

## Windows on Wall Street

From Lincoln International

The a stock index declined 19.4% over the past three months from April to July, compared to a decrease of 6.2% in the S&P 500 during the same period. This is driven primarily by deteriorating economic statistics. Housing starts continued their decline in recent months. Preliminary May 2008 numbers, as reported by the U.S. Census Bureau, came in at 975,000 units, an 11.9% decline from the February 2008 figure of 1.1 million units. The government has made continued efforts to halt this period of economic decline. First, it provided \$48 billion in tax rebates over the last two months. Because of this stimulus, U.S. consumers' disposable income rose 5.7% in May. The National Association of Home Builders believes that this recent stimulus was not enough and has recently begun a campaign for increased stimulus legislation. The legislation that is currently being debated in Congress and backed by the NAHB is the home buyer tax credit, which would provide qualified first-time buyers with an incentive to buy their first home. If passed, this bill would help increase home buying and reduce excess supply in the housing market. Because of this legislation, the next one to two months will help to provide an accurate picture of how quickly the housing market will improve.

### WD Stock Watch

As of July 8, 2008

Company	Current Price (\$)	52 week High	52 week Low	*EV/ EBITDA
Black & Decker Corp.	\$58.25	\$97.01	\$54.89	7.3x
Building Materials Holding Corp.	2.09	15.15	1.72	9.2x
Drew Industries Inc.	16.45	44.18	15.12	4.0x
Fortune Brands Inc.	56.17	90.80	51.59	8.2x
Home Depot Inc.	23.04	41.01	22.02	6.2x
Huttig Building Products Inc.	1.61	7.56	1.50	n/a
Lowe's Companies Inc.	20.82	32.53	19.93	5.8x
Masco Corp.	15.55	28.66	14.23	6.4x
PGT Inc.	4.20	12.22	2.18	7.7x
PPG Industries Inc.	56.30	82.42	54.65	7.7x
Quanex Building Products Corp.	15.32	18.40	13.00	6.7x
Wolseley PLC	5.87	23.26	5.74	4.7x

The WD Stock Watch includes a select list of publicly-traded companies involved in the window and door industry. For \*EV/EBITDA: EV (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.

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