



IDAHO FOREST

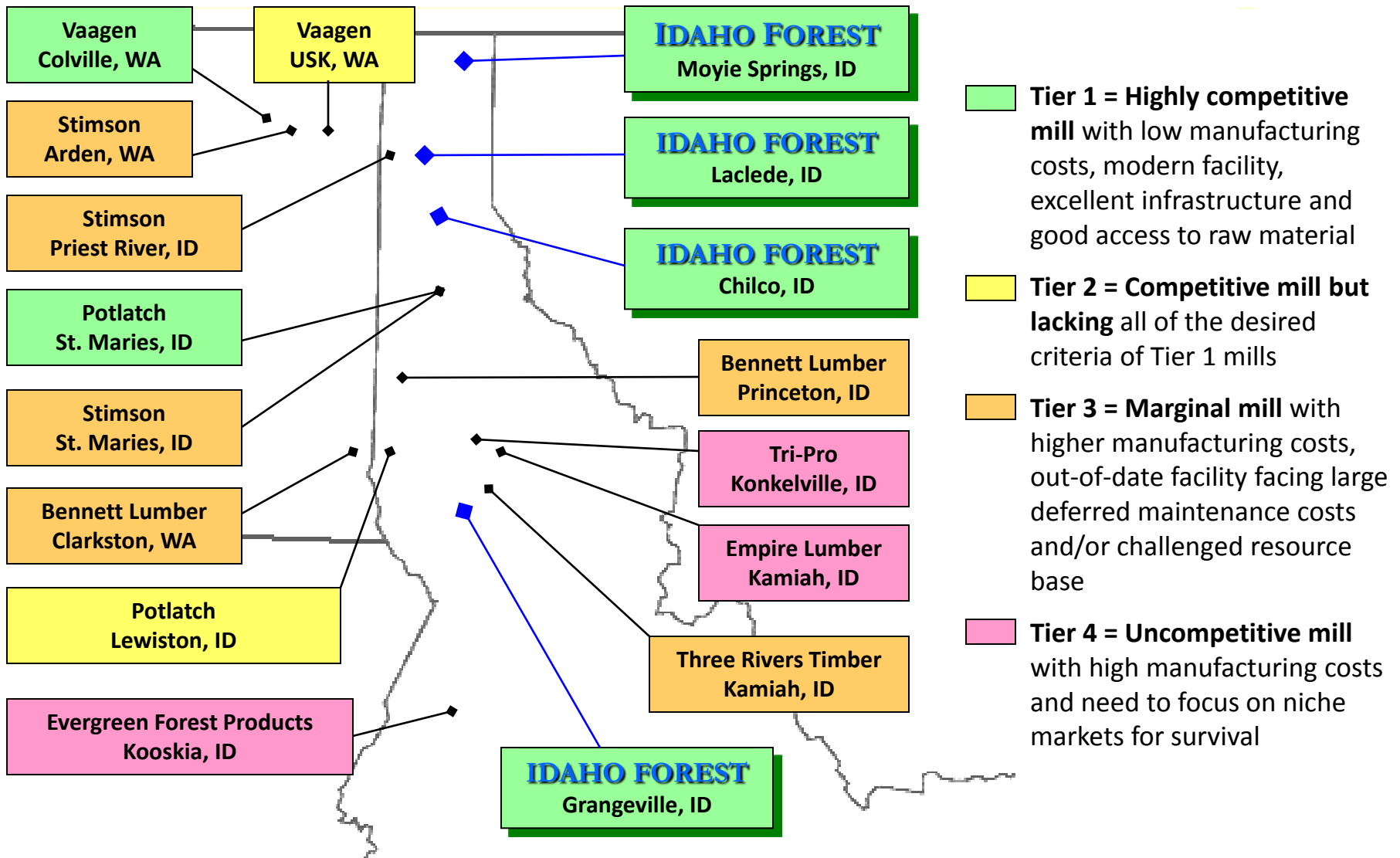
— G R O U P —



Idaho Forest Group

- The result of merging two great Idaho-based lumber companies: Riley Creek Lumber and Bennett Forest Industries.
- Our philosophy is to maximize the value of our fiber by converting logs to lumber at the lowest possible cost while making products which yield the highest possible value.
- Total production capacity of 940,000 MBF.
- Operate 4 of the 6 top tier mills in our region.

Inland NW Lumber Mills



Chilco Operation



- 20' dimension mill located in Northern Idaho \approx 8 miles north of Coeur d'Alene.
- Purchased mill in 2003 from Louisiana Pacific and subsequently have invested \approx \$40 million in upgrades.
- Installing new log merchandising system which will increase capacity to \approx 280 MMBF annually.
- Log supply contract with Forest Capital partners provides \approx 50% of fiber needed for this facility.

Grangeville Operation



- 16' dimension mill located in Central Idaho \approx 180 miles North of Boise.
- Sawmill, Boiler, Kilns all built new in 2005 at cost of \$45 million. Rebuilt planer system at cost of \$5 million in 2006.
- Capacity of \approx 240,000 MBF annually.
- Currently securing \approx 40% of logs from Potlatch timber REIT.
- Can efficiently produce \approx 20% studs.
- Strong earning mill since start up in 2006.

Laclede Operation



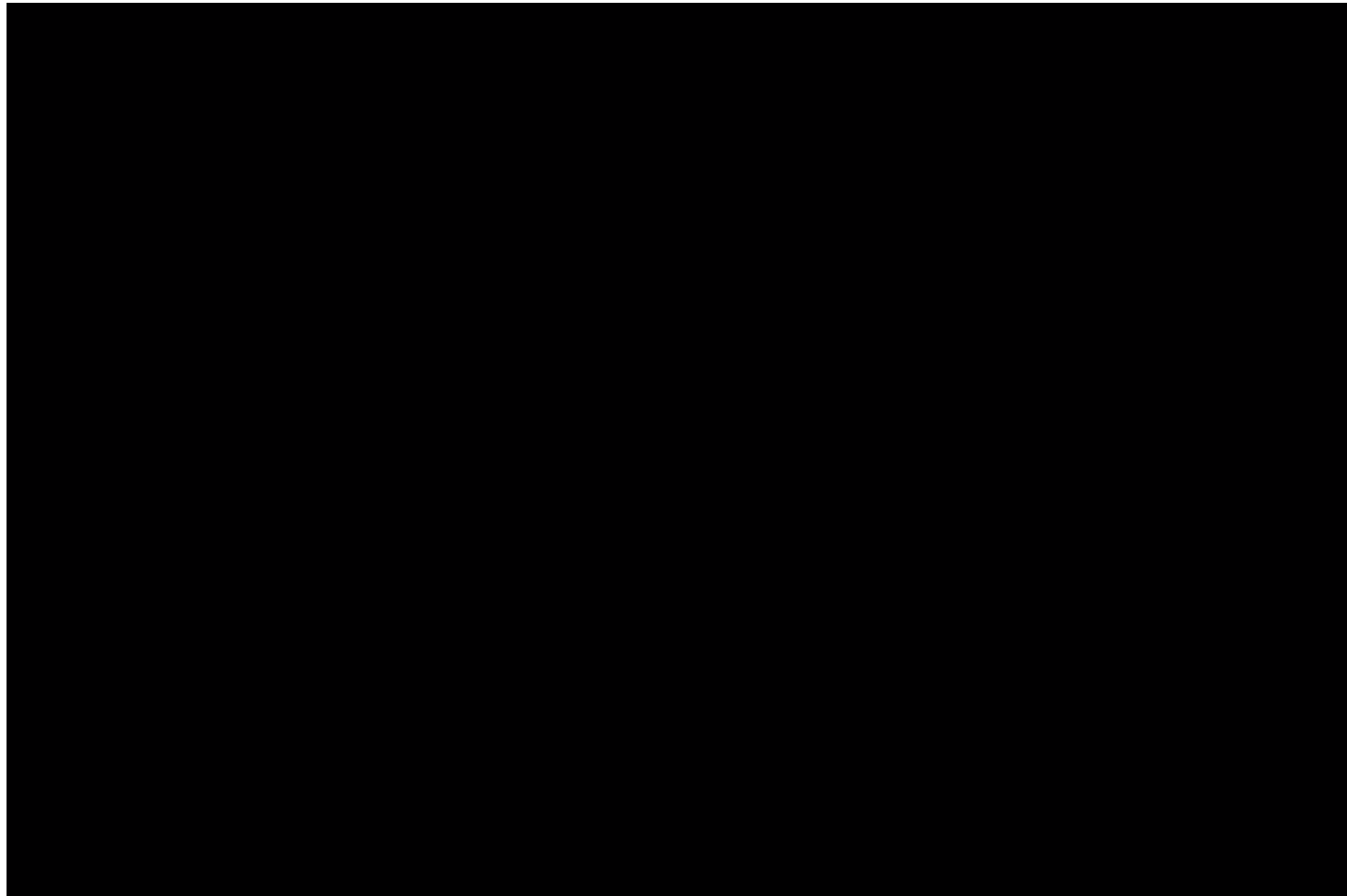
- 20' dimension mill located in North Idaho \approx 15 miles West of Sandpoint.
- Capacity of \approx 240,000 MBF annually.
- Most efficient mill we own.
- Consistently strong earning mill with historically high ROIC.
- Recent acquisition of JD lumber will improve raw material availability and increase mill margins.

Moyie Stud Mill



- 9' stud mill located in North Idaho ≈ 50 miles North of Sandpoint.
- Purchased mill in 2003 from Louisiana Pacific.
- Subsequently invested ≈ \$12 million in upgrading mill to produce 9' studs and increase throughput and fiber recovery.
- Long history and culture of producing high quality home center products.
- Capacity of ≈ 180,000 MBF annually.

Idaho Forest Gold Video



Abundant Raw Material

- Log suppliers in our area:
 - Potlatch Corporation 300,000 MBF
 - State of Idaho 220,000 MBF
 - Forest Capital 80,000 MBF
 - Private non-industrial 300,000 MBF
 - Federal 150,000 MBF
- Exclusive / Largest customer relationships:
 - Forest capital with 300,000 acres
 - Inland Empire Paper with 130,000 acres
 - Potlatch with 840,000 acres

Raw Material Sources by Mill

Mill	State of Idaho	Federal	Industrial	Private
Chilco	25%	5%	60%	10%
Grangeville	30%	10%	45%	15%
Moyie	25%	15%	30%	30%
Laclede	30%	10%	20%	40%

Raw Material Quality

- We are the largest supplier of high quality Intermountain West lumber.
 - Tighter knots
 - More growth rings per inch
 - Less twist and cup than coastal fiber
 - White fir is bright and a preferred specie for white woods

Production Capabilities

Mill	Studs	Narrow Dimension	Wide Dimension	Narrow Boards	Total
Chilco		224,000	56,000		280,000
Grangeville	24,000	196,000		20,000	240,000
Laclede		144,000	96,000		240,000
Moyie	180,000				180,000
Total	204,000	564,000	152,000	20,000	940,000

Growth Strategy

- Have built a solid core within our existing operating circle. First priority is to grow within this core and maximize existing mill efficiency
- Will grow our home center business by increasing Home Center Grade mill yields to over 60%

Service Philosophy

- Providing customers with high quality products and service
- Developing relationships where
 - planned level of sales volumes is desired
 - pricing is based on pre-established formula
- Offering flexible options for product, packaging, handling, and shipping to suit specific customer needs

Services

Private Labeling

End Branding

Bar-Coding

Specified Tallies

Mixed Loading

Half-Packs

Custom Grading & Specifications

Destination Pricing

Products

Species

- White Fir

- SPF-s

- Hem Fir

- Ponderosa Pine

- Doug Fir

- Engleman Spruce /
Lodgepole Pine

- Doug Fir / Larch

- Cedar

Products

Grades

- Lam Stock
 - Home Center
 - Select Structural
 - #2 & Btr
 - #1 & Btr
 - Std & Btr
 - MSR
 - Low Grade
-

Products

Certifications

FSC – Forest Stewardship Council

SFI – Sustainable Forestry Initiative

Products

Sizes

2x3 thru 2x12, 8' – 20'

2x3, 2x4, 2x6, 8' – 9' PET

1x4 thru 1x8 PP & ESLP

Idaho White Pine Sterling



Ponderosa Pine no.2 Common



Western Red Cedar Arch Knotty Gold Deck



























RELIABLE STUD



