



Belco Forest Products Consolidation Update

(Tacoma, WA. June 6, 2008) – **Belco Forest Products Inc.**, a leading Northwest manufacturer and distributor of specialty building supplies, is in the process of consolidating operations to their Shelton, Washington location. Belco maintains various forest product manufacturing facilities on nearly 16 acres in Shelton and is developing this property to meet their distribution requirements. Consolidation of manufacturing and distribution aims to improve overall efficiency and drive cost out of the supply chain.

The first phase of improvements is on track for completion by June 30th which will enable transfer of all primary distribution operations to Shelton in July. The sale of Belco's Tacoma facility closed at the end of May and an agreement with the new owner includes a transitional period allowing for the necessary improvements to the Shelton facility.

Additionally, Belco made the strategic decision to maintain sales and marketing in the greater Seattle – Tacoma area, the heart of the Northwest residential building industry. Belco will maintain its' presence in the area by opening a new sales office which is under construction in Sumner, Washington and a satellite marketing office in Bellevue, Washington. The new sales office is due for completion and occupancy in July. The marketing office is fully operational and has been since the beginning of May.

"We are extremely pleased with the progress of our consolidation efforts." Said Bill Staley, President and CEO of Belco. "This has been a major undertaking and our employees have responded to the challenge, surpassing all expectations... Consolidation will allow us to use our assets more effectively and simplify the supply chain, which reduces costs and contributes significantly to our goal of improving efficiency while adding value. Ultimately, this will allow us to serve our customers more effectively and we want to thank them for their patience if they've experienced any minor disruptions during this challenging transitional period."

Along with other product lines, the Shelton manufacturing facilities produce Armor Coat Trim & Fascia™; a premium, factory primed, water-borne acrylic coated whitewood product engineered for residential applications. Belco also applies FrameGuard™ wood coating through its' Custom Services division in Shelton. Designed by Arch Chemicals, FrameGuard™ protects wood intended for interior use during its storage and construction by utilizing a blend of anti-mold chemicals and borate technology that alleviates problems from mold, termites and fungi. Belco is the exclusive Northwest provider of FrameGuard™ wood coating.

Belco Forest Products leads the forest products industry by relentlessly delivering quality products and exceptional service through innovative manufacturing and a knowledgeable team of professionals. We create and nurture long-lasting, mutually beneficial business partnerships with our customers and suppliers, consistently employing and maintaining a "Make it Happen" approach.

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