

Building and Construction Valuation Metrics

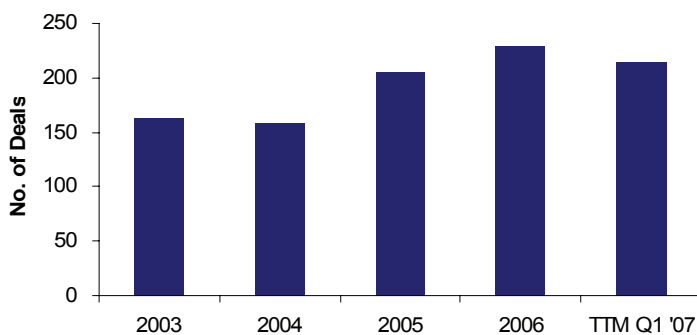
Headwinds from continued weakness in residential construction activity continue to dominate headlines. However, partially due to a strong non-residential market, the overall market for building and construction M&A remains brisk. Over 200 building and construction transactions occurred in the twelve months through Q1 2007 (see Chart A). This is only slightly less than the record-breaking full-year 2006 number of transactions, and is a better pace than any year from 2003 through 2005. Further, continued solid economic activity, active financial acquirer interest, and aggressive credit markets

are expected to drive robust building and construction M&A activity in the foreseeable future.

The slowdown in residential construction has impacted valuations and activity in specific sectors. For instance, public companies in the homebuilding and lumber sectors, which are heavily weighted towards residential construction demand, are currently trading at median enterprise value to EBITDA multiples of 6.1x and 7.4x, respectively (see page 3), while companies that serve the commercial construction market are receiving higher

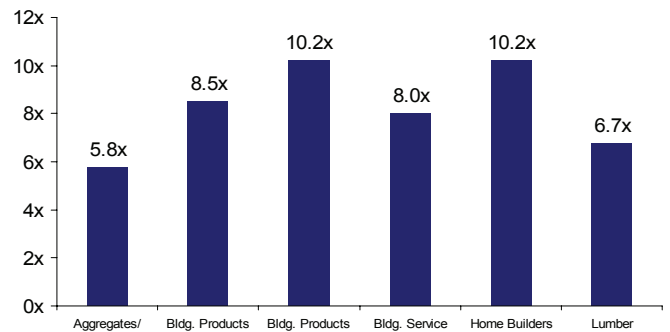
valuations based on stronger end-market outlooks. Similarly, Lincoln is receiving significant interest in sales processes for companies serving the non-residential construction industry as buyers are viewing current growth dynamics in this sector very positively. On the other hand, many acquirers view potential residential building and construction acquisitions with a much more skeptical outlook given its continued struggles and the perceived inability to forecast when the sector will hit bottom and stabilize or grow.

Chart A: Building Products U.S. M&A Volume



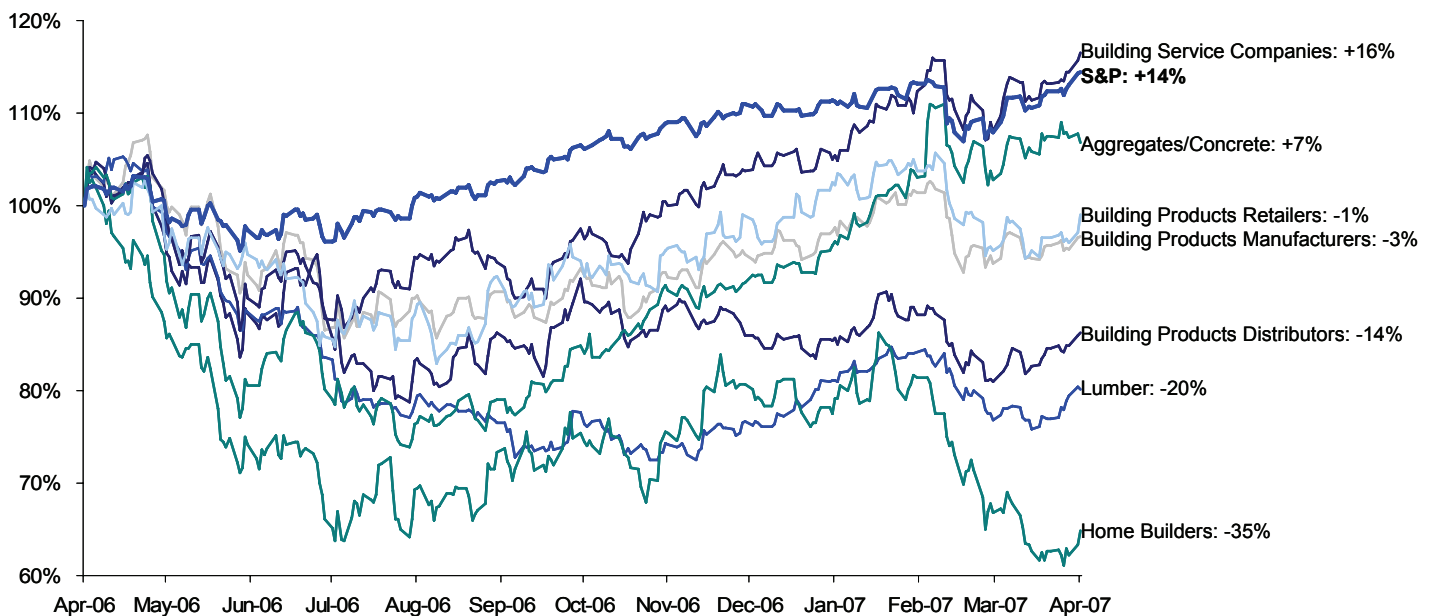
Source: Mergerstat.

Chart B: Building Products M&A Comparables TEV/LTM EBITDA



Source: Mergerstat. Includes deals from January 2006 through April 2007.

Chart C: S&P 500 vs. Building Products Indices



Publicly Traded Building and Construction Companies

(USD in millions, except per share data)

Aggregates/Concrete	Ticker	Stock Price 5/8/07	52-Week		Market Value	Enterprise Value	LTM			Enterprise Value / LTM			P/E	
			High	Low			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	LTM	2007F
Cemex S.A.B. de C.V.	NYSE:CX	\$ 33.91	\$ 38.01	\$ 23.77	\$ 25,395	\$ 32,019	\$ 18,230	\$ 3,972	\$ 3,049	1.8x	8.1x	10.5x	10.3x	9.8x
CRH plc	ISE:CRG	49.42	46.73	14.96	23,867	30,020	24,724	3,356	2,447	1.2x	8.9x	12.3x	14.3x	13.1x
Eagle Materials Inc.	NYSE:EXP	48.53	74.55	31.76	2,201	2,339	952	367	328	2.5x	6.4x	7.1x	10.8x	11.5x
Florida Rock Industries Inc.	NYSE:FRK	67.73	69.00	35.71	4,430	4,380	1,357	400	323	3.2x	11.0x	13.6x	21.2x	24.1x
Hanson plc	LSE:HNS	21.35	17.53	12.17	11,809	14,623	8,096	1,582	1,145	1.8x	9.2x	12.8x	15.1x	14.9x
Lafarge SA	ENXTPA:LG	172.06	166.79	113.39	28,020	43,384	22,312	5,018	3,788	1.9x	8.6x	11.5x	14.8x	12.9x
Martin Marietta Materials Inc.	NYSE:MLM	145.16	140.61	74.05	6,045	6,727	2,206	526	384	3.0x	12.8x	17.5x	27.0x	21.3x
Rinker Group Ltd.	ASX:RIN	15.73	18.59	10.13	13,982	15,194	5,423	1,398	1,199	2.8x	10.9x	12.7x	18.0x	17.2x
Texas Industries Inc.	NYSE:TXI	79.92	81.53	43.39	2,021	2,344	999	175	129	2.3x	13.4x	18.1x	17.6x	21.7x
US Concrete Inc.	NasdaqNM:RMIX	8.01	15.98	5.22	321	615	790	77	54	0.8x	8.0x	11.3x	<i>nmf</i>	15.0x
Vulcan Materials Co.	NYSE:VMC	117.94	125.79	65.85	10,922	11,388	3,342	904	679	3.4x	12.6x	16.8x	24.5x	20.7x
Median										2.3x	9.2x	12.7x	16.4x	15.0x

Building Products Manufacturers	Ticker	Stock Price 5/8/07	52-Week		Market Value	Enterprise Value	LTM			Enterprise Value / LTM			P/E	
			High	Low			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	LTM	2007F
AAON Inc.	NasdaqNM:AAON	\$ 25.61	\$ 29.70	\$ 20.21	\$ 317	\$ 317	\$ 231	\$ 35	\$ 26	1.4x	8.9x	12.0x	19.1x	15.8x
Advanced Env. Recycling Technologies, Inc.	NasdaqSC:AERT	1.58	3.71	1.38	73	101	98	8	4	1.0x	13.2x	<i>nmf</i>	40.7x	<i>nmf</i>
American Standard Companies, Inc.	NYSE:ASD	56.48	55.30	37.72	10,595	12,016	11,208	1,238	956	1.1x	9.7x	12.6x	21.2x	16.9x
American Woodmark Corp.	NasdaqNM:AMWD	34.42	46.10	29.53	554	513	811	103	67	0.6x	5.0x	7.7x	14.6x	17.0x
Genlyte Group Inc.	NasdaqNM:GLYT	77.95	87.36	62.20	2,132	2,203	1,485	242	210	1.5x	9.1x	10.5x	14.9x	15.6x
Gibraltar Industries Inc.	NasdaqNM:ROCK	23.08	32.72	20.77	636	1,023	1,303	135	107	0.8x	7.6x	9.5x	13.1x	14.5x
Griffon Corp.	NYSE:GFF	22.95	28.55	21.46	723	897	1,712	124	87	0.5x	7.3x	10.3x	14.3x	15.3x
Headwaters Inc.	NYSE:HW	20.77	36.82	20.54	922	1,462	1,116	239	172	1.3x	6.1x	8.5x	11.5x	13.4x
Lennox International Inc.	NYSE:LII	33.76	37.85	21.15	2,473	2,438	3,671	238	194	0.7x	10.2x	12.6x	15.0x	13.2x
Masco Corp.	NYSE:MAS	30.33	34.72	25.85	10,581	13,710	12,778	1,800	1,556	1.1x	7.6x	8.8x	23.9x	17.0x
NCI Building Systems Inc.	NYSE:NCS	50.40	70.00	45.20	946	1,453	1,637	178	146	0.9x	8.2x	10.0x	15.0x	11.7x
Owens Corning Sales, Inc.	NYSE:OC	31.50	33.75	25.60	4,381	6,072	6,461	721	443	0.9x	8.4x	13.7x	<i>nmf</i>	26.9x
Sherwin-Williams Co.	NYSE:SHW	64.35	71.11	44.08	8,552	8,936	7,810	1,072	926	1.1x	8.3x	9.7x	15.4x	14.1x
Simpson Manufacturing Co., Inc.	NYSE:SSD	32.55	45.25	24.93	1,549	1,401	863	196	171	1.6x	7.2x	8.2x	15.1x	16.5x
Trex Co. Inc.	NYSE:TWP	20.75	31.90	20.25	317	407	337	29	8	1.2x	14.3x	<i>nmf</i>	<i>nmf</i>	27.4x
US Home Systems Inc.	NasdaqNM:USHS	12.86	16.00	8.02	127	120	128	9	7	0.9x	14.1x	16.6x	29.2x	15.9x
USG Corp.	NYSE:USG	48.25	121.70	43.68	4,651	6,590	5,810	1,089	951	1.1x	6.1x	6.9x	10.9x	15.5x
Median										1.1x	8.3x	10.0x	15.0x	15.5x

Building Products Distributors	Ticker	Stock Price 5/8/07	52-Week		Market Value	Enterprise Value	LTM			Enterprise Value / LTM			P/E	
			High	Low			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	LTM	2007F
ACR Group Inc.	AMEX:BRR	\$ 4.72	\$ 6.47	\$ 3.80	\$ 62	\$ 98	\$ 240	\$ 12	\$ 11	0.4x	7.9x	8.6x	9.4x	<i>nmf</i>
Beacon Roofing Supply Inc.	NasdaqNM:BEEN	16.26	28.97	14.97	746	1,071	1,541	125	100	0.7x	8.5x	10.8x	18.0x	18.9x
Bluelinx Holdings Inc.	NYSE:BXC	11.02	16.40	8.80	344	899	4,899	101	81	0.2x	8.9x	11.1x	22.5x	17.1x
Builders FirstSource, Inc.	NasdaqNM:BLDR	15.96	24.94	14.10	602	828	2,239	173	151	0.4x	4.8x	5.5x	9.0x	13.3x
Building Materials Holding Corp.	NYSE:BLG	14.34	37.55	16.59	503	789	3,245	252	207	0.2x	<i>nmf</i>	<i>nmf</i>	5.0x	13.4x
Huttig Building Products Inc.	NYSE:HBP	6.50	9.53	4.65	144	183	1,103	19	12	0.2x	9.9x	14.9x	<i>nmf</i>	15.0x
Interline Brands Inc.	NYSE:IBI	23.01	27.54	20.08	753	1,168	1,068	120	106	1.1x	9.7x	11.1x	23.9x	15.0x
Watsco Inc.	NYSE:WSO	55.59	68.23	41.50	1,402	1,408	1,801	147	141	0.8x	9.6x	10.0x	18.5x	16.3x
WESCO International Inc.	NYSE:WCC	63.44	80.29	54.14	3,180	4,275	5,321	405	377	0.8x	10.5x	11.3x	14.8x	12.5x
Wolseley plc	LSE:WOS	25.87	28.82	21.08	16,414	22,835	30,015	2,070	1,586	0.8x	11.0x	14.4x	15.0x	13.1x
WW Grainger Inc.	NYSE:GWW	84.15	83.99	60.60	6,860	6,508	5,884	733	615	1.1x	8.9x	10.6x	18.6x	17.2x
Median										0.7x	9.2x	10.9x	16.5x	15.0x

Source: Capital IQ. As of May 8, 2007.

Publicly Traded Building and Construction Companies (continued)

(USD in millions, except per share data)

Building Products Retailers	Ticker	Stock Price 5/8/07	52-Week		Market Value	Enterprise Value	LTM			Enterprise Value / LTM			P/E	
			High	Low			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	LTM	2007F
The Home Depot, Inc	NYSE:HD	\$ 38.52	\$ 42.01	\$ 32.85	\$ 77,678	\$ 89,144	\$ 90,837	\$ 11,985	\$ 10,099	1.0x	7.4x	8.8x	14.1x	14.7x
Lowe's Companies Inc.	NYSE:LOW	30.62	35.74	26.15	47,942	51,582	46,927	6,456	5,219	1.1x	8.0x	9.9x	15.7x	15.2x
									Median	1.1x	8.0x	9.9x	16.1x	15.0x

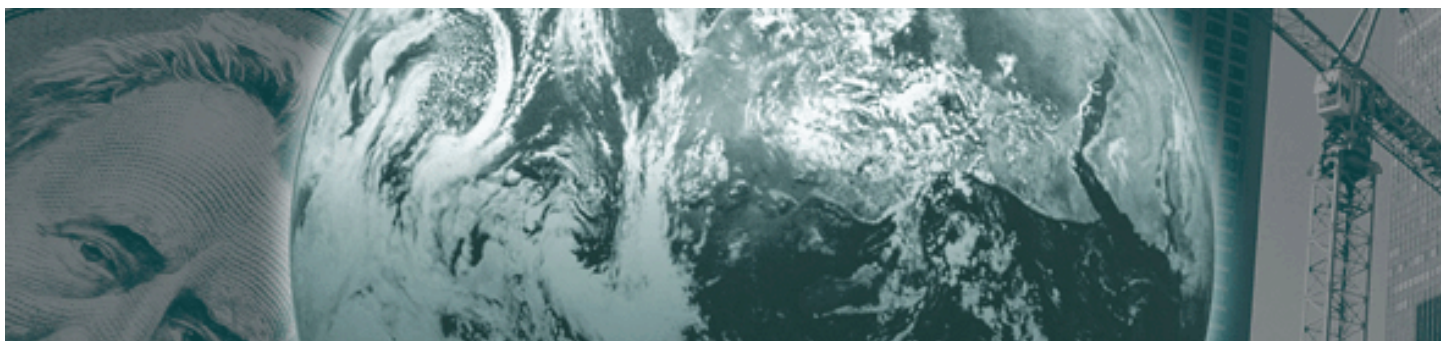
Building Service Companies	Ticker	Stock Price 5/8/07	52-Week		Market Value	Enterprise Value	LTM			Enterprise Value / LTM			P/E	
			High	Low			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	LTM	2007F
Arcadis NV	ENXTAM:ARCAD	\$ 71.13	\$ 72.47	\$ 42.14	\$ 1,301	\$ 1,404	\$ 1,627	\$ 127	\$ 92	0.9x	11.1x	15.2x	22.4x	<i>nmf</i>
Churchill Corp.	TSX:CUQ	5.50	6.19	3.76	98	74	456	13	11	0.2x	5.7x	6.9x	13.2x	9.5x
Fluor Corporation	NYSE:FLR	100.72	103.85	73.51	8,428	8,011	14,079	553	427	0.6x	14.5x	18.8x	32.5x	24.6x
Granite Construction Inc.	NYSE:GVA	64.31	63.73	37.35	2,485	2,230	2,970	170	101	0.8x	13.1x	22.0x	30.9x	21.2x
Jacobs Engineering Group, Inc.	NYSE:JEC	53.27	50.38	34.28	5,923	5,542	7,756	378	329	0.7x	14.7x	16.9x	28.6x	24.0x
Michael Baker Corporation	AMEX:BKR	31.25	28.80	19.90	237	235	651	28	22	0.4x	8.3x	10.6x	20.4x	15.5x
Perini Corp.	NYSE:PCR	45.52	42.10	19.80	1,065	889	3,043	96	88	0.3x	9.3x	10.1x	27.6x	19.6x
Shaw Group Inc.	NYSE:SGR	33.74	35.73	19.55	2,547	3,620	4,914	144	108	0.7x	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>	31.8x
Skanska AB	OM:SKA B	23.39	23.72	14.51	9,171	7,847	18,377	883	700	0.4x	8.9x	11.2x	17.1x	<i>n/a</i>
SNC Lavalin Group Inc.	TSX:SNC	32.44	33.42	23.00	4,282	5,369	4,423	287	217	1.2x	18.7x	24.8x	35.4x	35.0x
URS Corp.	NYSE:URS	46.32	49.80	36.46	2,309	2,395	4,240	275	237	0.6x	8.7x	10.1x	20.0x	<i>nmf</i>
Washington Group International Inc.	NYSE:WNG	69.67	70.97	47.28	2,040	1,774	3,398	161	116	0.5x	11.0x	15.3x	26.6x	<i>nmf</i>
									Median	0.6x	11.0x	15.2x	27.1x	22.6x

Home Builders	Ticker	Stock Price 5/8/07	52-Week		Market Value	Enterprise Value	LTM			Enterprise Value / LTM			P/E	
			High	Low			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	LTM	2007F
Beazer Homes USA Inc.	NYSE:BZH	\$ 33.14	\$ 67.13	\$ 27.62	\$ 1,193	\$ 2,827	\$ 5,159	\$ 519	\$ 508	0.5x	5.4x	5.6x	5.8x	<i>nmf</i>
Centex Corp.	NYSE:CTX	46.33	63.47	40.41	5,405	11,955	14,431	1,124	1,067	0.8x	10.6x	11.2x	14.1x	<i>nmf</i>
Comstock Homebuilding Companies Inc.	NasdaqNM:CHCI	3.39	10.82	3.63	67	341	246	(5)	(6)	1.4x	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>
DR Horton Inc.	NYSE:DHI	22.40	34.49	19.52	7,045	12,239	15,016	2,075	2,015	0.8x	5.9x	6.1x	9.7x	21.3x
Hovnanian Enterprises Inc.	NYSE:HOV	23.54	42.91	22.61	1,515	4,256	6,036	531	466	0.7x	8.0x	9.1x	<i>nmf</i>	<i>nmf</i>
KB Home	NYSE:KBH	44.03	67.46	37.89	3,845	6,884	10,579	815	794	0.7x	8.4x	8.7x	10.7x	17.4x
Lennar Corp.	NYSE:LEN	42.69	59.50	38.66	6,823	10,090	15,818	962	916	0.6x	10.5x	11.0x	17.1x	30.9x
M/I Homes Inc.	NYSE:MHO	30.02	48.00	25.15	380	1,014	1,359	163	158	0.7x	6.2x	6.4x	10.5x	36.4x
MDC Holdings Inc.	NYSE:MDC	50.62	62.94	39.26	2,315	2,934	4,802	484	465	0.6x	6.1x	6.3x	11.2x	63.3x
Meritage Homes Corp.	NYSE:MTH	34.76	68.34	30.56	866	1,543	3,461	425	401	0.4x	3.6x	3.9x	4.0x	14.2x
NVR Inc.	AMEX:NVR	784.00	814.75	386.55	4,117	3,922	6,155	1,222	1,208	0.6x	3.2x	3.2x	9.6x	13.5x
Pulte Homes Inc.	NYSE:PHM	25.94	41.36	25.16	6,830	10,939	14,270	1,178	1,094	0.8x	9.3x	10.0x	10.4x	36.8x
Ryland Group Inc.	NYSE:RYL	43.00	70.79	33.86	1,894	2,811	4,757	691	645	0.6x	4.1x	4.4x	5.8x	19.6x
Standard Pacific Corp.	NYSE:SPF	20.88	34.22	19.53	1,385	3,629	3,964	535	527	0.9x	6.8x	6.9x	11.8x	31.8x
Technical Olympic USA Inc.	NYSE:TOA	3.72	23.00	3.32	262	1,309	2,637	225	211	0.5x	5.8x	6.2x	<i>nmf</i>	4.9x
Toll Brothers Inc.	NYSE:TOL	29.09	35.64	22.22	4,452	6,279	5,873	1,061	1,030	1.1x	5.9x	6.1x	8.4x	20.8x
									Median	0.7x	6.1x	6.3x	10.5x	20.8x

Lumber	Ticker	Stock Price 5/8/07	52-Week		Market Value	Enterprise Value	LTM			Enterprise Value / LTM			P/E	
			High	Low			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	LTM	2007F
Ainsworth Lumber Co. Ltd.	TSX:ANS	\$ 7.25	\$ 23.89	\$ 4.47	\$ 91	\$ 912	\$ 710	\$ 40	\$ (35)	1.3x	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>
Canfor Corp.	TSX:CFP	10.99	11.28	8.44	1,577	1,434	3,300	91	(66)	0.4x	15.8x	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>
Louisiana-Pacific Corp.	NYSE:LPX	19.78	28.83	18.05	2,188	1,770	2,235	240	112	0.8x	7.4x	15.9x	17.4x	<i>nmf</i>
Norbord, Inc.	TSX:NBD	7.65	11.17	6.82	1,118	1,591	1,252	247	153	1.3x	6.4x	10.4x	11.1x	<i>nmf</i>
Universal Forest Products Inc.	NasdaqNM:UFPI	47.73	80.28	43.61	959	1,078	2,665	164	124	0.4x	6.6x	8.7x	16.4x	15.8x
West Fraser Timber Co. Ltd.	TSX:WFT	36.29	40.69	30.83	1,656	1,675	2,856	585	368	0.6x	<i>nmf</i>	<i>nmf</i>	4.6x	<i>nmf</i>
Weyerhaeuser Co.	NYSE:WY	81.98	87.09	54.25	18,553	26,551	21,896	3,332	2,049	1.2x	8.0x	13.0x	<i>nmf</i>	33.3x
									Median	0.8x	7.4x	11.7x	11.1x	20.8x

Source: Capital IQ. As of May 8, 2007.

Building and Construction Market M&A Conference



WHEN Tuesday, May 22, 2007
11:30 AM - 5:30 PM CST

WHERE University Club of Chicago
76 E Monroe Street
Chicago, IL 60603

If you're considering buying, selling or investing in a business in the building and construction market, you should consider attending this conference.

Real estate represents 50% of all U.S. assets. Building products and materials, construction services and infrastructure investment represents almost 10% of total U.S. GNP. While residential building has taken a break from its long pattern of historical growth, both commercial and industrial building activities remain strong. In addition, the M&A and related financing markets are at record levels. Lincoln International and Katten Muchin

Rosenman LLP are pleased to present a building and construction market M&A conference that combines relevant and insightful information with networking. The conference will be held on May 22nd in downtown Chicago, immediately across from the new Millennium Park.

The conference will begin with registration at 11:30, followed by lunch at noon and end by 4:30 pm. Ample time will be provided for interactive discussions. A cocktail party to facilitate one-on-one discussions will be held immediately following.

For more information about the conference, please visit:

www.lincolninternational.com/events

To RSVP please contact MaryKate Howard of Lincoln International at mkhoward@lincolninternational.com or (312) 506-2714.

This event is compliments of Lincoln International and Katten.



About Lincoln International

Lincoln International specializes in merger and acquisition services and private capital raising for leading organizations involved in mid-market transactions. With offices in Chicago, Frankfurt, Los Angeles, New York, and Paris, and strategic partnerships with China Everbright and other partner firms in Asia, Lincoln International has strong local knowledge and contacts in the key global economies. The organization provides clients with senior-level attention, in-depth industry expertise, and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at www.lincolninternational.com.

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