



## NEWS RELEASE

STOCK EXCHANGE LISTINGS: NEW ZEALAND, AUSTRALIA, NEW YORK (FFS).

### CAPITAL RETURN

Auckland, 10 April 2003 – Fletcher Challenge Forests today advised that it was seeking a further tax ruling from the Inland Revenue Department in relation to the NZ\$140 million capital return previously announced to shareholders.

The need for this tax ruling results from an amendment to the original terms of the proposed capital return, in relation to the Preference entitlement of the Company's Preference shareholders. "We believe it is prudent to seek this ruling, as we want to be confident that the amendment does not affect our ability to return the capital on a tax free basis under New Zealand tax law, or create any other tax issues for the Company. Our taxation advisers have therefore recommended that we seek a ruling from the Department," said Paul Gillard, Company Secretary.

As soon as the tax ruling is obtained, the timetable for the capital return will be announced to shareholders. "We are hopeful that a satisfactory ruling can be obtained within two months, in which case we expect to be able to return the capital to shareholders by early September," Mr Gillard said.

Ends

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**TO: BUSINESS EDITOR**

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Further information on Fletcher Challenge Forests can be found at <http://www.fcf.co.nz>.

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