



MEDIA RELEASE

For immediate release

Monday 17 September 2007

DORMIT'S FUTURE SECURED

Since coming to the rescue of Swifts Creek in 2000 by re-opening an advanced saw mill, Dandenong based company, Dormit Pty Ltd, continues to go from strength to strength.

Dormit, Australia's largest manufacturer of pallets, was last week announced the successful bidder in the first of three VicForests' auctions this month.

The \$19 million contract awarded to Dormit will support the company's highly successful sawmilling operations at Dandenong and Swifts Creek, which directly employ more than 80 staff.

VicForests conducted an auction for the allocation of 311,500 tonnes of small diameter low grade sawlog. The timber quantity is to be supplied over three years, commencing this year.

Bidders were able to bid for part or all of the timber quantity and contract award was on the basis of highest net return of the winning bids.

Dormit submitted a highly competitive bid for the whole of the timber lot available.

VicForests' CEO, David Pollard, said the auction has delivered an outstanding result for Dormit and for regional Victoria.

"The results mark a significant achievement regarding a sustainable and a secure long-term industry driven by adding value to timber harvested from Victoria's State forests," he said.

"This is also an excellent outcome for the industry. Following an open and competitive process, VicForests has achieved a strong revenue result for the sale of valuable native forest timber."

Dormit Director, Dave Rowe said the result secures Dormit's long-term future.

“Our success through VicForests on-line auction system makes us feel confident in our long-term future and viability and allows us to invest further into the business,” he said.

“The value-adding processing for low value logs is undertaken by our company using state-of-the art sawmilling technology. We have invested heavily in the development of best practice safety management systems and have achieved the benchmark *Safety Map* standard for our operations.

“We have confidence in the on-line auction system which is extremely transparent.”

VicForests’ online auction system was developed as part of the implementation of the State Government’s 2002 *Our Forest Our Future* policy statement which required VicForests to move commercial timber sales from State forests to a transparent, open and competitive sales system.

Over the next two weeks VicForests will conduct two additional auctions which will include packages of timber for supply over the next four years.

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