
Gurgaon, Haryana, India, February 25, 2009

Update on lockout in PTL Enterprises

Negotiations continue for the reopening of Kalamassery unit

On Tuesday, February 24, a fresh round of talks took place in Kochi, Kerala, regarding the reopening of PTL Enterprises' Kalamassery tyre manufacturing unit – a unit outsourced to Apollo Tyres. Present at the meeting were the Unions, Senior Management members, the Labour Commissioner and the Minister for Labour, Kerala. The plant has been under a lockout since December 6, 2008, and the management is keen to resolve all issues and resume production.

Out of the 12 issues, 10 have reached resolution with the Unions committing to sort out all 10 issues within a month of reopening the plant. The PTL and Apollo Tyres Management have expressed their willingness to reopen, provided the last two key production-related proposals are also resolved.

In the first of the remaining two proposals, Management is keen to increase plant capacity from 86 to 98 metric tons a day, and implement continuous operation and industrial engineering norms immediately upon reopening. They have sought a firm commitment from the Union on this. While the Union has agreed to it, they insist that the issue will be resolved only within a period of one month after start of production. Said **Satish Sharma, Chief, India Operations, Apollo Tyres Ltd**, on this, "We are extremely reluctant to go ahead with this since past experience shows that once the plant is reopened, lengthy negotiations begin once again on issues we thought we had closed out."

The second proposal refers to shifting the mixing operations out of the plant to increase financial viability and efficiency. While the Unions have agreed to shift the mixing process, they are vehemently against the movement of the related machinery.

This has led to another round of breakdown in talks. The Kerala Minister of Labour and his department officials played a neutral role, but were unable to convince the Unions. Speaking on the issue, **Satish Sharma, Chief, India Operations, Apollo Tyres**, mentioned, "This is an unfortunate situation indeed. We have come down to just two out of the original 12 proposals and are still unable to get a Union consensus. I am not sure why the Unions refuse to see the contradictory stand they are taking. How is it possible to move a process to a different location, without also moving the machines related to it?"

Kalamassery produces commercial cross ply tyres for Apollo and has around 1000 employees.
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About Apollo Tyres Ltd

Apollo Tyres Ltd is a high-performance company and the leading Indian tyre manufacturer. It is built around the core principles of creating stakeholder value through reliability in its products and dependability in its relationships. The company has three manufacturing units in India, four in Southern Africa and one in the Netherlands, with a greenfield facility currently underway in Chennai, India. Apollo's subsidiary companies are Apollo Tyres South Africa Pty Ltd (previously known as Dunlop Tyres) and Apollo Vredestein BV in the Netherlands. India, South Africa and Europe are the company's three domestic markets from where products are exported to over 70 countries. In each of the domestic markets the company operates through a vast network of branded, exclusive and multi-product outlets.

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