

March 31, 2009: Building Products & Materials Trends

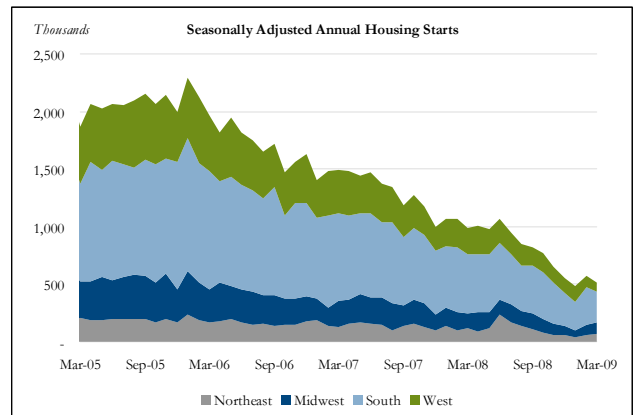
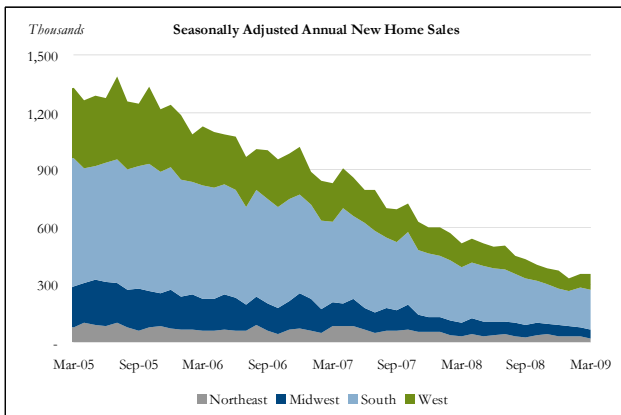
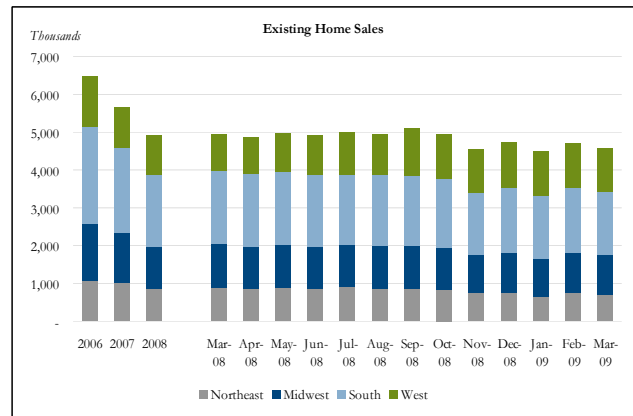
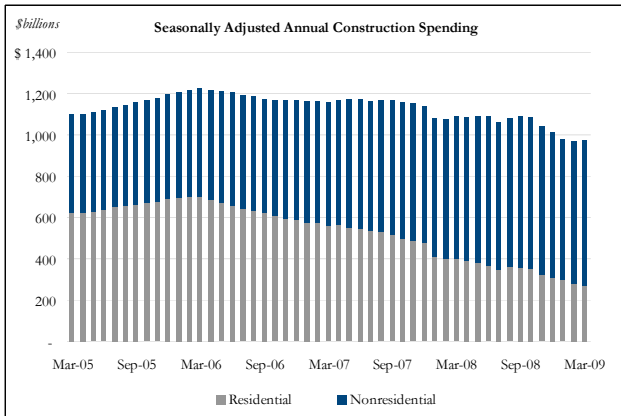
Building products and materials markets continued to fall victim to the deteriorating global economy in the first quarter of 2009. Further erosion of the financial system sustained the constriction of the credit markets, a factor that weighs heavily upon these industries' participants. The NAHB/Wells Fargo Housing Market Index, which reflects builders' current and future sentiment toward the state of the housing market, remained unchanged from February levels at 9 (0 to 100 scale). Many commentators believe the Fed's expansion of the MBS purchase program is a positive sign for the housing market, but negative macroeconomic factors (e.g., unemployment, consumer confidence, oversupply) could continue to adversely impact housing and related markets.

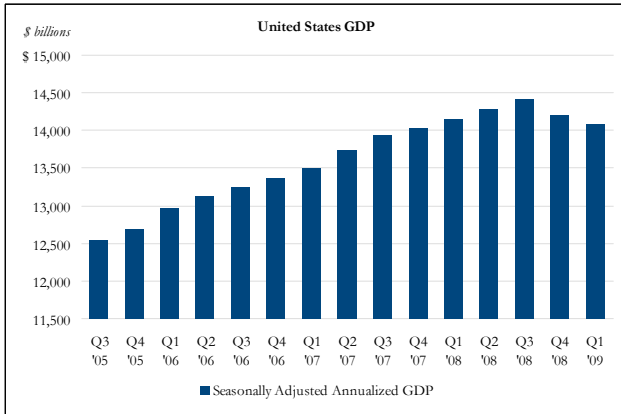
Equity markets continued their descent in the first quarter of 2009, with the Dow hitting a 12-year low in early March. Continued government intervention efforts and the overall

stability of the financial system remain the key themes for equity markets in the near term, while macroeconomic factors will drive valuation in the building products and materials markets in the long term. Equity markets experienced some relief in the latter half of March, but some commentators fear this rally will be short lived and look for building products and materials stocks to underperform until the overall operating environment improves.

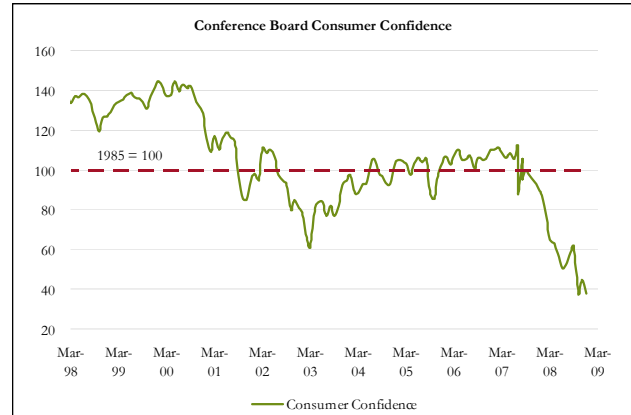
M&A activity was almost non-existent in Q1 of 2009 as limited financing and poor industry dynamics discouraged investors. Liquidity remains a prime concern for many companies; distressed situations are representing a larger share of transaction volume given the current market environment. We also look for financially sound strategic buyers to take advantage of depressed valuations and pursue "opportunistic" transactions on a limited basis throughout the rest of 2009.

Pertinent Market Statistics



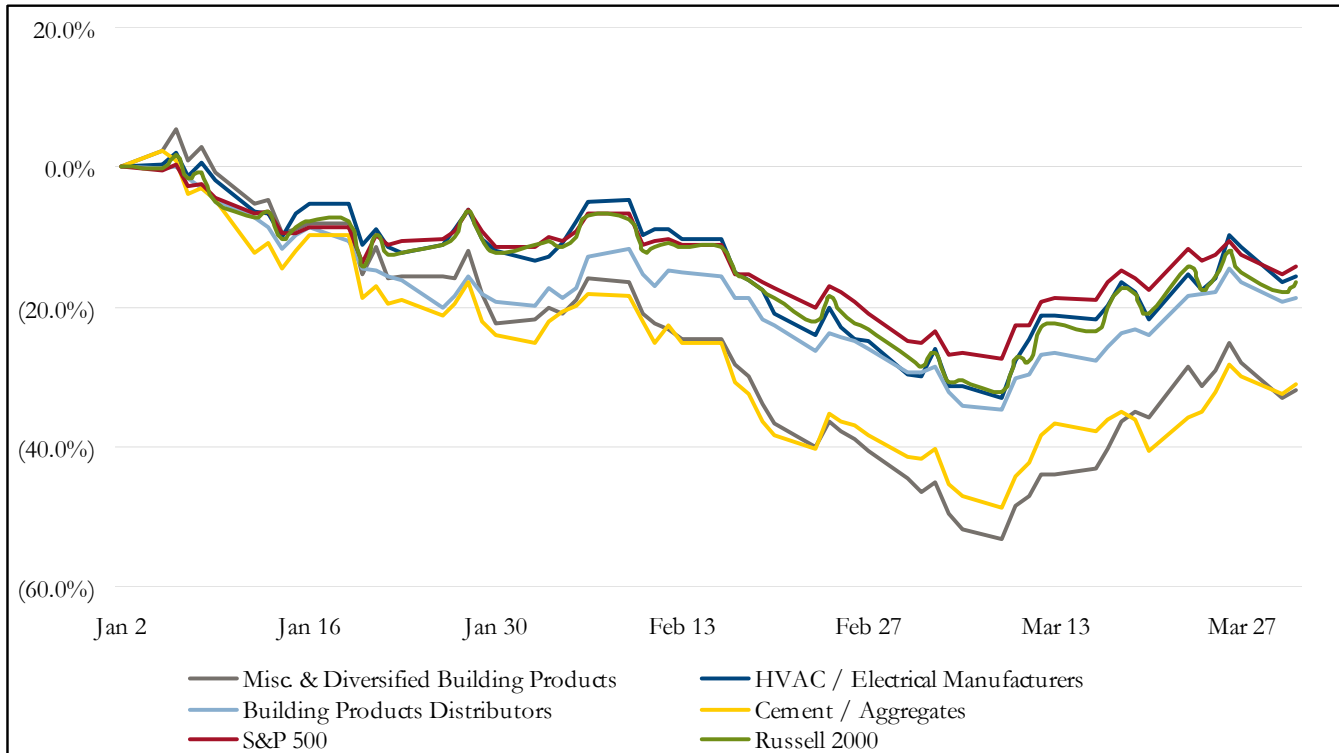


Source: U.S. Bureau of Economic Analysis, 04/29/09.



Source: Conference Board, 03/31/09.

2009 YTD Stock Price Performance



Source: CapitalIQ, as of 3/31/09.

Building Products & Materials Trading Comparables

(\$ in millions, except per share data)

| Cement / Aggregates | Ticker | 03/31/09 | % 52-Week | | Ent Val | LTM | | | EV / LTM | | EV / 2009E | | Price / Earnings | | Price / Book |
|--------------------------------|--------|-------------|-----------|------------|-------------|-------------|------------|----------|----------|--------|------------|--------|------------------|--------|--------------|
| | | Stock Price | High | Mkt Cap | | Revenue | EBITDA | NI | Rev | EBITDA | Rev | EBITDA | LTM | 2009E | |
| CEMEX, S.A.B. de C.V. | CX | \$ 6.25 | 19.17% | \$ 4,858.7 | \$ 26,011.4 | \$ 17,483.5 | \$ 3,498.6 | \$ 163.8 | 1.5 x | 7.4 x | 1.5 x | 7.7 x | 29.7 x | 10.0 x | 0.4 x |
| Continental Materials Corp. | CUO | 14.00 | 58.58% | 22.4 | 42.4 | 158.1 | 2.4 | (2.5) | 0.3 x | 17.7 x | NM | NM | NM | NM | 0.4 x |
| Eagle Materials Inc. | EXP | 24.25 | 62.36% | 1,056.2 | 1,408.4 | 636.1 | 102.1 | 38.0 | 2.2 x | 13.8 x | 2.7 x | 9.9 x | 27.8 x | 23.6 x | 2.5 x |
| Martin Marietta Materials Inc. | MLM | 79.30 | 63.34% | 3,283.6 | 4,605.4 | 2,120.1 | 506.7 | 176.3 | 2.2 x | 9.1 x | 2.5 x | 9.4 x | 18.6 x | 21.5 x | 3.2 x |
| Texas Industries Inc. | TXI | 25.00 | 31.11% | 692.6 | 1,199.7 | 923.2 | 121.5 | 50.4 | 1.3 x | 9.9 x | 1.4 x | 9.1 x | 13.8 x | 30.7 x | 0.8 x |
| US Concrete Inc. | RMIX | 2.00 | 32.00% | 74.4 | 385.7 | 754.3 | 35.1 | (132.4) | 0.5 x | 11.0 x | 0.6 x | 11.3 x | NM | NM | 1.0 x |
| Vulcan Materials Company | VMC | 44.29 | 44.18% | 4,894.3 | 8,432.3 | 3,651.4 | 796.6 | (4.1) | 2.3 x | 10.6 x | 2.7 x | 11.5 x | NM | 42.2 x | 1.4 x |
| Sector Median | | | 44.18% | | | | | | 1.5 x | 10.6 x | 2.0 x | 9.7 x | 23.2 x | 23.6 x | 1.0 x |

| Building Products Distributors | Ticker | 03/31/09 | % 52-Week | | Ent Val | LTM | | | EV / LTM | | EV / 2009E | | Price / Earnings | | Price / Book |
|----------------------------------|--------|-------------|-----------|----------|----------|------------|----------|-----------|----------|--------|------------|--------|------------------|--------|--------------|
| | | Stock Price | High | Mkt Cap | | Revenue | EBITDA | NI | Rev | EBITDA | Rev | EBITDA | LTM | 2009E | |
| Beacon Roofing Supply Inc. | BECN | \$ 13.39 | 71.45% | \$ 600.4 | \$ 949.0 | \$ 1,849.4 | \$ 149.7 | \$ 53.7 | 0.5 x | 6.3 x | 0.5 x | 7.1 x | 11.2 x | 12.8 x | 1.6 x |
| Bluelinx Holdings Inc. | BXC | 2.61 | 34.62% | 85.6 | 404.9 | 2,779.7 | 25.7 | (31.7) | 0.1 x | 15.7 x | 0.2 x | NM | NM | NM | 0.8 x |
| Builders FirstSource, Inc. | BLDR | 2.02 | 26.13% | 72.9 | 285.3 | 1,034.5 | (47.6) | (139.5) | 0.3 x | NM | 0.4 x | NM | NM | NM | 0.7 x |
| Building Materials Holding Corp. | BLGM | 0.25 | 4.77% | 7.4 | 310.7 | 1,600.8 | (42.2) | (442.3) | 0.2 x | NM | NM | NM | NM | NM | 0.0 x |
| Fastenal Co. | FAST | 32.16 | 56.93% | 4,776.0 | 4,690.1 | 2,340.4 | 489.7 | 279.7 | 2.0 x | 9.6 x | 2.3 x | 13.1 x | 17.1 x | 23.3 x | 4.2 x |
| Huttig Building Products Inc. | HBPI | 0.38 | 12.06% | 8.4 | 29.7 | 671.0 | (21.3) | (35.4) | 0.0 x | NM | NM | NM | NM | NM | 0.1 x |
| Interline Brands Inc. | IBI | 8.43 | 41.73% | 273.4 | 614.5 | 1,195.7 | 108.7 | 40.8 | 0.5 x | 5.7 x | 0.6 x | 6.8 x | 6.7 x | 9.2 x | 0.7 x |
| W.W. Grainger, Inc. | GWV | 70.18 | 74.67% | 5,227.0 | 5,360.2 | 6,850.0 | 899.5 | 475.4 | 0.8 x | 6.0 x | 0.9 x | 7.3 x | 11.0 x | 14.5 x | 2.6 x |
| Watsco Inc. | WSO | 34.03 | 55.71% | 969.5 | 949.1 | 1,700.2 | 105.7 | 60.4 | 0.6 x | 9.0 x | 0.6 x | 13.8 x | 16.1 x | 25.3 x | 1.6 x |
| WESCO International Inc. | WCC | 18.12 | 38.96% | 765.1 | 1,849.8 | 6,110.8 | 367.7 | 212.7 | 0.3 x | 5.0 x | 0.4 x | 7.8 x | 3.6 x | 6.5 x | 1.0 x |
| Wolseley plc | WOS | 33.13 | 39.11% | 2,193.3 | 6,254.5 | 24,251.7 | 1,134.4 | (1,108.4) | 0.3 x | 5.5 x | 0.3 x | 6.7 x | NM | 16.4 x | 0.5 x |
| Sector Median | | | 39.11% | | | | | | 0.3 x | 6.1 x | 0.5 x | 7.3 x | 11.1 x | 14.5 x | 0.8 x |

| HVAC / Electrical Manufacturers | Ticker | 03/31/09 | % 52-Week | | Ent Val | LTM | | | EV / LTM | | EV / 2009E | | Price / Earnings | | Price / Book |
|---------------------------------|--------|-------------|-----------|----------|----------|----------|---------|---------|----------|--------|------------|--------|------------------|--------|--------------|
| | | Stock Price | High | Mkt Cap | | Revenue | EBITDA | NI | Rev | EBITDA | Rev | EBITDA | LTM | 2009E | |
| AAON Inc. | AAON | \$ 18.12 | 78.78% | \$ 311.4 | \$ 314.1 | \$ 279.7 | \$ 52.8 | \$ 28.6 | 1.1 x | 5.9 x | 1.2 x | 6.2 x | 10.9 x | 11.9 x | 3.2 x |
| Burnham Holdings Inc. | BURC.A | 7.20 | 46.60% | 32.1 | 59.3 | 225.8 | 16.4 | 5.8 | 0.3 x | 3.6 x | NM | NM | 5.5 x | NM | 0.4 x |
| Cooper Industries Ltd. | CBE | 25.86 | 52.10% | 4,321.4 | 5,295.7 | 6,521.3 | 1,073.1 | 632.2 | 0.8 x | 4.9 x | 1.0 x | 7.6 x | 6.8 x | 11.0 x | 1.7 x |
| Encore Wire Corp. | WIRE | 21.43 | 84.97% | 492.8 | 375.8 | 1,081.1 | 76.1 | 39.8 | 0.3 x | 4.9 x | 0.5 x | 6.9 x | 12.4 x | 21.2 x | 1.3 x |
| Hubbell Inc. | HUBB | 26.96 | 54.98% | 1,520.4 | 1,839.6 | 2,704.4 | 398.4 | 222.7 | 0.7 x | 4.6 x | 0.8 x | 6.1 x | 6.8 x | 10.6 x | 1.5 x |
| Lennox International Inc. | LII | 26.46 | 63.58% | 1,458.4 | 1,756.7 | 3,481.4 | 293.6 | 122.8 | 0.5 x | 6.0 x | 0.6 x | 8.5 x | 11.9 x | 16.1 x | 3.2 x |
| Littelfuse Inc. | LFUS | 10.99 | 28.03% | 238.7 | 247.8 | 530.9 | 53.8 | 8.0 | 0.5 x | 4.6 x | 0.6 x | 8.9 x | 29.8 x | NM | 0.7 x |
| Mestek Inc. | MCKK | 6.25 | 52.08% | 54.6 | 92.0 | 379.9 | 22.4 | 2.1 | 0.2 x | 4.1 x | NM | NM | 26.0 x | NM | 0.4 x |
| Thomas & Betts Corp. | TNB | 25.02 | 51.92% | 1,331.2 | 1,699.7 | 2,473.8 | 416.7 | 265.3 | 0.7 x | 4.1 x | 0.8 x | 5.5 x | 5.0 x | 9.4 x | 1.2 x |
| Sector Median | | | 52.10% | | | | | | 0.5 x | 4.6 x | 0.8 x | 6.9 x | 10.9 x | 11.5 x | 1.3 x |

Source: CapitalIQ; reflects publicly available data as of 3/31/2009.

Building Products & Materials Trading Comparables

(\$ in millions, except per share data)

| Miscellaneous & Diversified Building Products | Ticker | 03/31/09 | | % 52-Week | | LTM | | | EV / LTM | | EV / 2009E | | Price / Earnings | | Price / Book |
|---|--------|-------------|--------|-----------|------------|------------|----------|----------|----------|--------|------------|--------|------------------|--------|--------------|
| | | Stock Price | High | Mkt Cap | Ent Val | Revenue | EBITDA | NI | Rev | EBITDA | Rev | EBITDA | LTM | 2009E | |
| Acuity Brands, Inc. | AYI | \$ 22.54 | 41.81% | \$ 928.7 | \$ 1,028.0 | \$ 1,969.8 | \$ 296.2 | \$ 136.6 | 0.5 x | 3.5 x | 0.6 x | 4.9 x | 6.8 x | 9.1 x | 1.6 x |
| Advanced Environmental Recycling Technologies, Inc. | AERT | 0.31 | 34.07% | 15.2 | 58.3 | 87.4 | (5.0) | (35.1) | 0.7 x | NM | NM | NM | NM | NM | NM |
| American Woodmark Corp. | AMWD | 17.56 | 54.16% | 247.1 | 208.6 | 548.5 | 22.8 | (0.3) | 0.4 x | 9.2 x | 0.4 x | 6.9 x | NM | NM | 1.2 x |
| Ameron International Corporation | AMN | 52.66 | 37.98% | 484.7 | 388.3 | 663.8 | 77.2 | 52.7 | 0.6 x | 5.0 x | 0.6 x | 7.4 x | 9.2 x | 26.1 x | 1.0 x |
| Apogee Enterprises Inc. | APOG | 10.98 | 42.23% | 305.6 | 323.2 | 967.1 | 116.0 | 54.4 | 0.3 x | 2.8 x | 0.4 x | 4.4 x | 5.6 x | 12.0 x | 1.0 x |
| Armstrong World Industries, Inc. | AWI | 11.01 | 27.39% | 628.0 | 777.0 | 3,393.0 | 346.9 | 81.0 | 0.2 x | 2.2 x | 0.3 x | 3.0 x | 7.8 x | 13.7 x | 0.4 x |
| Craftmade International Inc. | CRFT | 1.32 | 15.83% | 7.5 | 49.7 | 161.5 | 4.0 | 0.3 | 0.3 x | 12.4 x | NM | NM | 22.3 x | NM | 0.2 x |
| Eagle Materials Inc. | EXP | 24.25 | 62.36% | 1,056.2 | 1,408.4 | 636.1 | 102.1 | 38.0 | 2.2 x | 13.8 x | 2.7 x | 9.9 x | 27.8 x | 23.6 x | 2.5 x |
| Georgia Gulf Corp. | GGC | 0.71 | 8.70% | 24.5 | 1,328.7 | 2,916.5 | 174.2 | (257.6) | 0.5 x | 7.6 x | 0.4 x | 5.9 x | NM | NM | NM |
| Gibraltar Industries, Inc. | ROCK | 4.72 | 19.16% | 141.4 | 486.4 | 1,232.3 | 122.7 | 24.1 | 0.4 x | 4.0 x | 0.5 x | 12.7 x | 5.9 x | NM | 0.2 x |
| Griffon Corporation | GFF | 7.50 | 59.06% | 444.6 | 368.0 | 1,276.8 | 67.3 | (34.9) | 0.3 x | 5.5 x | 0.3 x | 5.2 x | NM | 30.0 x | 0.7 x |
| Headwaters Inc. | HW | 3.14 | 19.15% | 132.9 | 602.6 | 803.7 | 97.8 | (180.5) | 0.7 x | 6.2 x | 0.8 x | 5.6 x | NM | 16.5 x | 0.2 x |
| Louisiana-Pacific Corp. | LPX | 2.23 | 17.50% | 231.3 | 654.6 | 1,376.2 | (170.4) | (578.8) | 0.5 x | NM | 0.7 x | NM | NM | NM | 0.2 x |
| Masco Corp. | MAS | 6.98 | 31.73% | 2,509.3 | 5,602.3 | 9,600.0 | 779.0 | (391.0) | 0.6 x | 7.2 x | 0.7 x | 13.6 x | NM | NM | 0.9 x |
| Mueller Industries Inc. | MLI | 21.69 | 59.05% | 805.6 | 734.3 | 2,558.4 | 188.4 | 80.8 | 0.3 x | 3.9 x | NM | NM | 10.0 x | 43.4 x | 1.1 x |
| NCI Building Systems Inc. | NCS | 2.22 | 5.42% | 43.7 | 427.1 | 1,663.0 | 137.9 | (457.2) | 0.3 x | 3.1 x | 0.4 x | 21.4 x | NM | 4.1 x | 0.5 x |
| Owens Corning | OC | 9.04 | 31.63% | 1,148.4 | 3,172.4 | 5,847.0 | 539.0 | (839.0) | 0.5 x | 5.9 x | 0.6 x | 6.6 x | NM | 25.0 x | 0.4 x |
| PGT, Inc. | PGTI | 1.39 | 23.36% | 49.2 | 119.9 | 218.6 | 22.6 | (163.0) | 0.5 x | 5.3 x | 0.7 x | 8.0 x | NM | NM | 0.7 x |
| Quanex Building Products Corporation | NX | 7.60 | 41.30% | 286.3 | 213.5 | 806.9 | 38.8 | (101.9) | 0.3 x | 5.5 x | 0.4 x | NM | NM | NM | 0.6 x |
| Simpson Manufacturing Co., Inc. | SSD | 18.02 | 56.31% | 882.7 | 712.0 | 756.5 | 120.6 | 53.9 | 0.9 x | 5.9 x | 1.2 x | 17.6 x | 16.4 x | NM | 1.2 x |
| Trex Co. Inc. | TWP | 7.63 | 35.11% | 117.5 | 228.1 | 329.2 | 50.3 | 13.6 | 0.7 x | 4.5 x | 0.9 x | 6.5 x | 8.7 x | NM | 1.1 x |
| Universal Forest Products Inc. | UFPI | 26.61 | 69.31% | 511.9 | 606.1 | 2,232.4 | 73.0 | 4.3 | 0.3 x | 8.3 x | 0.3 x | 9.4 x | NM | 58.6 x | 0.9 x |
| US Home Systems Inc. | USHS | 2.00 | 39.76% | 14.7 | 7.7 | 132.5 | 2.7 | 0.8 | 0.1 x | 2.9 x | 0.1 x | NM | 19.0 x | NM | 0.6 x |
| USG Corp. | USG | 7.61 | 18.91% | 754.8 | 2,119.8 | 4,608.0 | (6.0) | (463.0) | 0.5 x | NM | 0.6 x | NM | NM | NM | 0.5 x |
| Sector Median | | | 34.59% | | | | | | 0.5 x | 5.5 x | 0.6 x | 6.9 x | 9.2 x | 23.6 x | 0.7 x |
| Overall Median | | | 41.30% | | | | | | 0.5 x | 5.9 x | 0.6 x | 7.6 x | 11.1 x | 16.4 x | 0.9 x |

Source: CapitalIQ; reflects publicly available data as of 3/31/2009.



Market Update

Building Products & Materials

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