



## NEWS RELEASE

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

### **Kiwi Forests Group Limited Withdraws From Sale of Tarawera Forestry Right**

Auckland, 30 January 2004 – Kiwi Forests Group Limited advised Fletcher Challenge Forests today that it was not in a position to satisfy the financing condition in respect of the NZ\$165 million purchase of the Tarawera forestry right. Kiwi Forests Group Limited was required, under the Sale and Purchase Agreement entered into on 18 December 2003, to confirm finance by 30 January 2004. Accordingly, Kiwi Forests Group will not be acquiring that forestry right.

Commenting on the decision not to proceed with the Tarawera forestry right sale to Kiwi Forests Group Limited, John Dell, the Company's Chief Executive Officer, said: "We are naturally disappointed that Kiwi was not able to confirm its financing within the agreed timeframe. However the Tarawera forest is a high quality, mature forest estate. The Company will revert to The Campbell Group who previously sought to acquire this forest."

The implications for the forest sale and the consequential capital return are fully explained in the Company's Notice of Meeting dated 16 January 2004, which is available on the Company's website ([www.fcf.co.nz](http://www.fcf.co.nz)).

As previously advised to the market and explained in the Notice of Meeting, there are no financing conditions on the balance of the forest estate being sold, which comprises NZ\$560 million of the total NZ\$725 million sales price. The balance of the forest estate is being sold to three purchasers, Kiwi Forests Group Limited, The Ontario Teachers' Pension Plan and Viking Global New Zealand Limited.

The Company is seeking shareholders' approval for the balance of the forest sale at a special shareholders' meeting, which will be held in Auckland on 20 February 2004.

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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