



NEWS RELEASE

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

NEW UNSOLICITED OFFER RECEIVED

Auckland, 23 September 2003 – Fletcher Challenge Forests announced today that Kiwi Forests Group Limited has submitted a new unsolicited offer to purchase the Company's entire forest assets.

The key elements of Kiwi Forests Group's new offer are:

- Evergreen Forests Limited is no longer a participant in the Kiwi Forests Group consortium, but Prudential Timber Investments Inc. remains a party
- The new offer is for NZ\$725 million, all in cash (the prior offer was for NZ\$550 million in cash plus new shares to be issued by Evergreen Forests Limited)
- The new offer is subject to the parties agreeing a sale and purchase agreement, confirmatory due diligence and Overseas Investment Commission approval, and final approval of the sale and purchase agreement and related documentation by the Board of Kiwi Forests Limited

Fletcher Challenge Forests is evaluating the bid and is considering what action to take in relation to it. The Company expects to make an announcement of its decision within two weeks.

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(s) 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>.
