefinite multi-year agreement with a major distribution outlet for the permanent listing of the entire Clean Plus® Auto Care “Premium” line. The Agreement requires a minimum of € 40.000 (\$ 48,000) per month in Clean Plus® product purchases for distribution in a defined market segment in the UK.*

PARIS, FRANCE ([PRWEB](#)) January 6, 2006 -- Falken Industries LTD – Clean Plus® Product Group today announced that it had reached an indefinite multi-year agreement with a major distribution outlet for the permanent listing of the entire Clean Plus® Auto Care “Premium” line. The Agreement requires a minimum of € 40.000 (\$ 48,000) per month in Clean Plus® product purchases for distribution in a defined market segment in the UK.

Andrew Eakin, New Business Development Officer, stated : “This Agreement follows two years of test orders and market studies, and we fully expect that it will quickly lead to a material presence of the Clean Plus® brand in the UK over several market segments. Product competition in the UK has not proven to be significant. In all event, the Clean Plus® Auto Care “Premium” line wherever tested, enjoyed either the quality or price advantage and in many instances both.”

The Clean Plus® “Premium” line has a firm and established reputation for quality and price advantage throughout continental Europe and was selected over two well known major US international brand with production facilities in the UK and a well known top end local brand. The Clean Plus® Auto Care “Premium” wipe collection bettered all brands present in the UK, including a major multi-national brand, on both quality and price.

Rishard Lebbe, Ast Vice President and Communication officer stated : “The challenge was delivering upper end top quality and besting mid-range established prices. Team Clean Plus® delivered. No one here is surprised.”

Reidar Grostad, Chairman of the Board, reached for this interview in South America where the company is organizing its local strategies for a 2006 introduction in CAFTA and South America, stated : “The Clean Plus® Auto Care “Premium” product line is strictly top end quality. It is strategically conceived and designed to provide upper-end positioning at mid-range pricing. Falken recently launched its Clean Plus® Auto Care “Classic” line targeting mid-range positioning at lower end pricing.”

Falken products in general, already enjoy a significant presence in the lower end product position through private label productions of non-Clean Plus® “eco” products which it manufactures through its affiliate in France in support of its Clean Plus® implantations.

Helle A. Madso, Executive Vice-President Europe explained: “The Automobile After-market has suffered from the substantial erosion of the quality standards of many of our competitors who in a desperate spiral to maintain sales volumes and market share are cutting quality and quantities to meet the Clean Plus® pricing challenge. This has alienated customers and retailers alike.”



The Strategic Alliance and multi-year permanent listing agreement is expected to provide significant contributions to Falken top and bottom line.

About Falken Industries Ltd:

Falken Industries Ltd. is a leading American manufacturer of innovative wet wipe products with production facilities in France. Its core product group is the leading Clean Plus® brand of high performance products - [www.cleanplus.com](http://www.cleanplus.com) through which it ensures the development and commercialization of specialty cleaning and maintenance products for consumer and industrial applications.

Through its affiliate in France, Falken also pursues the development of its non-competing private label business which contributes materially to economies of scale in raw materials and research and development costs.

Clean Plus® Auto Care at all levels, consumer and professional, is a recognized success by both clients and competitors due to its unique market positioning, high quality, and price advantage. Clean Plus® also targets the important DIY (Do It Yourself) market segment through its well received and quickly expanding HandyMan® line of products.

Distribution is ensured through Falken's unique "Super Distribution" concept. Super Distribution Agreements provide large and successful distributors with a contractual exclusivity for a given geographic area and market segment. In the absence of Super Distribution, Falken will sell to Open or Export Distributors directly.

Currently, the Clean Plus® and related product lines are sold throughout Europe and in many areas of the world through Export. The Company recently completed its second product introduction in the United States and will commence appointing distributors there as of 2006. The Company is present in seven primary market segments, and its clients include, for example : the largest distribution networks in the automotive sector, major gasoline station chains, one of the most exclusive retail auto aftermarket chains in Europe with 260 stores in six European nations; and a distribution network covering most other market segments. The Company regularly sells products to government agencies and a large number of national and multinational firms.

All products are sold in 11 European languages and are manufactured to service the whole of the European market. Consumer products are manufactured in different editions, i.e., NE Northern European; CE Central Europe; SE Southern Europe; US The Americas, and C Canada and the Commonwealth. Languages and editions are added as the Company expands its Super Distribution network.

The Clean Plus® line of products is divided into 2 segments, the consumer line and the professional line, each with product group and market segment categories.

Disclosure:

This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe", "estimate", "project", "expect" or similar expressions. These statements are made, to the extent relevant, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, acceptance of the Company's current and future products and services in the marketplace, the ability of the Company to develop effective new products and receive regulatory approvals of such products, competitive factors, dependence upon third-party vendors, and other risks. By making these



forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

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