

September 30, 2008: Building Products & Materials Trends

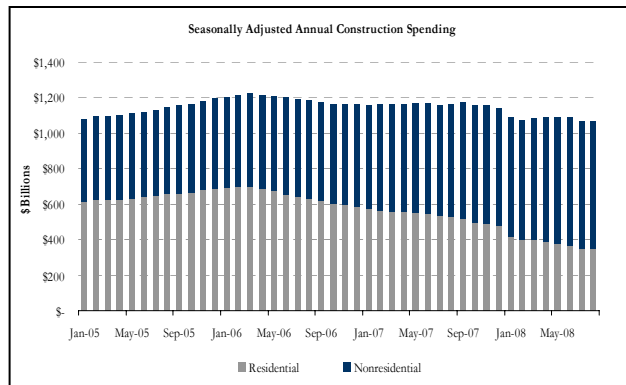
The extended weakness in the housing market in conjunction with a potential looming recession evidenced by Q3 GDP contraction has continued to strain the building materials and products industry. While existing home sales ticked up slightly in the third quarter, housing starts and new home sales showed continued declines. Energy and commodity prices have come down as the equity markets have faltered, but the unwillingness of lenders to extend credit has compounded the difficult operating environment for many companies. We believe most of the industry is hunkering down for the difficult environment to extend through 2009, while others do not see a return to attractive conditions and a growing market until well into 2010.

The stock prices of public companies in the industry were down as much as 26% in the first three quarters of 2008

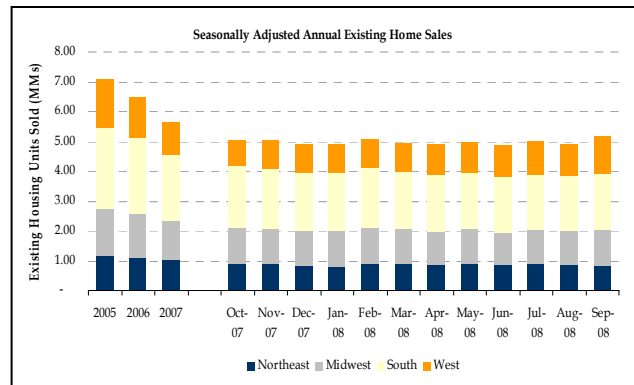
alongside a 23% decline in the S&P 500 index. While increased market volatility has allowed certain companies to experience short runs of favorable pricing, we believe this is more a function of short-term trading activity rather than a sign of renewed confidence in the building products and material sectors.

M&A activity slowed significantly in the third quarter. Many industry participants expect relatively low levels of activity in the near-term, with the exception of selected strategic buyers with strong balance sheets looking to take advantage of the depressed market conditions. We suspect these strategic buyers will be the most active acquirors in the industry for the foreseeable future, especially as financial buyers continue to deal with constricted credit markets.

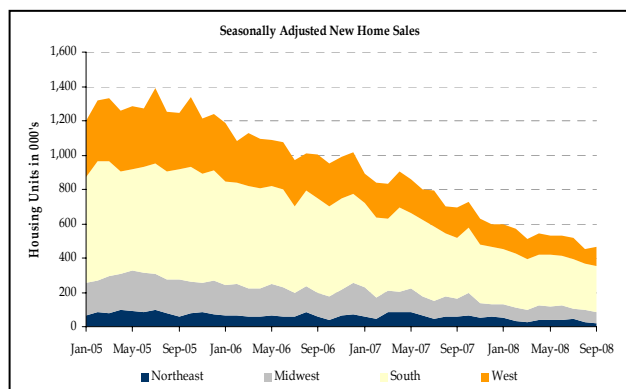
Pertinent Economic Statistics



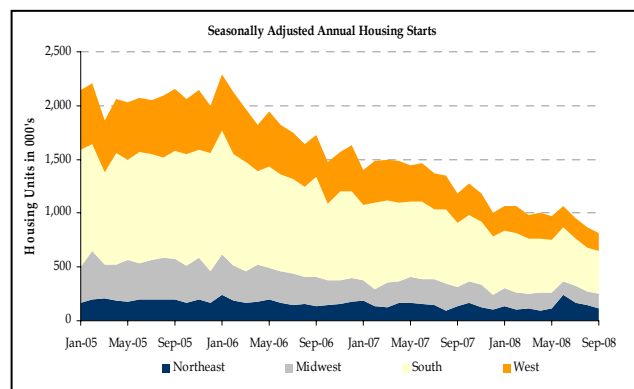
Source: U.S. Census Bureau, 10/01/08



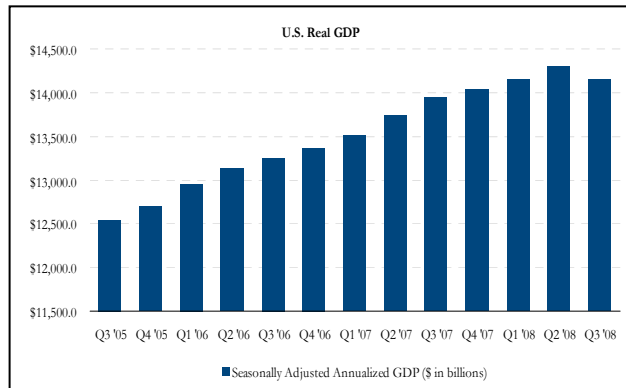
Source: U.S. Census Bureau, 10/25/08.



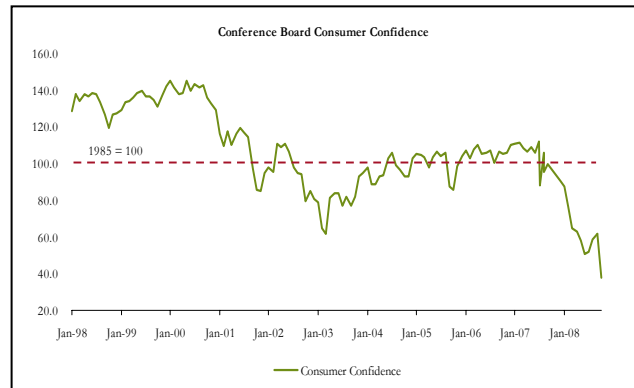
Source: U.S. Census Bureau, 10/27/08.



Source: U.S. Census Bureau, 10/22/08.

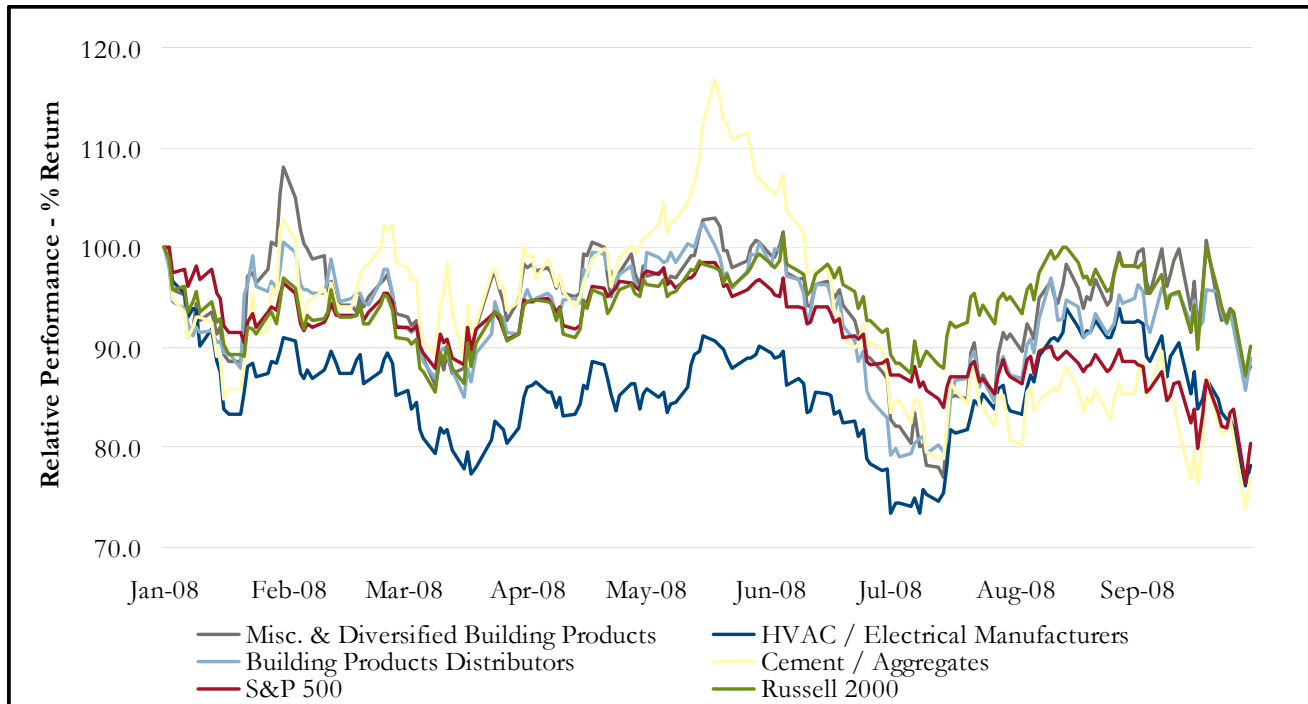


Source: Bureau of Economic Analysis, 10/30/08



Source: The Conference Board, 10/28/08

Year-to-date (9/30/08) Stock Price Performance



Source: CapitalIQ, as of 9/30/2008

Building Products & Materials Trading Comparables

(\$ in millions, except per share data)

Cement / Aggregates	Ticker	09/30/08	% 52-Week		Mkt Cap	Ent Val	LTM			EV / LTM			Price /
		Stock Price	High	Low			Revenue	EBITDA	NI	Rev	EBITDA	LTM P/E	Book
Cemex S.A.B. de C.V.	CX	\$ 17.22	52.81%	\$ 13,386.0	\$ 36,119.6	\$ 22,462.9	\$ 4,435.9	\$ 1,598.0	1.5 x	7.0 x	7.6 x	0.8 x	
Vulcan Materials Company	VMC	74.50	74.31%	8,182.6	11,755.0	3,600.6	912.8	374.7	3.3 x	12.9 x	27.5 x	2.1 x	
Martin Marietta Materials Inc.	MLM	111.98	77.61%	4,633.2	6,064.9	2,209.5	526.4	231.5	2.7 x	11.5 x	25.0 x	4.6 x	
Texas Industries Inc.	TXI	40.86	49.90%	1,125.2	1,546.1	1,021.8	148.2	80.2	1.5 x	10.4 x	17.8 x	1.4 x	
Eagle Materials Inc.	EXP	22.37	54.20%	972.8	1,368.2	705.1	136.3	68.1	1.9 x	8.0 x	16.2 x	2.4 x	
US Concrete Inc.	RMIX	4.47	63.95%	178.0	482.3	805.0	64.1	(72.1)	0.6 x	7.5 x	29.6 x	0.9 x	
Continental Materials Corp.	CUO	20.25	69.47%	32.4	51.7	159.0	0.8	(2.8)	0.3 x	66.3 x	NM	0.6 x	
Sector Median			63.95%						1.5 x	10.4 x	21.4 x	1.4 x	

Building Products Distributors	Ticker	09/30/08	% 52-Week		Mkt Cap	Ent Val	LTM			EV / LTM			Price /
		Stock Price	High	Low			Revenue	EBITDA	NI	Rev	EBITDA	LTM P/E	Book
Fastenal Co.	FAST	\$ 49.39	87.45%	\$ 7,335.9	\$ 7,258.8	\$ 2,314.7	\$ 481.3	\$ 273.4	3.3 x	15.7 x	27.8 x	6.6 x	
W.W. Grainger, Inc.	GWV	86.97	90.59%	6,630.2	6,894.3	6,869.1	908.4	471.8	1.0 x	8.1 x	15.8 x	3.2 x	
Wolseley plc	WOS	7.41	46.51%	4,906.8	9,733.8	32,786.5	2,207.0	146.6	0.3 x	4.9 x	10.2 x	0.8 x	
Watsco Inc.	WSO	50.28	82.32%	1,424.2	1,442.9	1,763.1	111.8	63.7	0.8 x	12.5 x	21.1 x	2.5 x	
WESCO International Inc.	WCC	32.18	63.10%	1,361.2	2,530.9	6,170.2	400.9	231.8	0.4 x	6.1 x	7.3 x	2.0 x	
Beacon Roofing Supply Inc.	BECN	15.62	83.35%	691.9	1,064.1	1,711.1	107.4	26.7	0.6 x	9.9 x	24.9 x	2.0 x	
Interline Brands Inc.	IBI	16.21	64.15%	525.0	878.5	1,231.0	123.3	49.4	0.7 x	7.1 x	10.7 x	1.3 x	
Builders FirstSource, Inc.	BLDR	5.99	52.36%	216.1	420.1	1,168.4	(41.9)	(101.0)	0.3 x	NM	NM	1.2 x	
Bluelinx Holdings Inc.	BXC	5.29	70.16%	171.3	640.6	3,346.2	19.2	(37.2)	0.2 x	33.4 x	NM	1.1 x	
Huttig Building Products Inc.	HBP	2.09	36.73%	45.1	72.6	775.1	(8.7)	(18.2)	0.1 x	NM	NM	0.5 x	
Building Materials Holding Corp.	BLG	0.47	3.83%	13.9	338.1	1,830.4	(7.9)	(393.0)	0.2 x	NM	NM	0.1 x	
Sector Median			64.15%						0.4 x	9.0 x	15.8 x	1.3 x	

HVAC / Electrical Manufacturers	Ticker	09/30/08	% 52-Week		Mkt Cap	Ent Val	LTM			EV / LTM			Price /
		Stock Price	High	Low			Revenue	EBITDA	NI	Rev	EBITDA	LTM P/E	Book
Cooper Industries Ltd.	CBE	\$ 39.95	69.78%	\$ 6,951.1	\$ 8,067.0	\$ 6,542.2	\$ 1,079.9	\$ 700.4	1.3 x	7.7 x	13.5 x	2.4 x	
Thomas & Betts Corp.	TNB	39.07	62.81%	2,249.8	2,626.2	2,504.9	441.6	296.5	1.1 x	6.3 x	12.4 x	1.6 x	
Hubbell Inc.	HUBB	35.05	60.12%	1,966.7	2,245.9	2,667.0	404.0	224.4	0.9 x	5.8 x	10.5 x	1.8 x	
Lennox International Inc.	LII	33.27	78.80%	1,834.8	2,174.7	3,630.6	324.7	151.3	0.6 x	6.5 x	12.1 x	3.1 x	
Littelfuse Inc.	LFUS	29.73	75.82%	644.9	613.8	558.7	77.6	35.5	1.1 x	7.9 x	23.0 x	1.7 x	
Encore Wire	WIRE	18.11	67.65%	418.8	414.9	1,182.9	49.4	21.9	0.3 x	8.9 x	23.1 x	1.1 x	
AAON Inc.	AAON	18.19	79.09%	314.3	318.0	273.3	46.8	24.2	1.2 x	6.8 x	14.6 x	3.5 x	
Mestek Inc.	MCCK	10.50	67.74%	91.7	135.0	380.6	21.9	1.8	0.4 x	9.1 x	30.8 x	0.8 x	
Burnham Holdings Inc.	BURCA	10.70	68.15%	47.6	87.3	220.2	14.2	4.6	0.4 x	6.5 x	12.6 x	0.6 x	
Sector Median			68.15%						0.9 x	6.8 x	13.5 x	1.7 x	

Source: CapitalIQ; reflects publicly available data as of 9/30/2008

Miscellaneous & Diversified Building Products	Ticker	09/30/08	% 52-Week		Mkt Cap	Ent Val	LTM			EV / LTM			Price / Book
		Stock Price	High	Low			Revenue	EBITDA	NI	Rev	EBITDA	LTM P/E	
Masco Corp.	MAS	\$ 17.94	70.97%	\$ 6,458.4	\$ 9,681.4	\$ 10,964.0	\$ 1,246.0	\$ 138.0	0.9 x	7.8 x	12.9 x	1.6 x	
Owens Corning	OC	23.91	83.66%	3,094.5	5,117.5	5,499.0	605.0	82.0	0.9 x	8.5 x	34.3 x	0.8 x	
USG Corp.	USG	25.60	63.15%	2,536.3	3,740.3	4,951.0	90.0	(106.0)	0.8 x	41.6 x	NM	1.2 x	
Acuity Brands, Inc.	AYI	41.76	76.74%	1,697.9	1,845.5	2,026.6	294.9	148.3	0.7 x	5.3 x	10.2 x	3.0 x	
Armstrong World Industries, Inc.	AWI	28.90	65.27%	1,650.7	1,933.5	3,520.7	366.7	135.3	0.5 x	4.6 x	10.5 x	0.7 x	
Simpson Manufacturing Co., Inc.	SSD	27.09	80.01%	1,316.5	1,157.6	779.5	125.1	51.9	1.5 x	9.3 x	20.9 x	1.8 x	
Eagle Materials Inc.	EXP	22.37	54.20%	972.8	1,368.2	705.1	136.3	68.1	1.9 x	8.0 x	16.2 x	2.4 x	
Louisiana-Pacific Corp.	LPX	9.30	49.49%	960.6	1,321.2	1,585.5	(155.3)	(246.5)	0.8 x	NM	NM	0.6 x	
Mueller Industries Inc.	MLI	23.01	59.63%	854.5	943.7	2,744.8	218.4	101.9	0.3 x	4.1 x	7.8 x	1.1 x	
Universal Forest Products Inc.	UFPI	34.91	90.94%	662.9	819.0	2,321.4	63.6	(5.8)	0.3 x	10.5 x	64.2 x	1.2 x	
Ameron International Corporation	AMN	71.65	51.68%	657.8	571.2	668.5	67.3	62.9	0.9 x	6.8 x	14.2 x	1.4 x	
NCI Building Systems Inc.	NCS	31.75	69.57%	626.3	1,059.2	1,718.0	191.9	79.7	0.6 x	5.5 x	7.4 x	1.0 x	
Quanex Building Products Corporation	NX	15.24	82.83%	573.9	522.5	878.1	61.9	(28.6)	0.6 x	8.4 x	35.5 x	1.1 x	
Headwaters Inc.	HW	13.35	81.40%	560.6	1,104.6	973.8	148.8	(56.1)	1.1 x	7.5 x	15.9 x	0.7 x	
Gibraltar Industries, Inc.	ROCK	18.71	75.96%	560.4	972.1	1,356.0	127.8	21.9	0.7 x	7.6 x	14.7 x	0.9 x	
Apogee Enterprises Inc.	APOG	15.03	51.90%	432.8	490.9	937.7	100.8	47.8	0.5 x	5.1 x	9.8 x	1.4 x	
American Woodmark Corp.	AMWD	22.45	69.25%	315.0	281.4	575.5	21.0	(0.7)	0.5 x	13.4 x	NM	1.5 x	
Trex Co. Inc.	TWP	18.11	83.34%	278.1	392.8	308.8	(37.2)	(65.4)	1.3 x	NM	NM	2.5 x	
Griffon Corp.	GFF	9.02	57.02%	272.8	460.4	1,499.9	61.0	(23.6)	0.3 x	7.5 x	44.3 x	0.6 x	
Georgia Gulf Corp.	GGC	2.50	17.53%	86.2	1,495.0	3,154.0	212.0	(268.8)	0.5 x	7.1 x	NM	0.6 x	
PGT, Inc.	PGTI	3.03	34.79%	85.8	189.0	241.3	27.3	(81.4)	0.8 x	6.9 x	NM	0.6 x	
US Home Systems Inc.	USHS	3.29	44.70%	25.0	20.1	131.0	3.9	(0.9)	0.2 x	5.1 x	15.1 x	1.1 x	
Craftmade International Inc.	CRFT	3.72	30.54%	21.2	52.0	137.6	6.9	2.1	0.4 x	7.6 x	7.1 x	0.5 x	
Advanced Environmental Recycling Technologies, Inc.	AERT	0.35	25.18%	16.7	60.0	88.5	(4.4)	(15.6)	0.7 x	NM	NM	0.8 x	
Wolverine Tube Inc.	WLVT	0.36	28.80%	14.6	214.1	1,156.7	27.1	(106.1)	0.2 x	7.9 x	NM	0.2 x	
Sector Median			63.15%						0.7 x	7.5 x	14.7 x	1.1 x	
Overall Median			66.46%						0.7 x	7.6 x	15.1 x	1.2 x	

Source: CapitalIQ; reflects publicly available data as of 9/30/2008

Selected YTD Disclosed Value Building Products & Materials Transactions

(\$ in millions)

Announcement Date	Target	Buyers/Investors	Business Description	Industry	Enterprise Value	Enterprise Value / Revenues	Enterprise Value / EBITDA
08/28/2008	Vertex Distribution, Inc.	DXP Enterprises Inc. (NasdaqGS:DXPE)	Manufactures and distributes fasteners, fastening tools, and fastening machines	Building Products	\$ 65.0	-	-
08/22/2008	Metec Inc.	Kingspan Group Plc (ISE:KRX)	Manufactures insulated composite panels and single element metal wall and roof panels	Building Products	111.0	-	-
07/28/2008	Meadow Valley Corp. (NasdaqCM:MVCO)	Insight Equity	Manufactures and distributes ready-mix concrete, sand, and gravel products	Concrete / Asphalt	32.2	0.2 x	2.5 x
07/21/2008	BURNCO Concrete Products Ltd.	Armtec Infrastructure Income Fund (TSX:ARF.UN)	Produces precast concrete products and pre-mixed package products	Concrete / Asphalt	49.9	-	-
06/30/2008	Dectron Internationale Inc. (TSX:DTL)	Management Group	Manufactures and distributes air quality, water generation, HVAC and HVAC equipment in Canada		28.3	0.5 x	8.6 x
06/26/2008	Blenkhorn and Sawle Limited	AZZ incorporated (NYSE:AZZ)	Manufactures a variety of electrical equipment including switches, metering panels, modular electrical buildings and HVAC components	Electrical Equipment	14.1	-	-

Announcement Date	Target	Buyers/Investors	Business Description	Industry	Enterprise Value	Enterprise Revenues	Enterprise Value / EBITDA
06/25/2008	Boucher Precast Concrete Limited	Armtec Infrastructure Income Fund (TSX:ARF.UN)	Manufactures pre-cast concrete products including septic tanks, bridges, box culverts, train boxes, and septic tanks	Concrete / Asphalt	\$ 21.8	-	-
06/20/2008	Trion Inc	Tomkins PLC (LSE:TOMK)	Manufactures HVAC equipment	HVAC	25.0	-	-
06/18/2008	Protech Systems Inc.	Simpson Dura-Vent Co Inc	Manufactures ventilating equipment	HVAC	9.8	-	-
06/06/2008	The Pacific Lumber Company	Mendocino Redwood Company, LLC, Marathon Structured Finance Fund LP	Produces and distributes redwood and Douglas-fir lumber products	Lumber Products	530.0	-	-
06/06/2008	Scotia Pacific Company, LLC	Mendocino Redwood Company, LLC, Marathon Structured Finance	Lumber offerings comprise primarily young growth and old growth redwood, Douglas-fir, and other conifer timber	Lumber Products	580.0	-	-
06/05/2008	Durisol Inc.	Armtec Infrastructure Income Fund (TSX:ARF.UN)	Produces and installs sound solutions including noise barrier and retaining wall systems	Building Products, Concrete / Asphalt	32.8	-	-
05/28/2008	Arch America Company	H.I.G. Capital, LLC	Manufactures a variety of aluminum and industrial products	Building Products	90.0	-	-
05/23/2008	Asarco Incorporated	Sterlite Industries India Ltd. (BSE:500900)	Produces chemicals and ready-mix concrete	Concrete / Asphalt	2,600.0	1.4 x	-
04/16/2008	Liebig International Ltd. - Certain Assets	Simpson Strong-Tie Ireland Ltd.	Manufactures heavy-duty fixing and anchoring systems	Building Products	18.6	-	-
04/16/2008	Ancon Building Products - Tyco International Ltd. (NYSE:TYC)	CRH Plc (ISE:CRG)	Manufactures steel products for construction applications	Building Products	173.8	1.6 x	6.8 x
04/14/2008	Vulcan Materials Company (NYSE:VMC) - Certain Quarries	Martin Marietta Materials Inc. (NYSE:MLM)	Produces aggregates including concrete and asphalt	Concrete / Asphalt	192.0	-	-
03/13/2008	Fedders Corp - US HVAC Business	Elco Holdings Ltd (TASE:ELCO)	Manufactures HVAC equipment	HVAC	13.3	-	-
03/03/2008	Wolverine Tube Inc - Small Tube Products Company, Inc.	Standish Capital LLC	Manufactures copper alloy tubular products	Building Products	28.0	-	-
02/27/2008	Omega Joists	Samuel Manu-Tech Inc.	Manufactures open web steel joists	Building Products	27.5	1.1 x	-
02/21/2008	Triodetic Building Products Ltd.	Plaintree Systems Inc.	Manufactures building roofs, walls, and entrances including free forms and shells, hypars, domes, barrel vaults, pyramids, spaceframes, and other geometries	Building Products	10.9	-	-
02/18/2008	Fedders Addison Co.	Roberts-Gordon LLC	Manufactures air treatment and HVAC equipment	HVAC	14.4	-	-
02/11/2008	AZEK Canada, Inc.	Composatron Manufacturing	Manufactures and distributes wood and wood composite products including decking, shutters, and doors	Building Products	34.0	1.6 x	-
02/05/2008	Pope & Talbot, Inc., Fort St. James Sawmill	P.T. Pindo Deli Pulp & Paper Mills	Produces lumber products	Lumber Products	15.5	-	-
01/17/2008	Homac Manufacturing Co	Thomas & Betts Corp (NYSE:TNB)	Manufactures electrical connectors and cable accessories	Electrical Equipment	75.0	-	-
01/14/2008	SemMaterials LP - Asphalt Terminals and Storage Assets	SemGroup Energy Partners LP	Produces asphalt	Concrete / Asphalt	378.8	-	-
01/12/2008	MAAX Corporation	Brookfield Bridge Lending Fund Inc	Manufactures and distributes bathroom products and spas including showers, bathtubs, medicine cabinets, laundry sinks and bathroom storage solutions	Building Products	265.9	-	-
01/11/2008	Kurt Versen Company	Hubbell Lighting, Inc.	Manufactures and distributes point source lighting products	Residential Electric Lighting Fixtures	100.0	2.3 x	-
01/07/2008	Burke-Parsons-Bowlby Corporation	Stella-Jones Inc. (TSX:SJ)	Produce wood products for applications including rail road construction, highway safety, and fencing	Lumber Products	70.0	0.7 x	-

Source: CapitalIQ, Thomson Financial

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