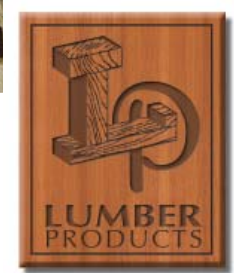


Product ALERT



Hardwood Lumber Pricing & Supply

May 28, 2010

What the heck is going on with hardwood lumber? We have seen supplies tighten, prices increase, and availability become sporadic. Who is impacted by this? Well, all of us are. Whether you are a manufacturer purchasing rough lumber, or a door shop selling hardwood stile and rail doors, or a retail dealer selling hardwood plywood, mouldings, cabinets... this has an effect on your business!

There are several key factors that we feel are adding to this market situation.

- Limited access to credit
- Continued mill closures
- Poor logging conditions in certain parts of the country
- Loggers exiting the business
- Increased export of kiln dried lumber
- Decreased supply of green lumber (which we expect to see continue and intensify until mid to late Summer) is resulting in increased prices for kiln dried lumber in most species and grades

The price increases we seeing are predominantly supply driven; increased demand will likely result in more price volatility. Increases for the different species since the first of the year are noted here:

| | | | |
|-----------------------|-----|--------------------------|-----|
| 4/4 Prem. Frame Alder | 27% | 4/4 FAS Red Oak | 25% |
| 4/4 FAS White Oak | 18% | 4/4 FAS Walnut | 14% |
| 4/4 FAS Poplar | 14% | 4/4 S/B White Hard Maple | 12% |
| 4/4 FAS White Ash | 9% | 4/4 S/B Hickory | 9% |

Lumber Products is committed to maintaining the inventory required to keep you supplied. Our purchasing team is diligently working with our supplier partners to ensure that we are in stock; our history of long-standing, supportive supplier relationships positions us well to continue to meet your needs.

We will do our best to keep you posted on this situation through the LP sales team so that you can plan accordingly! If you would like to receive email updates about this situation and others affecting our industry, please send an email to ProductAlert@lumpro.com with the words **ADD ME!** in the subject line. We will add you to our product alert email list.