

PRESS RELEASE

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LUMBERMENS - CALIFORNIA ACQUISITION

(Olympia, WA, January 20, 2004) -- Lumbermens, a 50-store chain of contractor-focused building material centers in Washington, Oregon, Idaho, and Arizona, announced today that an agreement in principle has been reached to acquire San Lorenzo Lumber Company, a six-unit chain based in Santa Cruz, California.

After a brief due diligence period, San Lorenzo Lumber will begin operations as part of the Lumbermens family of stores on March 1, 2004.

M. David Dittmer, President of Lumbermens, stated that, "San Lorenzo Lumber is the premier supplier of building materials along the coast of Central California, south of the San Francisco Bay area. This is a great company from which to establish our "beach head" in the Northern California market. San Lorenzo Lumber operates out of three locations in Santa Cruz, plus Salinas, Felton, and Lathrop in the fast-growing Central Valley market. They are a contractor-focused company, but have a nice retail segment as well, not unlike a typical Lumbermens location. In addition, San Lorenzo, whose sales exceeded \$100 million in 2003, also provides a value added service to its customers through a millwork plant in Santa Cruz."

"This is an excellent fit for our company", said Paul Hylbert, President and CEO of Lanoga, the parent company of Lumbermens. "The San Lorenzo history and culture are close to our own. The company started in 1936, and under the current owners, Bob and Mike Butcher, sons of the founder, they have grown from one location to the current 6 through internal growth and acquisitions".

"We will continue to operate using the San Lorenzo name", said Dittmer. "The reputation for quality products and services developed by the Butchers and their team of 330 capable people is a key element in our making this deal. We look forward to working with Bob and Mike through a transition period and are looking to expand on the platform they have developed".

Including Lumbermens, Seattle-based Lanoga Corporation operates 300 facilities in 20 Midwestern and Western States, including United Building Centers in the Midwest and Rocky Mountains, Spenard Builders Supply in Alaska, Home Lumber in Colorado, and Dixieline Lumber Company in Southern California.