

Notable year for NZ forestry giant

"1988 was a year of achievement for Fletcher Challenge. Earnings rose 50 per cent to \$532 million and earnings per share increased by 21 per cent."

"Assets rose 43 per cent to \$11.6 billion."

"Employees of the Group increased to over 40,000 and new investment on real productive assets was \$4.1 billion."

These extracts from the 1988 Annual Report of Fletcher Challenge Limited (FCL) show just how large and how diversified that company has become. Forestry and related activities account for over half of FCL's investments. Significant developments in the forestry arena for the last year are:

In New Zealand:

The acquisition of NZFP's wood panel operations, the commissioning of a new small log sawmill and Stage Two of the medium density fibreboard plant in Taupo.

Tasman Forestry increased the

area of planted forest it manages by 28 per cent to 147,000 hectares, largely as a result of the net exchange of 20,000 hectares with N.Z. Forest Products and the acquisition of Winstones.

In Australia:

Acquired 50 per cent of Australian Newsprint Mills for \$A222 million. ANM is the sole newsprint producer in Australia, manufacturing a total of 417,000 tonnes per annum.

In North America:

Increased the shareholding in British Columbia Forest Products Limited (from 48 to 69 per cent). It was later announced that Crown Forest Industries and British Columbia Forest Products were to merge to create a new company – Fletcher Challenge Canada – the second-largest forest products group in British Columbia. The annual newsprint production of this group in 87/88 was 949,000 tonnes. The company holds 2.1

million hectares of forest under licence in British Columbia and manages 55,000 hectares in the USA.

FCL's Blandin mill in Minnesota, USA, produced 286,000 tonnes of light-weight coated paper and expansion was approved to increase the capacity to 500,000 tonnes per year.

In South America:

By purchasing the other 50% shareholding in the Chilean operations of Tasman Forestal SA FCL became owner of 30,000 hectares of radiata pine plantations and a 78,000 tonne per annum newsprint mill (upgrading approved to increase production to 100,000 tonnes per year).

FCL acquired a 50.3 per cent interest in Brazil's leading newsprint company PISA – Papel de Imprensa S.A. – with an annual capacity of 150,000 tonnes. PISA has a plantation estate of nearly 100,000 hectares. It also has two small sawmills.



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