



March 2, 2010

To Our Valued Customers

The extent of the tragedy in Chile is still to be fully realized as even today there is no meaningful information coming from the most devastated parts of the country regarding the extent of loss of life and property damage. We at Moulding & Millwork extend our sincere sympathy to our friends in Chile, and feel helpless to offer more tangible assistance where it is needed most.

It is clear that a disruption to the supply of mouldings, doors, and many other wood products from Chile to world markets has occurred and will continue for some time. We currently expect minimal or no disruption to door supply for Canada. The severity and length of the disruption in moulding supply for North America cannot be determined just yet, but it appears that it may be very serious. Compounding the situation, many participants in the building materials supply chain had their inventories in balance to current demand, both with respect to inventory on the ground in North America and with respect to the balance of current utilized production capacity with demand. So you should expect it will take some time for inventory supply to return to normal.

Given sufficient time and incentive to hire and train staff, alternate supply may become available to the market from other areas of South America, from China and other producers, and from under-utilized production facilities in North America. Whether such additional production can fully replace lost supply from Chile is doubtful, at least for several months. What is clear is that supply will be restricted and prices will increase for at least the short term.

Be assured we are taking all steps to obtain alternate supply. As one of the largest, and most committed participants in the moulding industry, we have deep relationships with a broad supply chain. We also own eight moulding manufacturing plants in North America where we are adding capacity and sourcing additional raw material as quickly as possible.

We at Moulding & Millwork commit that we will be fair to our customers in both pricing and access to available supply. In turn, we ask that our customers be patient while we assess the situation. We cannot commit to 'business as usual' today. Accordingly, we will not commit to accept orders while we assess the situation and gain better understanding. We will advise further by the end of this week, and we thank you in advance for your patience.

Sincerely,

Rich McKerracher  
President