



NEWS RELEASE

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

CLARIFICATION OF NON-COMPLETION PAYMENTS

Auckland, 17 September 2003 – Fletcher Challenge Forests advised today, in response to market speculation, that the amount of the break fee payable up to 31 December 2003 to The Campbell Group LLC under the Letter of Intent previously disclosed to the market, is NZ\$17 million. This amount is payable in the event the Company decides to enter into discussions with another party in relation to a possible sale of the Company's forest assets, and The Campbell Group elects to terminate the Letter of Intent on this basis.

In addition, the Letter of Intent contains the following non-completion payment obligations:

- NZ\$8.5 million if, following the signing of a Sale and Purchase Agreement, the Company's shareholders fail to approve the transaction, and
- \$NZ4.25 million if the parties fail to enter into a mutually agreed Sale and Purchase Agreement by 31 December 2003.

Ends

TO: BUSINESS EDITOR

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