



MEDIA RELEASE

FLETCHER CHALLENGE FORESTS COMMISSIONS EXTRA PROCESSING CAPACITY FOR US MARKET

Auckland, 10 September 2003 – Fletcher Challenge Forests today formally commissioned a third line for its specialist plant at Taupo, which produces solid lineal mouldings for the US market.

Fletcher Challenge Forests USA is the largest importer of the high value moulding products into the US market, supplying over 500 of the large home improvement stores of The Home Depot and Lowe's.

Speaking in Taupo today, the Chairman, Sir Dryden Spring, said the Company was committed to growth in the US market, both through expanding its manufacturing capacity in New Zealand and through its strong equity partnerships with major US distribution interests.

Further processing investment, which could also involve Taupo, was under consideration.

“This plant is an excellent example of the Company's strategic focus on further development of our marketing and manufacturing businesses. The plant is maximising the value from pruned logs, producing product which goes directly into extensive retail outlets in the important US market. It is backed by a strong “in-market” service team.”

Sir Dryden said the Taupo site was a world class operation in cost competitiveness and efficiency. There were several new design features in the new line which would increase these advantages further. The additional capacity would also provide increased scale and production flexibility.

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The expansion would mean an additional 21 full time positions, bringing the overall work force at the site to approximately 121, working three shifts.

The expansion cost \$2.5 million, with a significant portion of that placed with local contractors.

Fletcher Challenge Forests' US operations were a category winner in the recent Trade NZ Exporter of the Year awards.

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