

Windows on Wall Street

From Lincoln International

The WD Stock Index takes on a new look this month. PGT, the Florida-based manufacturer of windows and doors, which began operations in 1980 and first became listed on the NASDAQ stock exchange in 2006, has been added to the index. Quanex Building Products Corp., the recently divested building products division of Quanex Corp., has replaced its former parent in the index. The stock index continues to struggle due to difficulties in the housing and overall construction markets, having fallen 38.4% in the past year (compared to a 6.0% loss in the S&P 500 over the same period). Housing starts demonstrate this struggle. Preliminary March 2008 numbers, as reported by the U.S. Census Bureau, came in at 947,000 thousand units, a 36.5% decline from the March 2007 figure of 1,491 million thousand units. While residential construction numbers continue to struggle, nonresidential construction figures have shown some positive uptick. The U.S. Census Bureau reported an increase of 1.9% in nonresidential construction spending between February and March of 2008. The adjusted annual rate for March came in at \$382.2 billion. The other sectors of the construction industry, along with the rest of the U.S. economy, continue to wait for this uptick to be seen on a broader scale.

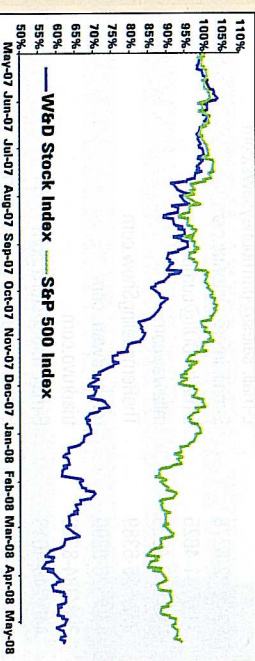
WD Stock Watch

As of May 6, 2008

Company	Current Price (\$)	52 week High	52 week Low	*E/V/EBITDA
Black & Decker Corp.	\$43.31	\$62.35	\$39.66	8.0x
Building Materials Holding Corp.	2.63	10.51	2.35	6.6x
Drew Industries Inc.	15.16	28.40	12.96	5.7x
Fortune Brands Inc.	44.38	58.36	39.93	9.4x
Home Depot Inc., The	18.88	26.47	15.28	6.8x
Hunting Building Products Inc.	1.67	5.64	1.39	n/a
Lowe's Companies Inc.	16.36	21.33	12.82	7.0x
Masco Corp.	12.13	19.92	11.43	7.2x
PGI Inc.	2.28	8.36	1.40	7.1x
PPG Industries Inc.	40.65	52.98	36.73	8.3x
Quanex Building Products Corp.	11.24	11.83	8.36	4.6x
Wolseley PLC	6.85	17.49	5.95	6.2x

The WD Stock Watch includes a select list of publicly-traded companies involved in the window and door industry. For *E/V/EBITDA: E/V (enterprise value) = Market value of stock plus debt outstanding minus cash, and EBITDA = Earnings before interest, taxes, depreciation and amortization. Data provided courtesy of Lincoln International.

WD Stock Index



Note: Local currency converted to USD using historical spot rates. The WD Stock Index consists of the above stocks weighted by market cap. Data provided courtesy of Lincoln International.

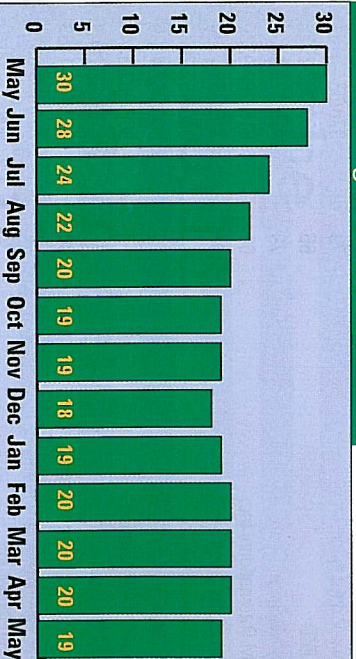
Contact Information: Andrew Bohunsky, managing director, 312/580-2805, aaboynsky@lincolninternational.com, and Greg T. Hicks, analyst, 312/516-2730, ghicks@lincolninternational.com. Lincoln International specializes in merger and acquisition services and private capital raising for leading organizations involved in mid-market transactions. With offices in Chicago, Frankfurt, Los Angeles, New York and Paris, and partner firms in Asia, Lincoln International has strong local knowledge of 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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Market Snapshot—New Construction

Home builders remained considerably downbeat as market conditions continued to erode in May, according to the NAHB/Wells Fargo Housing Market Index. The HMI fell a single point to 19, bringing it within one point of the record low 18 set in December 2007 (the series began in January of 1985). "Despite the Federal Reserve's concerted efforts to lower short-term interest rates, free up credit markets and shore up the national economy, the housing market has shown no evidence of improvement thus far. In fact, conditions have continued to deteriorate in recent times," says David Seiders, NAHB chief economist. "The latest HMI shows that even fewer builders now foresee market conditions improving over the next six months compared with our April survey, and builder ratings of buyer traffic through model homes also have dropped off over the past month on a seasonally adjusted basis. This certainly adds fuel to the argument that targeted policy stimulus, in the form of a temporary tax credit for home buyers, is essential to halt the housing downsizing and remove the heavy drag being exerted by housing on overall economic growth."

Housing Market Index



Source: NAHB, Builders' Economic Council (BEC) Monthly Surveys

The HMI is compiled by NAHB, based on a monthly survey of builders, in which they are asked to rate the current business climate. Any number over 50 indicates that more builders view sales conditions as good than poor.

Realtors—Leveraging Technology

Real estate professionals will likely stay ahead of the technology curve, enabling them to keep connected to customers and promote sales. A panel recently hosted by the National Association of Realtors suggested that of the technological tools coming down the pike, realtors will probably leverage: more smart phones and handheld devices, make more widespread use of video for showcasing homes for sale, enable custom Web searches for real estate, use voice command technology for doing business behind the wheel, and incorporate more high-speed internet packages and marketing vehicles that allow for properly advertisements to appear on consumers' cell phones.

Closing Thoughts—Fredie/Fannie Bailout?

"I would say there's at least a 50-50 chance of some sort of bailout. I'm not saying it will necessarily cost \$1 trillion, but Fannie Mae/Fredie Mac will need some kind of help, and it very well could happen this year." —Dean Baker, co-director of the Center for Economic and Policy Research