

13 September 2004

The Director – Accounting & Professional Standards
Institute of Chartered Accountants
P O Box 11-342
Wellington

Dear Sir

Re: Request for Comment on Discussion Paper and IASB Exposure Draft of Proposed
Amendment to IAS 39 – Financial Instruments: Recognition and Measurement –
Cash Flow Hedge Accounting of Forecast Intra-group Transactions

This response to the request for comment is made on behalf of Carter Holt Harvey Ltd (CHH).

CHH agrees that hedge accounting should be available if there is an external exposure to a consolidated group, which would impact the consolidated earnings, using the highly probable forecast external transactions in the functional currency of a subsidiary as the hedge item.

The proposed amendment would address any concerns CHH had on hedging using intra-group transactions.

The same amendment should be introduced for NZ IAS 39. CHH sees no issues arising in NZ.

Yours faithfully

C E Jack
Manager – Audit