



Cement Australia Pty Limited

ABN 75 104 053 474

Head Office

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1.00pm

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Holding Statement

Cement Australia to close Kandos manufacturing facility

Cement Australia has announced it will close its manufacturing facility at Kandos in New South Wales. The plant will be closed in an orderly and safe manner over the next four months.

Chris Leon, Cement Australia CEO and Managing Director said "it has been a challenge for some years for the Kandos operation to remain viable due to a combination of dated, inefficient technology and high fixed costs".

"Despite almost \$10 million invested in 2007 to improve the plant, attracting and retaining high quality, experienced professionals to Kandos also continues to be a challenge as the next wave of skills shortage looms," he said.

"In addition, for trade exposed industries such as ours there are the additional pressures of the high Australian dollar. Current regulation and government imposts are also an increasing burden on manufacturing and the carbon tax will only exacerbate this."

"Finally, the Kandos plant is also considerable distance from the market it serves and this unfortunately further undermines its competitiveness," said Mr Leon.

Cement Australia's 98 employees at the Kandos site will be supported through the transition and will receive their full entitlements. 34 people will be offered another role within the company."



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Continuity of supply of Cement Australia's quality products will not be compromised by the changes. Cement Australia will continue to run its manufacturing operations in Gladstone (Qld), Railton (Tas) and Bulwer Island (Qld).

ENDS

Media inquiries

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