

## SUPPLEMENTARY FOREST INFORMATION

### FOREST VALUATION

Evergreen's forests were independently valued at 30 June 2004 by Jaakko Pöyry Consulting (Asia-Pacific) Limited. The net present value, or "expectation value", approach was used, whereby projected future net cash flows were discounted to provide a current market value of the collective forest and land resource. An estimate of the land value was then subtracted to provide a value of the tree crop. The following process was adopted in the valuation methodology:

- A stand-based approach was employed whereby stands are scheduled to be harvested at or near their optimum economic rotation age.
- The cash flows are those arising from the current rotation of trees only. No account was taken of revenues or costs from re-establishment following harvest, or of land not yet planted.
- The cash flows have been derived on a pre-tax basis. The impact of income taxation is recognised in the transaction-implied discount rate.
- The cash flows have been prepared in real terms, excluding the effects of inflation.

### EFFECT OF LOG PRICE ASSUMPTIONS ON TREE CROP VALUE - NZ\$ M

DISCOUNT RATE - APPLIED TO REAL PRE-TAX CASH FLOWS	REAL ANNUAL CHANGE IN LOG PRICE - 2010 TO 2017				
	-2%	-1%	0%	1%	2%
	VALUE - \$NZD M				
9%	88.7	111.11	136.14	164.34	196.21
10%	79.64	98.80	120.21	144.38	171.59
11%	71.69	88.08	106.55	127.30	150.64

### RADIATA PINE LOG PRICES ADOPTED IN THE JUNE 2004 VALUATION - NZ\$/M<sup>3</sup> AWG/AMG

LOG GRADE	JAN-MAR 2004 ACTUAL PRICES RANGE	PRICES APPLIED DURING YEAR ENDING 30 JUNE				
		2005	2006	2007	2008	2009+
Pruned	120 - 144	146	153	161	166	170
High Quality Unpruned	88 - 112	107	112	118	118	118
Export - A	71 - 88	82	88	92	94	94
Export - K	59 - 77	70	74	79	82	82
Domestic - S1/S2	75 - 92	87	89	89	89	89
Industrial/Packaging	59 - 73	63	67	72	74	74
Pulpwood	39 - 49	45	45	45	45	45

AWG - at wharf gate, AMG - at mill gate.

### PROJECTED AVAILABLE HARVEST VOLUMES - IN 000M<sup>3</sup>

PERIOD	PRUNED LOGS	SAWLOGS	PULP LOGS	TOTAL
2005-2009	238,871	1,261,242	486,906	1,987,019
2010-2014	196,626	1,029,734	389,626	1,615,986
2015-2019	342,758	1,325,359	436,201	2,104,318
2020-2024	676,582	3,147,253	851,150	4,674,985
2025-2029	194,854	1,229,900	281,758	1,706,512
2030-2034	52,491	143,797	44,808	241,096
Total	1,702,182	8,137,285	2,490,449	12,329,916

### VALUE DISTRIBUTION BY AGE CLASS

AGE AT 30 JUNE 2004	STOCKED AREA HA	TREE CROP VALUE \$NZD M	PROPORTION BY VALUE
0-4 years	2237.4	0.1	0%
5-9 years	6955.8	25.2	21%
10-14 years	2820.6	15.5	13%
15-19 years	2492.0	21.5	18%
20-24 years	1911.5	21.4	18%
25 years and over	3044.1	36.5	30%
Total	19461.4	120.2	100%

The tables on this page are derived from the Jaakko Pöyry Consulting Forest Valuation as at 30 June 2004.