

Windows on Wall Street

From Lincoln International

The Window&Door stock index has fallen only 6.3% over the past three months, compared to a decline of 21.8% of the S&P 500. Industry statistics that track activity in the building and construction industry continued to show the weakness in the sector when compared to levels one year ago. For example, single family housing starts slipped to 630 thousand units for the month of August, down 1.9% from July and 34.9% from August 2007. However, the prospects for the industry have remained stable even in the current climate of financial turmoil. The government is taking energetic action to restore confidence in the financial markets and add liquidity to the monetary system. On Oct. 3, Congress approved the \$700 billion Troubled Asset Relief Plan (TARP), which authorized the Treasury to purchase troubled assets from financial institutions. Once the Treasury's funds start flowing to the financial system, economists expect financial institutions to resume lending, which should eventually result in greater availability of mortgages for home buyers.

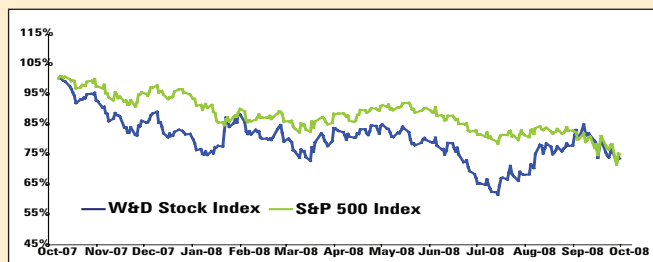
WD Stock Watch

As of October 7, 2008

Company	Current Price (\$)	52 week High	52 week Low	*EV/EBITDA
Black & Decker Corp.	\$53.12	\$92.30	\$51.56	7.1x
Building Materials Holding Corp.	0.77	11.73	0.30	n/a
Drew Industries Inc.	14.10	44.17	13.52	3.6x
Fortune Brands Inc.	57.36	84.73	51.59	8.7x
Home Depot Inc.	21.89	34.25	20.76	5.8x
Huttig Building Products Inc.	1.72	5.69	1.50	n/a
Lowe's Companies Inc.	19.53	31.72	18.00	5.5x
Masco Corp.	16.36	25.28	13.50	7.3x
PGT Inc.	2.07	8.71	1.98	5.9x
PPG Industries Inc.	50.66	79.95	50.34	6.8x
Quanex Building Products Corp.	13.56	18.40	12.67	7.4x
Wolseley PLC	6.44	15.36	4.50	4.6x

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.

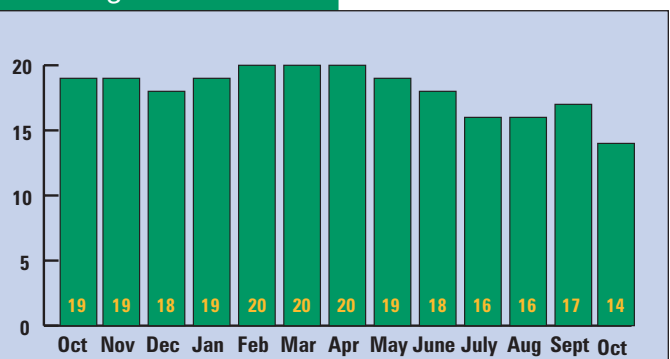
Contact Information: Andrew Bohutinsky, managing director 312/580-2805, abohutinsky@lincolnternational.com; and Greg T. Hicks, analyst 312/506-2730, ghicks@lincolnternational.com. Benjamin Kessler, Analyst; bkessler@lincolnternational.com; 312/506-2749 Lincoln International specializes in merger and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

Reflecting profound uncertainties tied to the financial market shocks of recent weeks, builder confidence in the market for new single-family homes receded to a new record low. The National Association of Home Builders/Wells Fargo Housing Market Index declined three points to 14 in October after having edged up slightly in the previous month. "Undoubtedly, today's HMI reflects builder assessments of the recent events on Wall Street, the rapid deterioration in job markets and the corresponding weakness in consumer confidence," notes David Seiders, NAHB chief economist. "This report provides clear evidence that an additional economic stimulus package is needed, including a substantial incentive to spur home buying. The impacts of the record-breaking housing contraction have spilled over to other key sectors of the economy and weighed heavily on financial markets, and stabilizing housing is now the best chance we have to limit the severity of recession."

Housing Market Index



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

Factory Production—Big Drop

The Federal Reserve reports production at the nation's factories declined in September by the largest amount in nearly 34 years. Production for all industries fell by a seasonally adjusted 2.8% from the previous month. "This is consistent with a recession, there's no doubt about it," said John Silvia, chief economist for Wachovia, in a report from CNNMoney.com. Production fell for 12 straight months during the 2001 recession. "Industrial production is a key input into the overall output of the U.S. economy," Silvia noted. "For all practical applications, there is a one-to-one correspondence between production and how the economy is growing."

Closing Thoughts—Not Hopeless

"When times get tough, it's not like consumers cut out everything. They spend the money they save on the things they value and want to keep." —J. Walker Smith, president, Yankelovich Partners, as reported by Dow Jones.