



NEWS RELEASE

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

Fletcher Challenge Forests Increasing Stake in Key US Distribution Company

Auckland, 5 December 2003 – Fletcher Challenge Forests Limited will become the majority shareholder in The Empire Company, Inc., one of the leading distributors and marketers of wood mouldings in the United States, under the terms of an agreement announced today.

The United States shareholders of The Empire Company and FCF have agreed to FCF increasing its shareholding in The Empire Company from one-third to two-thirds, for a payment to the United States shareholders of approximately US\$10 million. The transaction will be completed in December 2003.

As a result of the increase in shareholding, upon completion FCF will fully consolidate the operations of The Empire Company, which in 2003 had sales revenues in excess of US\$125 million.

FCF has also agreed to purchase, at a future date, the remaining one-third of the shares in The Empire Company not held by FCF. The right is exercisable by The Empire Company's US shareholders after 1 November 2004.

The existing management team at Empire will continue to run the business.

“The Empire Group is one of North America's leading moulding and millwork distributors and the leading supplier of wood mouldings to the Lowe's chain – the second largest home improvement retailer in the United States”, said Mark Eglinton, FCF's General Manager, North American Consumer Solutions.

“FCF is the largest off-shore supplier of radiata solid wood mouldings to the United States, and this transaction reflects the growing global significance of the North American wood products market, and our determination to strengthen our position in the high-value United States mouldings supply, distribution and marketing sectors,” he said.

ENDS

TO: BUSINESS EDITOR

Fax/Email: AUTO

From: Paul Gillard
Company Secretary & General Counsel
FLETCHER CHALLENGE FORESTS LTD

Telephone: 64-9-571 9846
Fax: 64-9-571 9872

Please note: If you do not receive 1 page 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>.
