

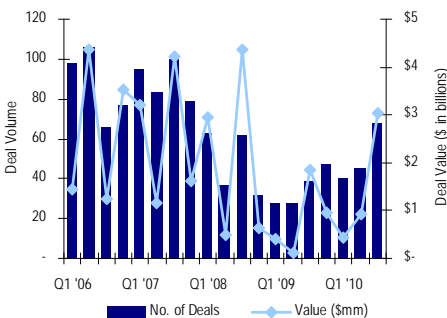
Is Now the Right Time to Invest in Residential Building Products Companies?

M&A Activity is Rebounding

2009 was a difficult year as overall global M&A activity sharply declined. Amidst the global decline, the building and infrastructure industry was one of the hardest hit markets and while the first time homebuyers' tax credit provided temporary support for the industry earlier this year, its expiration in April 2010 led to a softening in many of the industry's leading indicators such as residential building permits and housing starts.

According to Factset Mergerstat, global deal volume experienced a peak-to-trough decline of over 53% from Q4 2005 to Q1 2009. The building and infrastructure industry deteriorated even further with global building and infrastructure M&A market declines over 61% from Q4 2007 to Q2 2009. However, recent quarters have seen an up-tick in M&A activity, both globally and within the U.S., indicating that the industry has potentially bottomed and is on the rebound. Global building and infrastructure M&A activity has increased approximately 59% from Q2 2009 to Q3 2010. U.S. building and infrastructure deal activity has seen a more dramatic rise in deal volume, increasing by approximately 143% from Q2 2009 to Q3 2010.

U.S. B&I Quarterly M&A Activity



Source: Factset Mergerstat

Favorable Residential Outlook in 2011

All segments of the building and infrastructure industry were significantly impacted by the economic downturn. The commercial construction segment will likely decline further in 2011 before showing signs of recovery in 2012. However, the residential segment has likely bottomed, presenting an opportunity

for active and knowledgeable investors to take advantage of the near-term market recovery that is expected to begin in 2011.

According to the National Association of Home Builders ("NAHB"), total housing starts are expected to show a modest recovery by year-end of 9.1% to 605,000 units, seasonally adjusted, from 2009 levels. In 2011, housing starts are forecasted to continue recovering at a more accelerated pace, increasing to 824,000 units, seasonally adjusted, or a 36.2% increase over 2010. By Q1 2012, the NAHB anticipates total housing starts to surpass the 1 million mark, the first time since Q2 2008. Housing starts are forecasted to reach 1.2 million units by the end of 2012, seasonally adjusted, an increase of 46.3% over forecasted 2011 levels. This significant growth outlook in residential housing starts provides hope for a strong near-term recovery in the residential housing sector.

Acquisition Interest Rising

Many key industry participants experienced deteriorating financial performance during the market downturn. Companies have struggled to perform and many have restructured to strengthen their balance sheet and cut costs through streamlined operations. However, this general pattern in the industry has placed a premium on the key participants who have outperformed their competitors, proven their ability to successfully weather the storm and are positioned to gain additional market share. Companies who have recently emerged now have

healthy balance sheets, available cash and the ability to implement or resume acquisitive growth strategies. Not only are strategic investors acquisitive, private equity groups have begun to express heightened interest in residential building and infrastructure companies and are seeking to take advantage of the market bottom and near-term recovery. Acquisition activity has begun to heat up, as evidenced by several recent, high-profile acquisitions, including Hellman and Friedman's \$1.3 billion acquisition of Associated Materials.

Now is the Time to Invest

Many companies and investors have shied away from investing in building and infrastructure companies over the past couple of years due to the sector's uncertain outlook. The decline in the industry's performance and the unknown level at which the sector would stabilize were enough to bring M&A activity to a near standstill. Today, industry dynamics have changed. While the bottom of the market is never guaranteed, there is evidence in leading market indicators, industry forecasts and recent M&A activity which provide comfort for many and suggest that residential is past the worst and is now at or near the bottom. Having reached this floor, significant opportunity exists for investors to proactively invest in the sector and take advantage of the rebound, and both strategic and private equity investors believe major consolidation is in store for the industry.

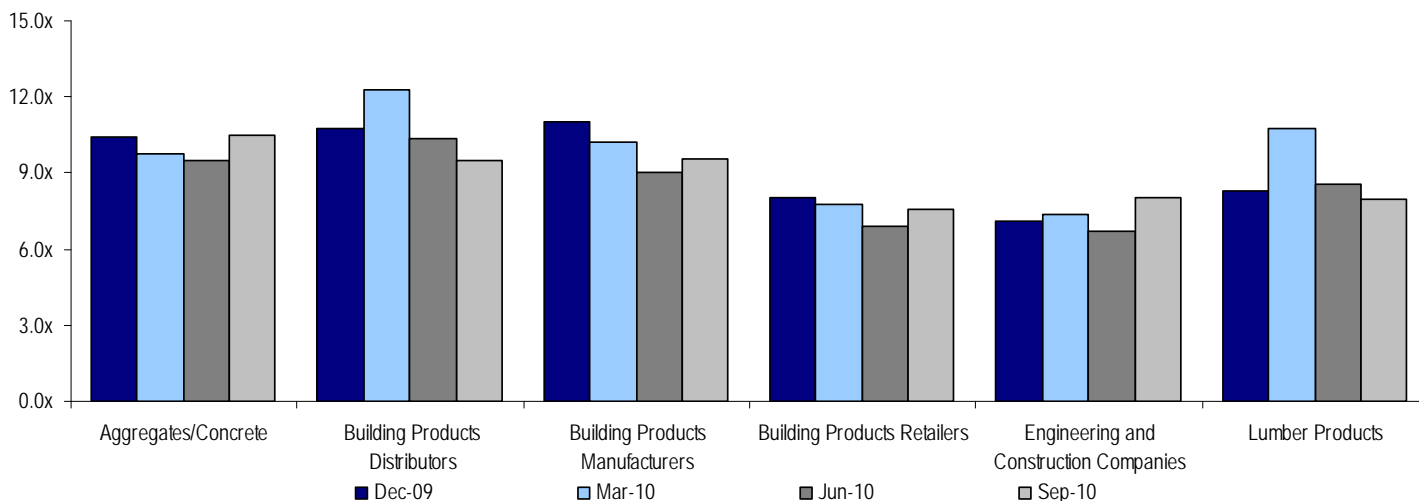
Andrew Bohutinsky Starts Private Equity Effort



Andrew Bohutinsky, the former head of Lincoln International's Building and Infrastructure Group, departed Lincoln International earlier this year to start a new private equity firm, Desco Capital. Desco Capital is the investment arm of Desco Corporation, a Columbus, Ohio based privately-held company that owns six manufacturing and industrial technology companies (including two building products companies) with operations in the U.S., Europe and Asia. Desco Capital seeks acquisitions of companies of up to \$12 million in EBITDA, with a particular focus on manufacturing, specialty distribution and industrial services businesses, including building products, as well as those where there is opportunity for operational or other improvements. Desco Capital leverages the operational strengths of the Desco Corporation executive team to partner with management and build long-term value. Andrew Bohutinsky can be reached at (614) 987-4471 or via email at abohutinsky@descocapital.com. For more information on Desco Capital, please see www.DescoCapital.com.

Valuation Multiple Update: Building and Infrastructure Indices

Chart A: Historical Enterprise Value / EBITDA Multiples



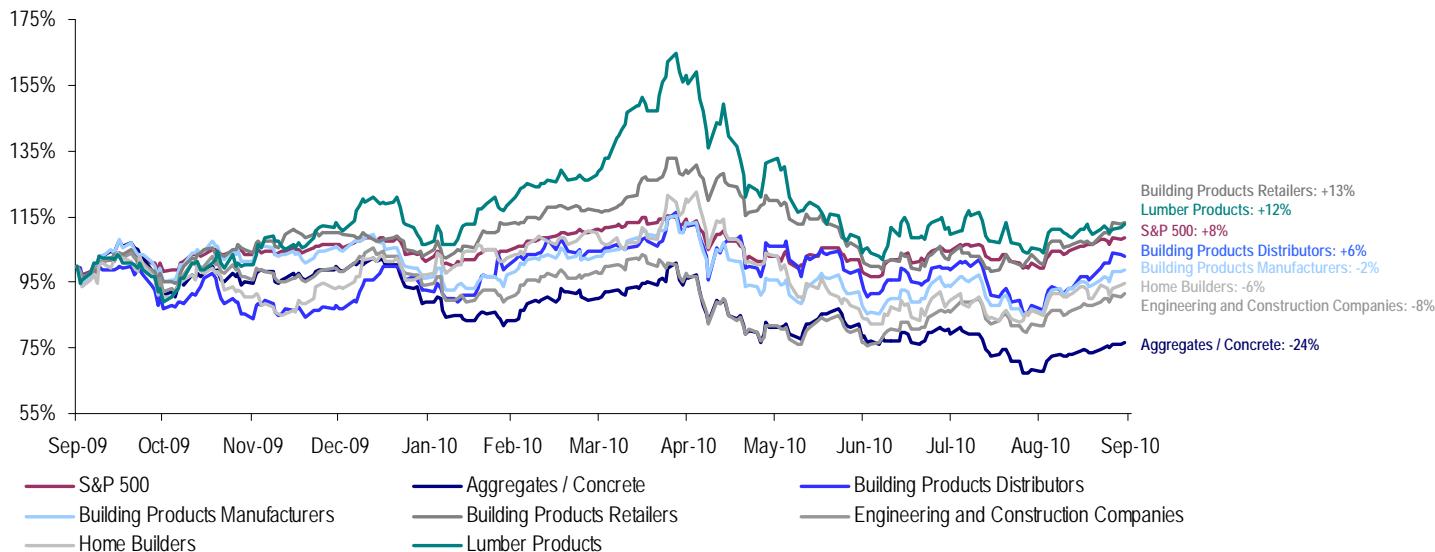
Index	Components
Aggregates/Concrete	Buzzi Unicem SpA Ciments Francais SA HeidelbergCement AG Martin Marietta Materials Inc. Vicat SA Cementos Argos Corporacion Moctezuma SA de CV Holcim Ltd. Taiheiy Cement Corp. Vulcan Materials Company Cementos Lima SA CRH plc Italcementi SpA Texas Industries Inc. CEMEX, S.A.B. de C.V. Eagle Materials Inc. Lafarge SA Titan Cement Company S.A.
Building Products Distributors	Beacon Roofing Supply Inc. Watsco Inc. Bluelinx Holdings Inc. WESCO International Inc. Builders FirstSource, Inc. Wolesey plc Huttig Building Products Inc.
Building Products Manufacturers	AAON Inc. Boral Ltd. Gibraltar Industries, Inc. Kingspan Group plc NCI Building Systems Inc. Saint-Gobain Uralita SA American Woodmark Corp. Deceuninck NV Griffon Corporation Lennox International, Inc. Owens Corning Sanwa Holdings Corporation USG Corp. Armstrong World Industries, Inc. Fletcher Building Ltd. Headwaters Inc. Masco Corporation PGT, Inc. Simpson Manufacturing Co., Inc. Wavin N.V. Assa Abloy AB Fortune Brands Inc. James Hardie Industries SE Mohawk Industries Inc. Quanex Building Products Corporation Trex Co. Inc. Wienerberger AG
Building Products Retailers	Home Depot, Inc., The KingFisher plc Lowe's Companies Inc. Travis Perkins plc
Engineering and Construction Companies	Acciona SA Balfour Beatty plc Ferrovial SA Granite Construction Incorporated Morgan Sindall Group plc SNC Lavalin Group Inc. URS Corporation Actividades de Construcción y Servicios, S.A Bifinger Berger SE Fluor Corporation Hochtief AG Obrascon Huarte Lain SA Sterling Construction Co. Inc. Vinci SA AMEC plc Bouygues SA (Colas SA) Fomento de Construcciones y Contratas, S.A. Jacobs Engineering Group Inc. Shaw Group Inc. Strabag SE Arcadis NV Chicago Bridge & Iron Company N.V. Foster Wheeler AG KBR, Inc. Skanska AB Tutor Perini Corporation
Home Builders	Beazer Homes USA Inc. KB Home Meritage Homes Corporation Standard Pacific Corp. DR Horton Inc. M/I Homes, Inc. PulteGroup, Inc. Hovnanian Enterprises Inc. MDC Holdings Inc. Ryland Group Inc.
Lumber Products	Ainsworth Lumber Co. Ltd. Universal Forest Products Inc. Canfor Corp. West Fraser Timber Co. Ltd. Louisiana-Pacific Corp. Norbord, Inc.

Source: Capital IQ

Note: Home Builders Index was excluded from historical enterprise value / EBITDA multiples chart

Stock Market Performance Update: Building and Infrastructure Indices

Chart B: Building and Infrastructure Indices



Source: Capital IQ

Recent Building and Infrastructure Industry News and Notes

- 11/1/10: **Construction spending** rose to a seasonally adjusted annual rate of **\$801.7 billion** in September 2010, up 0.5% from a revised August 2010 estimate but 10.4% below September 2009
- 10/27/10: **Single family home sales** in September 2010 increased from August 2010 at a seasonally adjusted annual rate of **307,000 units**, though down 21.5% from September 2009
- 10/19/10: **Building permits** decreased to a seasonally adjusted annual rate of **539,000** in September 2010, down 5.6% from August 2010 and down 10.9% from September 2009
- 10/19/10: **Housing starts increased** to a seasonally adjusted annual rate of **610,000 units** in September 2010, up 0.3% from August 2010 and up 4.1% from September 2009
- 10/19/10: **Cerberus ABP Investors**, an affiliate of Cerberus Capital Management, terminated its tender offer for all of the outstanding publicly-held shares of **Bluelinx Holdings, Inc.**
- 9/16/10: **Actividades de Construcción y Servicios, SA (CATS:ACS)** announced its intention to increase its 29.9% stake in **Hochtief AG (DB:HOT)** to a majority position
- 9/13/10: **Dayton Superior Corp.** acquired the assets of Unitex Chemicals, and completed its acquisition of bankrupt **Universal Building Products**
- 9/6/10: **President Obama** outlined his plan for infrastructure spending at Laborfest in Milwaukee, which include plans to spend **\$50 billion on infrastructure projects** to spur job creation
- 8/31/10: **U.S. Concrete, Inc.** announces the completion of its Plan of Reorganization, emerging from Chapter 11 four months after its balance sheet reorganization
- **(NYSE:BXC)**. Cerberus currently owns 55.4% of Bluelinx.
- 7/22/10: **Euramax Holdings, Inc.** filed for an initial public offering and anticipates raising up to \$175 million
- 5/28/10: **Ply Gem Holdings, Inc.** filed for an initial public offering to raise as much as \$300 million
- 5/6/2010: The **Home Star Energy Retrofit Act of 2010**, as part of the **Clean Energy Jobs and Oil Company Accountability Act**, passed the House of Representatives and is currently awaiting Senate approval

Selected Closed Building and Infrastructure M&A Transactions (Apr. 2010 to Oct. 2010)

Date	Closed Target Company	Target Description	Acquiring Company
Oct-10	Saiia Construction, LLC	Provides heavy construction services	Meadow Valley Corp.
Oct-10	PBSJ Corp.	Operates as an employee-owned construction management company	WS Atkins plc
Sep-10	Ames True Temper Inc.	Manufactures and markets non-powered landscaping products	Griffon Corporation
Sep-10	Associated Materials	Manufactures and distributes exterior residential building products	Hellman & Friedman LLC
Sep-10	Groupe Setor	Operates as a general building engineering company	SNC-Lavalin France S.A.S
Aug-10	Australian Construction Products Pty Limited	Manufactures and distributes barrier systems	Fletcher Building (Australia) Pty Ltd.
Aug-10	Aecon Mining	Provides construction services for oil sands clients	Aecon Group Inc.
Aug-10	Groupe GINGER	Operates as an engineering group	Grontmij NV
Aug-10	MonierLifetile LLC	Manufactures concrete roof tiles	Boral Industries, Inc.
Aug-10	Harper Ready Mix Company	Supplies ready mix concrete	Summit Materials, LLC
Aug-10	Woowon Development Co., Ltd.	Offers construction services	Woowon Development Co., Ltd.
Aug-10	TRACO, Inc.	Manufactures and provides architectural fenestration products	Alcoa Building & Construction Systems
Jul-10	Innovative Technical Solutions, Inc.	Operates as an infrastructure and environmental solutions company	Gilbane Building Company, Inc.
Jul-10	Oakview dck, LLC	Operates as a general contractor	dck Worldwide, LLC
Jul-10	Safety Tubs LLC	Manufactures acrylic and gel coat walk-in bathtubs and accessories	AS America Inc.
Jul-10	Posi-Slope Enterprises, Inc.	Manufactures tapered roof insulation and drainage systems	Beacon Roofing Supply Inc.
Jul-10	Tishman Construction Corporation	Provides pre-construction and construction services	AECOM Technical Services, Inc.
Jul-10	Seacliff Construction Corp.	Provides general contracting, electrical contracting and heavy civil construction services	Churchill Corp.
Jul-10	Bison Building Materials, Ltd.	Supplies building materials	Stock Building Supply LLC
Jul-10	Bradco Supply Corporation	Distributes building materials to contractors and builders	American Builders & Contractors Supply Co., Inc.
Jun-10	Klondyke Construction LLC	Operates as an infrastructure and civil contractor	Pike Electric Corporation
Jun-10	Pollux, LLC	Manufactures engineered and natural quartz surface and granite stone countertops	Dale Tile Company
Jun-10	C. P. Loewen Enterprises Ltd.	Manufactures and distributes custom-made wood and clad wood windows and doors	VKR Holding A/S
Jun-10	Schwab Industries, Inc.	Manufactures construction materials	Oldcastle Materials, Inc.; Resource Land Holdings, LLC
May-10	Hillman Companies Inc.	Provides hardware-related products and related merchandising services	Oak Hill Capital Partners
May-10	Blue Diamond Industries, LLC, Corrugated Plastic Pipe Division	Manufactures corrugated plastic pipe	Infiltrator Systems, Inc.
May-10	E. E. Cruz & Company, Inc.	Operates as a heavy construction company	The Turner Corporation; Flatiron Construction Corp.
May-10	American Civil Constructors, Inc.	Provides construction and maintenance services	Meadow Valley Corp.
Apr-10	Hunter Automatics Inc.	Manufactures and supplies door automation systems and components	Assa Abloy AB
Apr-10	Cornejo & Sons, Inc.	Operates as a construction company	Summit Materials, LLC
Apr-10	Louisiana Roofing Supply, LLC	Distributes home building, re-roofing and home repair products	Beacon Roofing Supply Inc.
Apr-10	Brice Building Company, Inc.	Operates as a general contracting and construction management company	Anderson Companies, Inc.
Apr-10	Phoenix Sales, Inc.	Distributes specialty products, roof coatings and single-ply systems	Beacon Roofing Supply Inc.
Apr-10	National Home Centers, Inc.	Provides building materials	Stock Building Supply Holdings LLC
Apr-10	Ready Mix, Inc.	Manufactures and distributes construction materials	Cementos Lima SA

Source: Capital IQ and MergersMarket

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★ Indicates Lincoln International office

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- Renewable Energy
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