



TA ANN TASMANIA PTY. LTD.

20 December 2012

MEDIA RELEASE

Ta Ann announces "Holding measures package" for Tasmanian Veneer Mills.

The Board of Ta Ann Tasmania has agreed to support a comprehensive "holding measures package" designed to keep its hardwood veneer operations in Tasmania while the Legislative Council Select Committee considers the Forests Agreement Legislation.

Ta Ann Tasmania is deeply disappointed with the delays to the passage of Legislation and the associated financial costs.

"Ta Ann Tasmania is greatly encouraged by the overwhelming support the company has received from the Signatory Parties to the Forestry Agreement in recent days. Not only have we received encouragement that the Parties will honour the Forestry Agreement and begin practical implementation, we have received new help with markets and with our overall financial exposures." Evan Rolley, Executive Director of Ta Ann Tasmania said today.

Under the "Holding measures package" the company has agreed to the following new measures:

1. Extending the current Christmas shutdown period of the two veneer mills by a further four weeks until at least the end of January 2013.

With the support of our Union we are briefing staff. All employees will be retained and paid for this period using a combination of brought forward maintenance and training programs and use of paid leave.

2. Accepting the supportive offer from Forestry Tasmania to not enforce "take or pay" contractual conditions in this period.

3. Accepting the Federal government's offer to progress the contractual detail of the peeler buy back scheme.

4. Accepting the State government's assistance with Newwood infrastructure provisions for ongoing operations.

5. Agreeing to lower peeler log supply and future log supply only from forest areas agreed by the Signatory parties in accordance with the Tasmanian Forest Agreement 2012.

6. Working with signatory ENGOs and Chairman of Forestry Tasmania for a January 2013 market support program.

7. Deferring the accelerated planning and development work for the proposed northern Plywood Mill.

This high level of very broad ranging support has allowed Ta Ann to provide its employees, contractors and the markets with a measure of confidence for the future.

“We also wish to acknowledge the support of Legislative Council members who have contacted the company and provided encouragement that the Committee of the Council will meet as soon as practicable.”

“We urge all Legislative Council Members to understand the commercial factors that are playing out for the whole forestry supply chain and the overwhelming desire of Tasmanians to see the historic Forestry Agreement put into effect for the broadest possible social, economic and environmental benefits.” Mr. Rolley concluded.