

For Immediate Release

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LBM Advantage, Inc. and Independent Builders Supply Association (IBSA) sign Letter of Intent to merge. *New Cooperative Provides \$2.0 billion Combined Purchasing Power*

New Windsor, N.Y.

Smithfield, N.C.

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Lumber & Building Material buying cooperatives LBM Advantage and Independent Builders Supply Association (IBSA) today announced they have signed a Letter of Intent to merge. The companies enjoy strong dealer support throughout the East coast, Midwest and Southern markets.

The Letter of Intent is non-binding and the merger requires approval by the shareholders of each cooperative as well as satisfactory completion of due diligence.

“For forty years IBSA has built a strong reputation for service and value for its members; I am excited to partner with such a respected and experienced organization,” stated Steve Sallah, LBM Advantage president and CEO. “I believe this transaction will bring immediate value to the members of Advantage and IBSA.”

The combined membership will span 34 states with 585 members and over one thousand lumber yards.

IBSA’s President Tim Johnson agreed, “The merger is a great fit and will improve the competitive posture of all our dealers. Our regions complement each other and the ability to execute National Buying Power with regional expertise will provide our dealers with enhanced competitive advantages while maintaining regional skills and market insights.”

LBM Advantage Chairman Tim Lancaster, from Chelsea, Mich. offered his support, “The benefits of this are easy to see. Both organizations will gain access to new products and markets. We saw the benefits of our 2016 merger, bringing our regional dealers together. By adding a strong Southeastern-based cooperative, we are both filling in regional voids and expanding our market strength.”

IBSA Chairman Kent Berrier of Winston-Salem, NC-based Tuttle Lumber noted both groups are financially successful. He added, “By combining our resources we’ll have an opportunity to provide more value-added services and shared resources, including new technology. As consumers grow more digitally sophisticated, this will be imperative for our members.”

“LBM Advantage’s continued expansion is the result of our strength in lumber & building materials, while allowing dealers to work with other hardlines groups and distributors regardless of affiliation,” notes Paul Dean, Advantage’s executive vice president.

Steve Sallah will remain president and CEO of LBM Advantage. Tim Johnson will be a vice president managing his current staff and membership base. Tim and Bob Carson, vice president of LBM Advantage, will oversee the growth and expansion of LBM Advantage in the South and Southwest.

LBM Advantage will operate out of four locations in New Windsor, N.Y., Grand Rapids, Mich., Smithfield, N.C. and Monroe, La. The company will continue its successful philosophy of providing independent dealers the advantage of a national footprint supported by a strong regional presence as it continues its geographic expansion.

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