

Distribution Financial Metrics and Trading Multiples

(Data as of September 30, 2008)

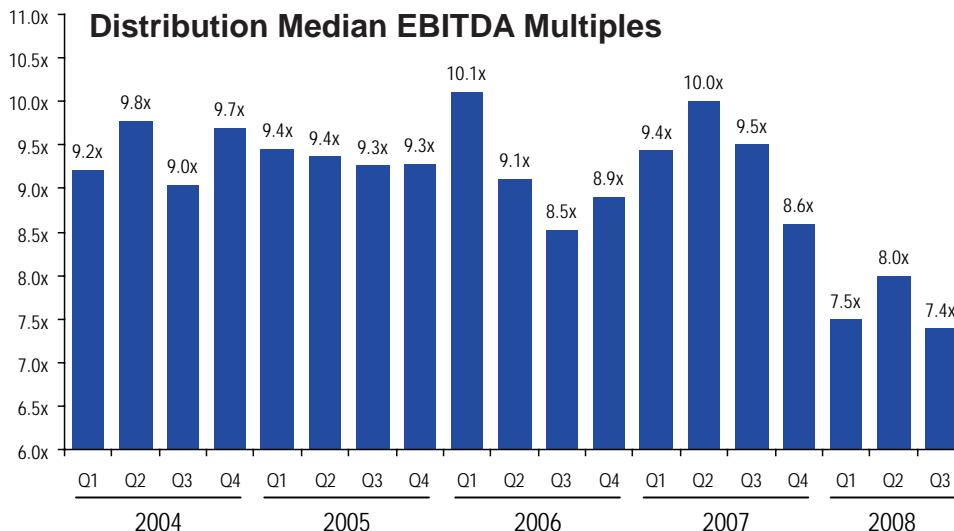
(\$ in millions)

Company	Ticker	Enterprise Value	LTM				EBITDA Margin	EV to LTM Sales	EV to LTM EBITDA	ROIC	Working Capital/Sales
			Sales	Sales Growth	Gross Margin	EBITDA					
Airgas Inc. *	ARG	\$5,667	\$4,219	26.0%	52.0%	\$709	16.8%	1.3 x	8.0 x	10.1%	5.1%
AM Castle & Co.	CAS	504	1,463	6.7%	15.9%	95	6.5%	0.3	5.3	8.7%	17.8%
Anixter International Inc. *	AXE	3,097	6,101	11.6%	24.0%	496	8.1%	0.5	6.2	14.1%	25.4%
Applied Industrial Technologies Inc.	AIT	1,063	2,089	3.7%	27.2%	167	8.0%	0.5	6.4	22.6%	14.7%
Barnes Group Inc. *	B	1,544	1,491	8.7%	37.9%	231	15.5%	1.0	6.7	11.8%	20.4%
Beacon Roofing Supply Inc. *	BECN	1,064	1,711	8.1%	22.7%	107	6.3%	0.6	9.9	6.0%	15.0%
BlueLinx Holdings Inc.	BXC	641	3,346	(20.0%)	10.6%	19	0.6%	0.2	N/M	N/M	13.4%
Builders FirstSource, Inc. *	BLDR	420	1,294	(31.3%)	22.9%	(20)	(1.5%)	0.3	N/M	N/M	11.3%
Building Materials Holding Corp.	BLG	338	1,830	(29.5%)	18.5%	(8)	(0.4%)	0.2	N/M	N/M	11.5%
Bunzl plc	BNZL	5,135	7,599	9.6%	23.4%	559	7.3%	0.7	9.2	12.8%	6.1%
DXP Enterprises Inc.	DXPE	445	632	99.7%	27.5%	49	7.8%	0.7	9.1	11.3%	16.8%
Fastenal Co. *	FAST	7,259	2,223	15.3%	51.8%	462	20.8%	3.3	15.7	25.4%	33.1%
Genuine Parts Co.	GPC	6,938	11,038	3.5%	29.7%	932	8.4%	0.6	7.4	17.2%	23.5%
Houston Wire & Cable Company *	HWCC	353	375	9.0%	24.9%	49	13.0%	0.9	7.2	25.2%	29.7%
Huttig Building Products Inc.	HBP	73	775	(21.5%)	19.0%	(9)	(1.1%)	0.1	N/M	N/M	9.7%
Interline Brands Inc. *	IBI	878	1,231	1.2%	38.1%	123	10.0%	0.7	7.1	8.9%	23.3%
Kaman Corp.	KAMN	807	1,149	10.4%	27.3%	77	6.7%	0.7	10.4	8.0%	26.3%
Lawson Products Inc.	LAWS	244	502	(1.7%)	58.6%	44	8.7%	0.5	5.6	14.5%	20.0%
MSC Industrial Direct Co. Inc. *	MSM	3,079	1,782	9.7%	46.2%	352	19.7%	1.7	8.8	22.1%	27.2%
Park-Ohio Holdings Corp.	PKOH	554	1,070	(1.1%)	14.8%	76	7.1%	0.5	7.2	7.0%	24.9%
Pool Corp *	POOL	1,533	1,859	(4.9%)	27.8%	133	7.1%	0.8	11.5	10.9%	22.6%
Reliance Steel & Aluminum Co.	RS	3,848	7,521	8.5%	25.9%	853	11.3%	0.5	4.5	14.4%	17.2%
Rexel SA	RXL	8,003	17,925	26.0%	24.3%	1,081	6.0%	0.4	7.4	6.5%	14.9%
Smith International Inc.	SII	13,840	9,407	15.6%	32.7%	1,681	17.9%	1.5	8.2	26.9%	30.5%
Watsco Inc. *	WSO	1,443	1,806	5.0%	25.5%	116	6.4%	0.8	12.5	11.6%	18.9%
WESCO International Inc. *	WCC	2,531	6,088	7.0%	20.1%	408	6.7%	0.4	6.2	14.9%	13.6%
Wolseley plc	WOS	9,734	32,787	4.1%	27.7%	2,207	6.7%	0.3	4.4	4.8%	11.1%
WW Graincor Inc. *	GWW	6,894	6,688	9.1%	42.5%	848	12.7%	1.0	8.1	19.0%	16.9%
Median		\$1,488	\$1,845	7.6%	26.6%	\$150	7.6%	0.6 x	7.4 x	12.3%	17.5%

* = Companies covered by Baird Research

The table above highlights key financial metrics and trading multiples for 30 publicly traded distributors in the industrial and building products industries.

The table below illustrates historical median EBITDA multiples for the above companies calculated using LTM EBITDA as of the quarter shown and the enterprise value as of the last day of the quarter. Please see Definitions at bottom of page.



These materials are for informational purposes only. Financial data was prepared by Robert W. Baird & Co. based on publicly available information as of September 30, 2008. Baird makes every effort to use reliable, comprehensive information. Baird makes no representation that the information is accurate or complete and has no obligation to update this information. A complete listing of all companies covered by Baird U.S. Equity Research and applicable research disclosures can be accessed at www.rwbaird.com/research-insights/research.aspx

Copyright 2008 Robert W. Baird & Co. Incorporated

Baird is a leading middle-market focused investment bank serving the M&A and equity financing needs of our clients throughout the U.S. and Europe. Since 1998, Baird has advised on 429 M&A transactions representing more than \$60 billion in transaction value and has served as lead or co-manager on 275 equity offerings raising over \$41 billion. For more information please contact Tom Lange, Managing Director at 813-273-8248 or tlange@rwbaird.com.

Definitions. **LTM** means latest twelve months. **Enterprise Value** ("EV") means market capitalization of a company's equity plus preferred stock plus total interest bearing debt (including capitalized leases) net of any cash or cash equivalents. **EBITDA** means earnings before interest, taxes, depreciation and amortization. In certain cases earnings have been adjusted for certain disclosed income or expense items considered to be non-recurring in nature. **ROIC** means return on invested capital and is defined as tax-effected EBIT divided by the sum of the book value of equity plus net debt. **Working Capital** is calculated as current assets, less cash, minus current liabilities excluding short-term borrowings and current portion of long-term debt.