

June 30, 2009: Building Products & Materials Trends

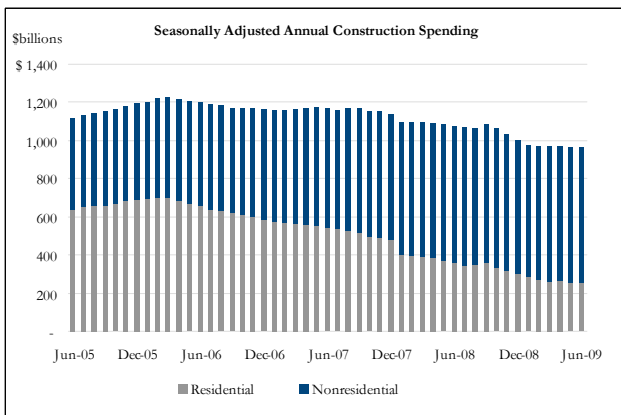
Building Products and Materials markets continued to struggle in the second quarter of 2009 amidst the recession and difficult industry dynamics. Despite improved performance in the public equity markets and instances of positive economic news, economic uncertainty and the aftermath of the recession still weigh on consumers and industry participants alike. Industry commentary is varied regarding the timing of a lasting recovery, but most admit any recovery will be a measured, lengthy process. There are, however, some positive signs in the building products and materials markets. Existing and new home sales are up 8.9% and 16.7%, respectively, from their January lows. This increase in home sales is reducing inventories and slowing the pace of price declines. An increase in the July NAHB/Wells Fargo Housing Market Index to 17 – up from its record low of 8 in January – suggests homebuilders are confident in current sales trends. In addition, the first time home buyer tax credit, low mortgage rates, and current

affordability could positively affect industry activity in the second half of 2009 and into 2010.

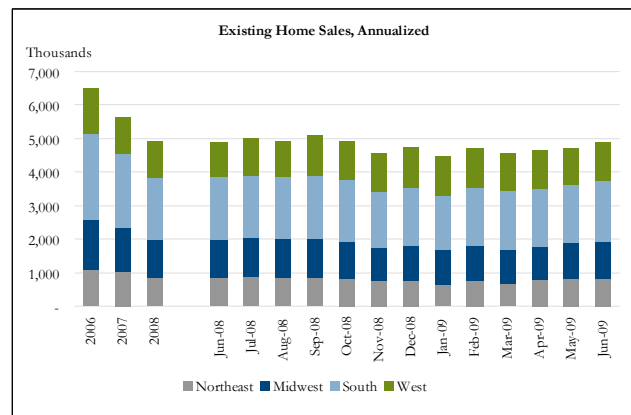
Public equity markets as a whole have rebounded strongly since record lows in March. Building products and materials values have also improved, but most sectors remain down for the YTD period. HVAC and Electrical Manufacturers performed best while pure play building products and aggregates participants struggled the most. Liquidity, macroeconomic factors, and industry specific data will continue to play a large role in the timing and strength of recovery for these stocks in the near and long term.

M&A activity remains muted in light of the difficult macro and industry dynamics. As a result, distressed situations are representing a larger share of transaction volume than in previous periods. We look for financially sound strategic buyers with sound financial positions to selectively pursue “opportunistic” transactions throughout the rest of 2009.

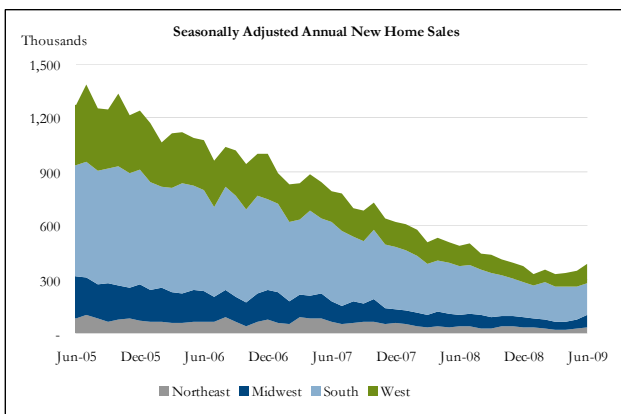
Pertinent Market Statistics



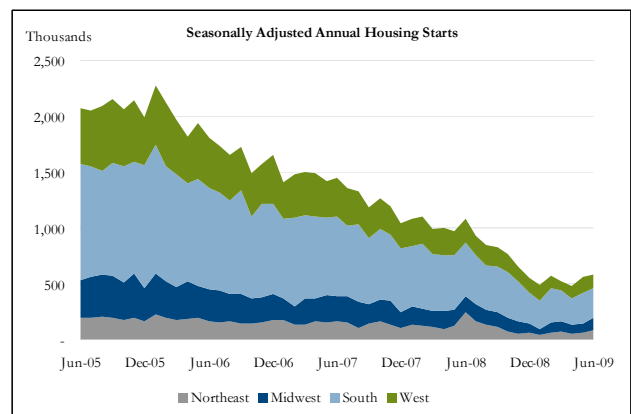
Source: U.S. Census Bureau, 08/03/09.



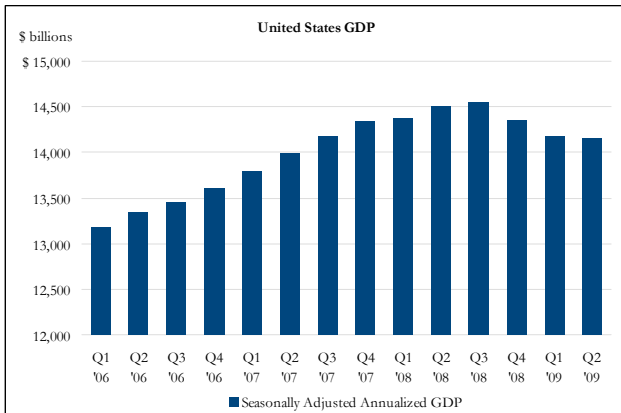
Source: National Association of Realtors, 07/23/09.



Source: U.S. Census Bureau, 07/27/09.



Source: U.S. Census Bureau, 07/17/09.

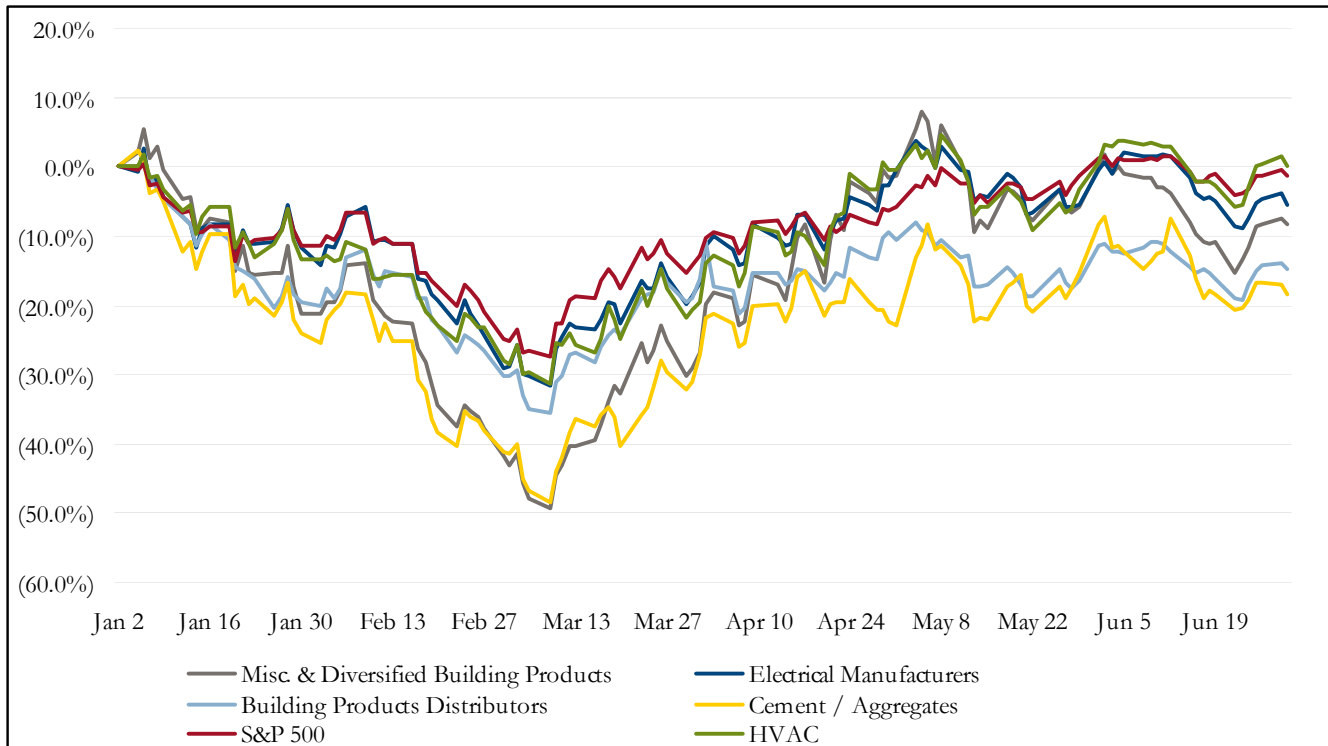


Source: U.S. Bureau of Economic Analysis, 07/31/09.



Source: Conference Board, 06/30/09.

2009 YTD Stock Price Performance



Source: CapitalIQ, as of 6/30/09.

Building Products & Materials Trading Comparables

(\$ in millions, except per share data)

Cement / Aggregates	Ticker	06/30/09		% 52-Week			LTM			EV / LTM		LTM P/E	Price / Book
		Stock Price	High	Mkt Cap	Ent Val	Revenue	EBITDA	NI	Revenue	EBITDA			
CEMEX, S.A.B. de C.V.	CX	\$ 9.34	38.17%	\$ 7,260.9	\$ 28,779.8	\$ 16,931.0	\$ 3,465.1	\$ (190.4)	1.7 x	8.3 x	NM	0.5 x	
Vulcan Materials Company	VMC	43.10	42.99%	5,260.7	8,728.1	3,434.4	733.4	(50.8)	2.5 x	11.9 x	NM	1.4 x	
Martin Marietta Materials Inc.	MLM	78.88	63.12%	3,511.7	4,672.1	2,043.6	484.7	149.6	2.3 x	9.6 x	23.5 x	2.8 x	
Eagle Materials Inc.	EXP	25.24	77.71%	1,100.8	1,438.0	598.6	101.9	41.8	2.4 x	14.1 x	26.4 x	2.6 x	
Texas Industries Inc.	TXI	31.36	56.18%	868.8	1,375.9	923.2	121.5	50.4	1.5 x	11.3 x	17.3 x	1.0 x	
US Concrete Inc.	RMIX	1.98	33.00%	73.6	373.8	709.5	30.1	(136.6)	0.5 x	12.4 x	NM	1.2 x	
Continental Materials Corp.	CUO	11.44	50.18%	18.3	36.1	156.9	5.7	0.6	0.2 x	6.3 x	30.4 x	0.4 x	
Sector Median			50.18%						1.7 x	11.3 x	24.9 x	1.2 x	

Building Products Distributors	Ticker	06/30/09		% 52-Week			LTM			EV / LTM		LTM P/E	Price / Book
		Stock Price	High	Mkt Cap	Ent Val	Revenue	EBITDA	NI	Revenue	EBITDA			
Wolseley plc	WOS	\$ 19.05	22.44%	\$ 5,408.2	\$ 9,469.4	\$ 24,251.7	\$ 1,134.4	\$ (1,108.4)	0.4 x	8.3 x	NM	0.2 x	
W.W. Grainger, Inc.	GWV	81.88	87.12%	5,994.5	6,267.3	6,654.2	874.1	457.5	0.9 x	7.2 x	13.1 x	3.0 x	
Fastenal Co.	FAST	33.17	58.73%	4,926.8	4,816.9	2,263.6	459.1	260.3	2.1 x	10.5 x	18.9 x	4.3 x	
WESCO International Inc.	WCC	25.04	62.01%	1,058.2	1,977.5	5,825.2	334.4	193.3	0.3 x	5.9 x	5.5 x	1.4 x	
Beacon Roofing Supply Inc.	BECN	14.46	77.16%	651.8	922.4	1,864.5	157.1	59.4	0.5 x	5.9 x	11.0 x	1.7 x	
Interline Brands Inc.	IBI	13.68	73.59%	443.9	724.6	1,163.3	99.5	35.1	0.6 x	7.3 x	12.7 x	1.0 x	
Bluelinx Holdings Inc.	BXC	3.00	39.79%	97.7	438.7	2,470.1	14.2	(81.8)	0.2 x	NM	NM	2.2 x	
Builders FirstSource, Inc.	BLDR	4.16	64.00%	150.0	366.7	938.5	(50.5)	(154.2)	0.4 x	NM	NM	2.1 x	
Building Materials Holding Corp.	BLGM	0.05	1.76%	1.4	311.8	1,149.2	(85.0)	(226.2)	0.3 x	NM	NM	NM	
Huttig Building Products Inc.	HBPI	0.94	29.84%	20.7	49.3	604.2	(27.7)	(39.9)	0.1 x	NM	NM	0.4 x	
Sector Median			60.37%						0.4 x	7.2 x	12.7 x	1.7 x	

Electrical Manufacturers	Ticker	06/30/09		% 52-Week			LTM			EV / LTM		LTM P/E	Price / Book
		Stock Price	High	Mkt Cap	Ent Val	Revenue	EBITDA	NI	Revenue	EBITDA			
Emerson Electric Co.	EMR	\$ 32.40	62.97%	\$ 24,346.7	\$ 28,413.7	\$ 23,766.0	\$ 4,502.0	\$ 2,131.0	1.2 x	6.3 x	11.4 x	3.0 x	
Eaton Corporation	ETN	44.61	52.51%	7,387.4	11,471.4	14,693.0	1,551.0	761.0	0.8 x	7.4 x	9.7 x	1.2 x	
Amphenol Corporation	APH	31.64	60.52%	5,419.6	6,159.6	3,125.8	684.2	396.1	2.0 x	9.0 x	13.7 x	3.9 x	
Cooper Industries Ltd.	CBE	31.05	62.55%	5,169.1	6,084.2	6,232.0	967.5	578.9	1.0 x	6.3 x	8.9 x	2.0 x	
Roper Industries Inc.	ROP	45.31	64.29%	4,102.5	5,159.1	2,268.8	565.3	275.6	2.3 x	9.1 x	14.9 x	2.0 x	
Rockwell Automation Inc.	ROK	32.12	64.34%	4,555.5	5,015.8	5,206.6	844.5	437.2	1.0 x	5.9 x	10.4 x	2.9 x	
Avnet Inc.	AVT	21.03	66.72%	3,176.7	3,530.7	17,143.7	666.9	(947.5)	0.2 x	5.3 x	NM	1.2 x	
SPX Corporation	SPW	48.97	36.10%	2,399.6	3,480.9	5,667.8	694.2	210.9	0.6 x	5.0 x	11.4 x	1.3 x	
Hubbell Inc.	HUB.B	32.06	67.02%	1,807.9	2,116.7	2,662.1	382.4	208.1	0.8 x	5.5 x	8.7 x	1.8 x	
Thomas & Betts Corp.	TNB	28.86	59.89%	1,524.3	1,908.7	2,338.2	386.3	253.1	0.8 x	4.9 x	6.0 x	1.3 x	
Littelfuse Inc.	LFUS	19.96	53.16%	433.6	453.8	481.6	34.0	(3.9)	0.9 x	13.3 x	NM	1.3 x	
Encore Wire Corp.	WIRE	21.35	88.96%	491.0	360.9	943.9	62.3	30.8	0.4 x	5.8 x	16.0 x	1.2 x	
Burnham Holdings Inc.	BURC.A	9.00	68.18%	40.1	67.5	218.4	15.9	5.8	0.3 x	4.2 x	6.9 x	0.6 x	
Sector Median			62.97%						0.8 x	5.9 x	10.4 x	1.3 x	

Source: CapitalIQ; reflects publicly available data as of 6/30/2009.

Building Products & Materials Trading Comparables

(\$ in millions, except per share data)

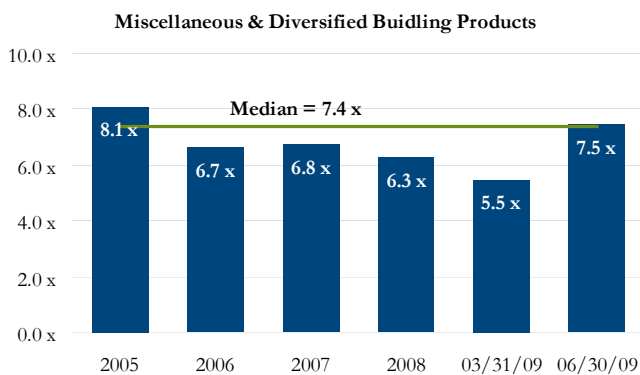
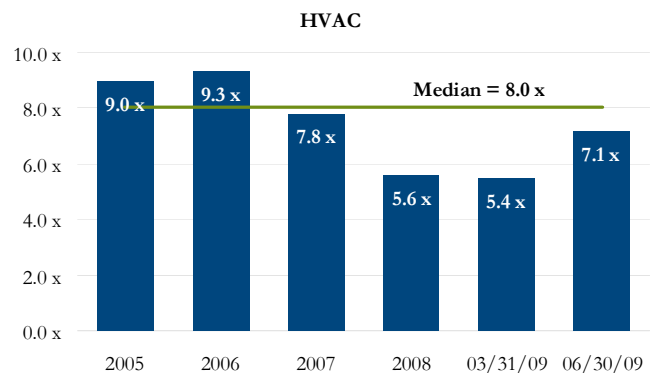
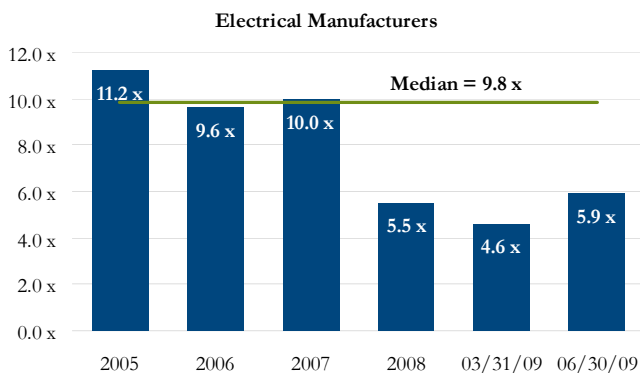
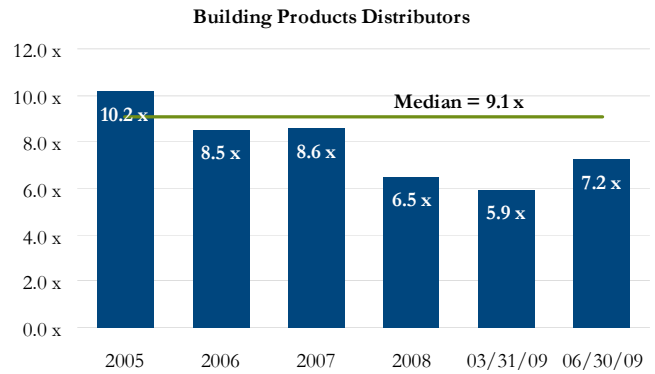
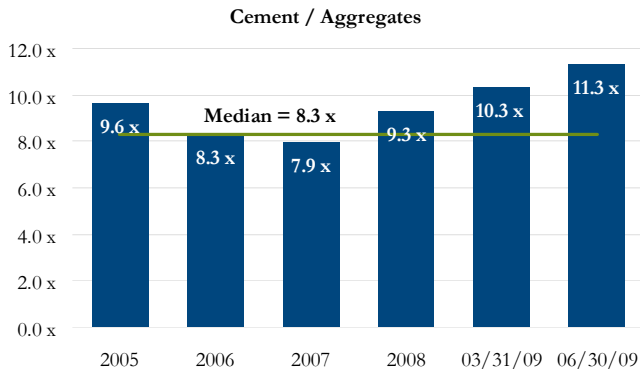
HVAC	Ticker	06/30/09	% 52-Week		Ent Val	LTM			EV / LTM		LTM P/E	Price / Book
		Stock Price	High	Mkt Cap		Revenue	EBITDA	NI	Revenue	EBITDA		
Lennox International Inc.	LII	\$ 32.11	77.15%	\$ 1,779.3	\$ 2,082.5	\$ 3,302.3	\$ 263.2	\$ 98.4	0.6 x	7.9 x	18.1 x	4.1 x
AO Smith Corp.	AOS	32.57	63.75%	979.2	1,286.1	2,215.1	184.2	78.2	0.6 x	7.0 x	12.5 x	1.5 x
Regal-Beloit Corp.	RBC	39.72	79.38%	1,400.2	1,919.7	2,153.2	263.7	109.9	0.9 x	7.3 x	12.7 x	1.5 x
AAON Inc.	AAON	19.92	86.61%	341.8	338.2	278.2	53.3	28.9	1.2 x	6.3 x	11.8 x	3.3 x
Tecumseh Products Company	TECU.A	9.71	26.96%	179.4	128.9	841.8	(23.6)	(91.4)	0.2 x	NM	NM	0.4 x
Sector Median			77.15%						0.6 x	7.1 x	12.6 x	1.5 x

Miscellaneous & Diversified Building Products	Ticker	06/30/09	% 52-Week		Ent Val	LTM			EV / LTM		LTM P/E	Price / Book
		Stock Price	High	Mkt Cap		Revenue	EBITDA	NI	Revenue	EBITDA		
Masco Corp.	MAS	\$ 9.58	43.55%	\$ 3,442.1	\$ 6,765.1	\$ 8,969.0	\$ 628.0	\$ (474.0)	0.8 x	10.8 x	NM	1.2 x
Owens Corning	OC	12.78	46.74%	1,634.6	3,982.6	5,568.0	517.0	(854.0)	0.7 x	7.7 x	NM	0.6 x
Tomkins plc	TOMK	2.44	79.14%	2,147.2	2,796.8	5,515.9	608.6	(64.1)	0.5 x	4.6 x	NM	1.2 x
USG Corp.	USG	10.07	28.77%	999.1	2,421.1	4,307.0	30.0	(464.0)	0.6 x	NM	NM	0.7 x
Eagle Materials Inc.	EXP	25.24	77.71%	1,100.8	1,438.0	598.6	101.9	41.8	2.4 x	14.1 x	26.4 x	2.6 x
Acuity Brands, Inc.	AYI	28.05	58.51%	1,147.6	1,279.3	1,873.4	269.1	116.8	0.7 x	4.8 x	9.8 x	1.9 x
Georgia Gulf Corp.	GGC	16.00	13.22%	22.2	1,252.8	2,611.3	162.7	(139.9)	0.5 x	7.7 x	NM	NM
Armstrong World Industries, Inc.	AWI	16.49	41.03%	946.4	1,139.1	3,233.1	320.0	54.6	0.4 x	3.6 x	17.3 x	0.6 x
Simpson Manufacturing Co., Inc.	SSD	21.62	67.56%	1,059.1	901.8	708.2	96.2	37.2	1.3 x	9.4 x	28.5 x	1.4 x
Universal Forest Products Inc.	UFPI	33.09	86.19%	634.6	743.7	2,104.6	73.6	7.7	0.4 x	10.1 x	NM	1.2 x
Louisiana-Pacific Corp.	LPX	3.42	29.11%	354.8	738.7	1,231.4	(131.5)	(562.8)	0.6 x	NM	NM	0.3 x
Mueller Industries Inc.	MLI	20.80	62.41%	772.6	670.2	2,180.9	142.4	51.0	0.3 x	4.7 x	15.2 x	1.1 x
Headwaters Inc.	HW	3.36	20.49%	142.2	659.4	769.4	91.3	(577.5)	0.9 x	7.2 x	NM	0.6 x
Gibraltar Industries, Inc.	ROCK	6.90	28.01%	207.8	528.8	1,143.2	86.1	(10.2)	0.5 x	6.1 x	NM	0.4 x
Ameron International Corporation	AMN	67.04	48.35%	617.8	486.6	636.9	74.4	45.8	0.8 x	6.5 x	13.5 x	1.2 x
NCI Building Systems Inc.	NCS	2.64	6.45%	52.8	436.9	1,471.6	88.4	(592.3)	0.3 x	4.9 x	NM	NM
Griffon Corporation	GFF	8.32	65.51%	495.2	417.3	1,254.4	68.0	(14.4)	0.3 x	6.1 x	NM	0.8 x
Quanex Building Products Corporation	NX	11.22	61.72%	422.5	339.5	712.8	41.8	(136.7)	0.5 x	8.1 x	NM	1.1 x
Apogee Enterprises Inc.	APOG	12.28	57.22%	342.7	335.3	867.9	102.7	48.4	0.4 x	3.3 x	7.1 x	1.0 x
Trex Co. Inc.	TWP	13.37	61.53%	206.0	289.2	277.3	37.4	(3.0)	1.0 x	7.7 x	NM	1.5 x
American Woodmark Corp.	AMWD	23.95	73.87%	337.8	282.3	545.9	26.4	(3.2)	0.5 x	10.7 x	NM	1.7 x
Wolverine Tube Inc.	WLVT	0.09	10.00%	3.7	131.4	815.8	6.4	(48.5)	0.2 x	NM	NM	NM
PGT, Inc.	PGTI	1.51	25.38%	53.9	128.0	205.2	18.8	(167.9)	0.6 x	6.8 x	NM	0.8 x
Craftmade International Inc.	CRFT	2.14	33.44%	12.2	58.2	158.5	3.1	(0.4)	0.4 x	18.7 x	NM	0.3 x
Advanced Environmental Recycling Technologies, Inc.	AERT	0.29	38.00%	14.3	58.0	74.7	(5.3)	(35.3)	0.8 x	NM	NM	NM
US Home Systems Inc.	USHS	2.55	62.50%	18.7	12.2	126.7	1.0	(0.2)	0.1 x	11.8 x	NM	0.9 x
Sector Median			47.55%						0.5 x	7.5 x	15.2 x	1.0 x

Overall Median			59.89%						0.6 x	7.3 x	12.7 x	1.2 x
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Source: CapitalIQ; reflects publicly available data as of 6/30/2009.

Building Products & Materials Historical Valuation Trends (EBITDA Multiples)



Source: CapitalIQ; represents median Enterprise Value to LTM EBITDA multiple as of December 31 of each year presented.



Market Update

Building Products & Materials

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