

Windows on Wall Street

From Lincoln International

The *Window & Door* stock index and the broader market, measured by the S&P 500 index have risen by 20.8% and 12.7%, respectively, since their low point on November 20, 2008. However, the housing industry continues to suffer from excess inventory and historically low sales levels. Preliminary figures for housing starts during November 2008 came in at a seasonally adjusted annual rate of 625,000 units, down 47% since November 2007, reflecting the cautious attitude of builders as the country works through excess inventories. The government has promised to step up emergency actions started in late 2008 aimed at improving the prospects for the housing sector and reactivating this part of the economy. As an initial step in the implementation of the government's actions the Federal Reserve Bank of New York began purchasing mortgage-backed securities in early January. The program, announced in late November, gives the Federal Reserve the authority to spend \$500 billion to buy mortgage-backed securities guaranteed by mortgage giants Fannie Mae and Freddie Mac and another \$100 billion to directly purchase mortgages held by Fannie, Freddie and the Federal Home Loan Banks. The program aims to reduce the price of mortgages and increase the availability of home loans, in turn spurring new home construction.

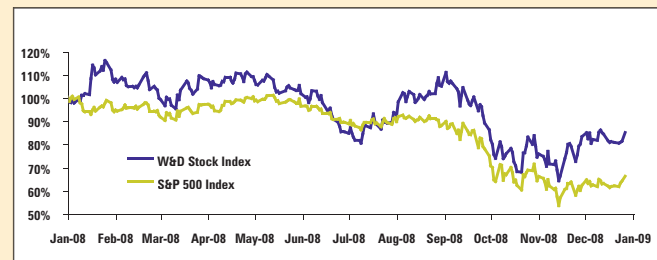
WD Stock Watch

As of January 5, 2009

Company	Current Price (\$)	52 week High	52 week Low	*EV/ EBITDA
Black & Decker Corp.	\$41.86	\$84.36	\$32.31	6.2x
Building Materials Holding Corp.	0.32	7.31	0.11	n/a
Drew Industries Inc.	12.71	32.25	9.10	4.6x
Fortune Brands Inc.	36.80	77.56	30.24	6.9x
Home Depot Inc., The	21.85	31.08	17.05	6.5x
Huttig Building Products Inc.	0.40	4.78	0.35	n/a
Lowe's Companies Inc.	19.75	28.49	15.76	5.8x
Masco Corp.	9.14	25.00	6.82	6.3x
PGT Inc.	0.95	6.14	0.95	4.3x
PPG Industries Inc.	41.80	72.21	35.94	5.4x
Quanex Building Products Corp.	7.43	18.40	6.43	3.7x
Wolseley PLC	4.53	11.61	3.64	5.2x

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.

Contact Information: Andrew Bohutinsky, managing director 312/580-2805, abohutinsky@lincolnternational.com; and Greg T. Hicks, analyst 312/506-2730, ghicks@lincolnternational.com. Benjamin Kessler, Analyst: bkessler@lincolnternational.com; 312/506-2749. 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.lincolnternational.com.

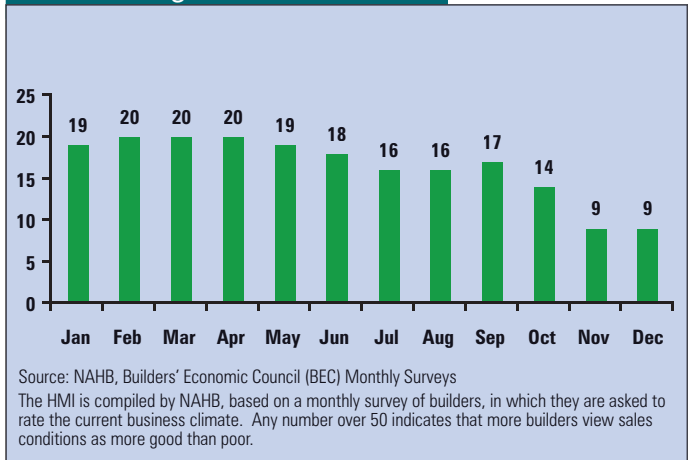
The analysis above is for your information only and is not an offer to sell or a solicitation of an offer to buy, the securities or instruments mentioned or described in this report. The information has been obtained or derived from sources believed by us to be reliable, but we do not represent that it is accurate or complete. Any opinions or estimates contained in this information constitute our judgment as of this date and are subject to change without notice.

Market Snapshot—New Construction

Builder confidence in the market for newly built single-family homes held at a record low in December as deepening economic turmoil, a deteriorating job market, and an ongoing flow of fore-closed homes onto the market continued to negatively impact sales conditions. The National Association of Home Builders/Wells Fargo Housing Market Index did not budge this month from November's all-time low reading of 9.

"We have seen no improvement over the past month in terms of sales conditions for new homes," says David Crowe, NAHB chief economist. "In fact, certain factors have gotten progressively worse, not the least of which is the job market, where massive layoffs are having a devastating effect on consumer confidence. At this point it will take definitive government action to stop the slide in home values and turn the tide of consumer sentiment."

Housing Market Index



Homeowners Speak—Feeling Green

Forty-eight percent of homeowners said they would spend \$2,500 or more to give their house a green face-lift prior to trying to sell it, says a recent survey by Better Homes and Gardens Real Estate. Another 30 percent said they would spend \$5,000 or more, as long as it increases the re-sale price. "...In other words," says an article by Media Daily News, "they're ready to embrace green practices if there's a prospect of profit. This information may be useful in advertising green products and services to consumers, suggesting for example combining the themes of economy and ecology."

Closing Thoughts—Mortgage Deals?

With rates at historic lows, there is a small window of opportunity right now for homeowners to save hundreds of dollars per month in payments. However, contrary to decades-old conventional wisdom, getting a lower rate doesn't necessarily mean you're saving money. If you do it the wrong way, you could reduce your existing rate by a full 2 percent and actually put yourself in worse financial shape than before."
—Dale Vermillion, author of "Navigating the Mortgage Maze: The Simple Truth About Financing Your Home."