



## Karuturi Global Limited

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### STATEMENT FROM KARUTURI LIMITED:

Reference is made to the various media reports erroneously indicating, amongst others, that Karuturi Limited is unwilling or unable to settle its employees' salaries for the month of August and September 2013. The correct position is that the Kenya Planters and Agricultural Workers' Union officials have advised their members to reject the said salaries and instead engage in various violent demonstrations pending the hearing and determination of various suits filed in the Industrial Court in Nakuru. The unlawful demonstrations and strikes are in contravention of Court Orders requiring all parties to maintain industrial peace.

On 26<sup>th</sup> September, the Kenya Planters and Agricultural Workers' Union entered into an agreement which clearly highlighted that Karuturi Limited was ready and willing to settle August 2013 salaries and that the Kenya Planters and Agricultural Workers' Union was of the view that the said salaries for August 2013 must await hearing and determination of the various cases filed at the Industrial Court in Nakuru. The cases will be mentioned tomorrow.

The matter between Karuturi Limited (KL) and Allpack is only in its preliminary stage and KL is unable to comment on the full implication currently, except to say that the claim in no way represents an ability to close down operations of the company which at present is valued at USD93 million. KL intends to defend itself against the petition in a court of law and will, at the appropriate time, protest the attempt to prejudice the court's mind before the upcoming hearings.

The dispute between Karuturi and KRA is sub-judice and being managed through the Kenyan legal system. Karuturi management have complete faith in the justice system and therefore do not feel that is appropriate to handle the matter via public channels. Karuturi Limited however deny any allegations of tax evasion and/or transfer pricing and are working with KRA to settle any misunderstanding amicably as KL has invested heavily in their Kenyan operations and has every desire to comply with the law and their due responsibilities in the country.

Karuturi is working with the relevant unions to ensure that all employment issues are managed and employees have a good working environment and receive fair remuneration.