



MEDIA RELEASE

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Associated Kiln Driers (AKD) closes Yarram site

Associated Kiln Driers (AKD), Australia's largest softwood producer, announced today the closure of its Yarram sawmill in Gippsland.

The decision, which impacts 73 employees, comes amid challenging market conditions and the prolonged slowdown in housing construction across the country.

The Yarram sawmill produces lower-grade fibre products for landscaping and pallet and packaging manufacture.

AKD CEO Shane Vicary said that following an organisational review, the company determined that the current market conditions and near term forecast demand alongside increasing operating costs, meant Yarram's operations had become unsustainable.

"This has been an extremely difficult decision to arrive at – but a necessary one to take – when we consider all the external factors at play and prioritise what's best for AKD's long-term future," Mr Vicary said.

"To remain a sustainable and competitive Australian business in this sector, we are adapting to market conditions, simplifying our operations and strengthening the core business at our four major sawmilling sites – which continue to produce the full suite of structural softwood products."

AKD, which employs 1000 people nationally, will consolidate production across its four larger sites in Colac, Caboolture, Tumut and Oberon. The closure of Yarram will not impact AKD's ability to deliver products to its customers.

Affected employees at Yarram are being supported by an Employee Assistance Program and learning about redeployment options at other AKD sites.

Mr Vicary acknowledged the impact that the sawmill closure will have on the local community of Yarram.

"Having operated in regional communities for 70 years, the significance of our departure from Yarram is not lost on us. We understand how important our operations have been to the fabric of this region and we are committed to working with local stakeholders in Gippsland to reduce the impact of the closure where reasonably possible."

"We're grateful to each and every individual at the site for their hard work, care and dedication through their time with AKD."

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For more information, contact: media@akd.com.au or Six O'Clock Advisory on [+61 \(3\) 9993 0455](tel:+61399930455).