



NEWS RELEASE

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

FLETCHER CHALLENGE FORESTS MAY BE SUBJECT TO COURT ACTION BY CHH AND NORSKE SKOG RELATING TO PULPWOOD SUPPLY

Auckland, 19 February, 2004 – Fletcher Challenge Forests (FCF) advises that Carter Holt Harvey (CHH) and Norske Skog (Norske) have informed FCF that they intend to issue court proceedings against the Company today. The proceedings will seek clarification and performance of the pulp wood supply obligations of the FCF Group to those companies, against the background of the proposed sale of its forests to the Kiwi Consortium.

The Company understands that the forest sale to the Kiwi Consortium, which is to be considered by shareholders at their meeting this Friday, and the initial capital return scheduled for March, will not be affected by the threatened legal proceedings. If approved, the first component of the sale, relating to the freehold forest estates, will settle on 27 February 2004.

FCF understands that the proposed litigation relates to CHH's and Norske's view that under a pulp wood supply contract with FCF, FCF must supply up to 300,000 m³ of pulp wood per annum from its own estates. CHH's and Norske's view is that the sale of forests to the Kiwi Consortium will preclude FCF from complying with that obligation. FCF strongly disagrees with that view.

FCF Chief Executive Officer John Dell says the Company has taken extensive advice throughout the forest sale process, and in particular has made careful arrangements to ensure that CHH's and Norske's supply requirements will continue to be met, and is therefore disappointed at the decision of CHH and Norske to file proceedings. FCF will vigorously contest any such proceedings.

The Company will advise the market of details of the Court proceedings, once received.

Ends

TO: THE BUSINESS EDITOR

From: Paul Gillard
Director, Corporate & Legal Services
FLETCHER CHALLENGE FORESTS LTD

Telephone: 64-9-571 9846

Fax: 64-9-571 9872

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