

## PRESS RELEASE

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Universal Enterprises Private Limited ("Universal") is pleased to announce the peaceful resolution of the industrial dispute at Kurumba Maldives.

Universal wishes to make it known that Universal has taken all possible measures to address any legitimate grievance raised. In this regard, Universal dispatched a delegation led by an Executive Director of Universal to Kurumba Maldives immediately upon receipt of the petition. The delegation attempted to meet the concerned employees several times but were unsuccessful, eventually being forced to request in writing an initial meeting in order to mutually agree upon a way forward. However, Universal was disappointed that the response by the organisers of the strike action was to stage a vociferous demonstration and thereby worsen an already tense situation.

Once the Universal delegation was finally able to ascertain specific grievances, it was found that the employees had been acting under significant misconceptions, particularly in respect of some crucial aspects relating to computation of service charge and wage policies. However, despite having key financial staff on standby from late evening on 21<sup>st</sup> August till early evening of 23<sup>rd</sup> August, Universal was prevented by the organisers of the action from providing accurate and detailed information to the employees.

Universal also deeply regrets that, despite mutual agreement that Universal would be given until 4 pm on Sunday 22<sup>nd</sup> August to respond in writing, and that the employees would restrict themselves only to stoppage of work, the organisers of the action commenced unlawful activities from the morning of 22<sup>nd</sup> August by sending employees armed with makeshift weapons to blockade the main kitchen. By physically threatening those staff serving meals to guests, the organisers of the action directly placed the safety and welfare of guests at risk. Universal condemns in the strongest possible terms any and all action directly threatening the safety and welfare of guests.

The organisers of the action continued this pattern of threatening behaviour together with unruly demonstrations directly in front of guest areas until 4 pm, when the Universal delegation presented Universal's promised response in the presence of a representative from the Ministry of Tourism and three officers from the Labour Relations Authority. Despite Universal taking immediate action to resolve the matters of contention, and furthermore despite Universal's pledge to thoroughly investigate all employee complaints, the organisers of the strike took just ten minutes to unilaterally reject all of Universal's proposals and incite rioting on the resort.

During the rioting, and in most instances in full view of the guests, senior management staff were pursued through guest areas by mobs, physically assaulted, received death threats and warnings of physical dismemberment, and generally put in fear for their lives. Doors were battered down, and attempts made to prevent vessels from departing the island. Universal also notes that the three officers of the Maldives Police Service then on the island were manhandled, threatened with physical harm, subjected to gross verbal abuse, and even physically obstructed in the execution of their duties. In addition, the representative from the Tourism Ministry and the officers of the Labour Relations Authority were subjected to harassment and grossly intimidating behaviour, threats and verbal abuse.

Despite the rioting that took place, Universal persisted in its attempts to resolve the situation peacefully. However, despite repeated requests, and in particular attempts by the governmental officers to persuade them to meet for discussions, the employees refused to commit to a peaceful resolution of the dispute. As a result, both the Tourism Ministry and the Labour Relations Authority withdrew their representatives from the resort and in consequence, Universal finally withdrew its consent for employees to strike on the island. The Maldives Police Service then over the course of the night of 23<sup>rd</sup> August successfully mediated the return to work of the vast majority of the employees.

Universal wishes to take this opportunity to assure all employees that no employee will be disciplined for the lawful exercise of his constitutional right to stop work in protest, and that, as always, Universal remains committed to full compliance with relevant laws and regulations.

Universal deeply deplores the fact that as a direct result of the violent acts witnessed by guests at the resort, all guests at Kurumba Maldives vacated the resort, while a number of booking cancellations were made, and Kurumba Maldives operated with zero guest occupancy between 23<sup>rd</sup> and 25<sup>th</sup> August 2010. Universal is pleased to announce the return of guests to the property from 26<sup>th</sup> August onwards; however, Universal notes with great concern that the aforesaid violent acts threatening the security and safety of guests are likely to detrimentally affect tourist arrivals, and thereby cause significant loss to the Maldivian economy as a whole.

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