



NEWS RELEASE

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

FLETCHER CHALLENGE FORESTS ANNOUNCES UNSOLICITED BID FOR FOREST ESTATE

Auckland, 16 September 2003 – Fletcher Challenge Forests (FCF) advises that it has today received an unsolicited bid from Kiwi Forests Group Limited (Kiwi) to acquire FCF's entire forest estate. Kiwi has signed term sheets with Prudential Timber Investments Inc. and Evergreen Forests Limited for those parties to in turn acquire substantial portions of the FCF estate from Kiwi upon completion.

The offer comprises NZ\$550 million in cash, plus Evergreen securities.

The bid is subject to entering into a formal sale and purchase agreement, confirmatory due diligence, regulatory approvals and final consortium member board/shareholder approvals. Financing is not a condition. The FCF Board and management are evaluating the bid and are considering what action to take in relation to it.

Ends

TO: BUSINESS EDITOR

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Please note: If you do not receive 1 page(s) including this page, or if any page is not readable, please call the Information Officer immediately on telephone 64-9-571 9814.

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