



NEWS RELEASE

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

FLETCHER CHALLENGE FORESTS OBTAINS BINDING TAX RULING IN RESPECT OF PROPOSED CAPITAL RETURN

Auckland, 13 February 2004 – Fletcher Challenge Forests advised today that it had received a binding ruling from the Inland Revenue Department, confirming that the proposed return of capital to be made in March 2004 will not be a dividend for New Zealand tax purposes. As a result of this binding ruling, the Company is not required to deduct any New Zealand tax from the proposed return of capital to all shareholders, whether they are New Zealand residents or non residents.

No further tax obligations arise with respect to New Zealand resident shareholders holding their FCF shares on capital account.

All other shareholders should consult their tax advisors with respect to their tax obligations.

The proposed capital return is subject to the approval of the Company's shareholders at a Shareholders' Meeting to be held on Friday 20 February 2004.

Ends

TO: BUSINESS EDITOR

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