

AUDITORS REPORT



TO THE TRUSTEES OF THE CROWN FORESTRY RENTAL TRUST

We have audited the financial statements on pages 18 to 38. The financial statements provide information about the past financial performance of the Crown Forestry Rental Trust and its financial position as at 31 March 2005. This information is stated in accordance with the accounting policies set out on pages 21 to 22.

Trustees Responsibilities

The Trustees are responsible for the preparation of financial statements, in accordance with New Zealand law and generally accepted accounting practice, which fairly reflect the financial position of the Crown Forestry Rental Trust as at 31 March 2005 and the results of its operations and cash flows for the year ended 31 March 2005.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Trustees and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor we have no relationship with or interests in the Crown Forestry Rental Trust.

Unqualified Opinion

We have obtained all the information and explanations that we have required.

In our opinion the financial statements on pages 18 to 38 fairly reflect the financial position of the Crown Forestry Rental Trust as at 31 March 2005 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 17 May 2005 and our unqualified opinion is expressed as at that date.

A stylized, handwritten signature of the word "Deloitte" in a cursive script.

CHARTERED ACCOUNTANTS
WELLINGTON, NEW ZEALAND