

Lanoga Corporation to Purchase Dixieline Lumber Company

May 7, 2003 , Redmond , WA --Redmond-based Lanoga Corporation announced today that an agreement in principle had been reached to purchase substantially all the assets of Dixieline Lumber Company, a large independent building materials dealer based in San Diego , California .

Lanoga President and CEO, Paul Hylbert , said, “we are very excited about having Dixieline join our Lanoga team. Bill Cowling has developed and operated some of the finest lumberyards in the country for many years, and we couldn’t be more pleased to be working with the capable Dixieline organization. In addition to its location in a large and growing market, Dixieline consists of a diverse business with significant value-added activities in the areas of trusses, millwork, and a variety of other building components.”

The Dixieline team will remain in place, with Bill Cowling continuing as President/CEO of what will become Lanoga’s fifth operating division. “We see this as an opportunity for growth,” explained Cowling. “We’ve established a strong management group here, and we can use Lanoga’s resources to give our people more opportunities for their professional development.”

Cowling added that the desire to keep Dixieline strong and competitive was a key reason for this transaction. “We have great strength in the local marketplace and are in a solid financial condition. The reality of today’s economy is that to grow and continue to be successful, we would have to expand by acquiring other businesses, or merge with a company that would provide us with opportunities to grow. Lanoga brings that to the table. Its approach to business is very complementary to what we do at Dixieline.”

Closing of the transaction is anticipated by June 2. Terms were not disclosed.

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About the firms:

Dixieline was founded in San Diego in 1913. Its 850 people currently serve customers throughout Southern California through 12 facilities in San Diego County , including a truss and component plant and central lumber distribution facility, plus its reload operation in Riverside County , and its dock and reload facility on the Columbia River in Oregon . The company expects to do approximately \$250 million in sales in 2003.

Lanoga currently goes to market through its four divisions: **United Building Centers** with 180 lumberyards and component facilities serves the upper Midwest and Rocky Mountain regions; **Spenard Builders Supply** serves Alaska with 13 lumberyards and component plants; **Lumbermens** serves Washington, Oregon, Idaho and Arizona through 70 yards and plants; and **Home Lumber** serves the Front Range of Colorado through 5 large facilities. The company expects to do \$1.8 billion in sales in 2003, not including Dixieline.