

Austro Woods' Jacobs chopped

Austro Group, a provider of industrial power and woodworking equipment, says Charles Jacobs, a director of Austro and the chief executive of Austro Wood, a subsidiary, has been dismissed, effective immediately, following the outcome of a disciplinary inquiry.

But Jacobs on Thursday (13 December) denied this, saying he had resigned in writing on Monday (10 December) and had received acknowledgment in writing from Austro to this effect.

"I resigned and it is incorrect to say that I've been dismissed. Details will follow," he said.

Austro said in a stock exchange announcement that until further notice, Jonathan Freed, the managing director of New Way Power, a subsidiary of Austro and sister company of Wood, would continue to manage Wood.

He had already done so during the period that Jacobs was suspended.

Austro's non-executive director and majority shareholder David Brouze said that Jacobs had indeed been dismissed.

"It's as the (stock exchange) announcement reads," he said.

Austro said last month after it had suspended Jacobs pending a disciplinary inquiry. It said there would be no "material impact" on the wood business.

Jacobs suspension came months after Tania le Roux resigned as acting group financial director. Her resignation came a day after the company released a statement saying it had "resolved" to provide financial assistance to entities or persons related to the company.

Brouze said last month the group had made significant write-offs and had faced "difficulties" over cost controls.

In its financial results for the year ended August, while revenue for the year increased 7.9% to R417m compared with the previous year, Austro made a total loss of R154.4m a dramatic turnaround from a profit of R6.4m last year.

The group also said its wood division had provided for an onerous lease for one of its premises, which had since been sublet.

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