

Distribution Financial Metrics and Trading Multiples

(Data as of Sept. 30, 2007)

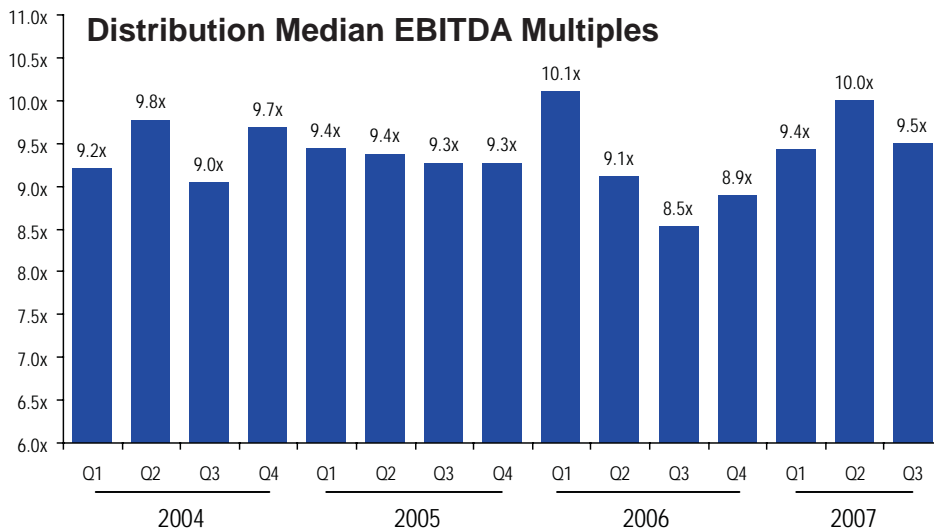
(\$ in millions)

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	\$5,937	\$3,347	14.4%	51.5%	\$531	15.9%	1.8 x	11.2 x	7.9%	7.6%
AM Castle & Co.	CAS	863	1,371	34.8%	18.1%	119	8.7%	0.6	7.3	12.9%	20.4%
Anixter International Inc. *	AXE	4,055	5,469	25.9%	24.1%	423	7.7%	0.7	9.6	14.1%	25.8%
Applied Industrial Technologies Inc.	AIT	1,289	2,014	6.0%	27.2%	150	7.4%	0.6	8.6	21.3%	14.7%
Barnes Group Inc. *	B	2,127	1,371	18.5%	38.1%	193	14.1%	1.6	11.0	11.9%	12.9%
Beacon Roofing Supply Inc. *	BECN	864	1,583	21.7%	23.2%	103	6.5%	0.5	8.4	6.1%	14.7%
BlueLinx Holdings Inc.	BXC	856	4,183	(24.5%)	10.4%	68	1.6%	0.2	12.5	4.2%	15.3%
Builders FirstSource, Inc. *	BLDR	558	1,885	(22.8%)	25.8%	104	5.5%	0.3	5.4	11.7%	9.1%
Building Materials Holding Corp.	BLG	710	2,705	(21.5%)	22.2%	165	6.1%	0.3	4.3	8.3%	11.1%
Bunzl plc	BNZL	5,666	7,029	9.3%	25.4%	504	7.2%	0.8	11.2	15.2%	6.5%
DXP Enterprises Inc.	DXPE	219	316	37.4%	28.9%	26	8.4%	0.7	8.3	16.9%	14.9%
Fastenal Co. *	FAST	6,776	1,928	15.0%	50.4%	382	19.8%	3.5	17.7	23.1%	34.5%
Genuine Parts Co.	GPC	8,785	10,661	4.7%	31.4%	901	8.5%	0.8	9.7	17.4%	23.3%
Hagemeyer NV	HGM	3,321	8,969	7.0%	23.1%	351	3.9%	0.4	9.5	8.9%	12.0%
Houston Wire & Cable Company *	HWCC	389	344	25.1%	28.0%	56	16.2%	1.1	7.0	31.6%	29.4%
Huttig Building Products Inc.	HBP	151	987	(13.7%)	18.7%	6	0.6%	0.2	24.4	0.1%	9.8%
Industrial Distribution Group Inc.	IDGR	108	538	(0.8%)	22.7%	12	2.2%	0.2	9.2	6.4%	17.1%
Interline Brands Inc. *	IBI	1,130	1,216	33.4%	38.1%	124	10.2%	0.9	9.1	9.1%	22.2%
Kaman Corp.	KAMN	943	1,254	8.4%	27.7%	80	6.3%	0.8	11.8	10.3%	25.3%
Lawson Products Inc.	LAWS	311	518	5.2%	58.8%	30	5.8%	0.6	10.3	7.0%	20.6%
MSC Industrial Direct Co. Inc. *	MSM	3,529	1,624	34.4%	46.2%	302	18.6%	2.2	11.7	19.5%	26.6%
Park-Ohio Holdings Corp.	PKOH	658	1,082	7.8%	14.2%	78	7.2%	0.6	8.4	9.9%	25.8%
Pool Corp *	POOL	1,607	1,956	10.0%	27.8%	170	8.7%	0.8	9.5	14.7%	21.3%
Reliance Steel & Aluminum Co.	RS	5,521	6,933	61.8%	25.8%	812	11.7%	0.8	6.8	14.4%	19.0%
Ryerson Inc.	RYI	1,741	6,234	9.8%	14.4%	248	4.0%	0.3	7.0	8.9%	19.4%
Smith International Inc.	SII	16,241	8,135	27.9%	32.5%	1,435	17.6%	2.0	11.3	26.7%	29.0%
Watsco Inc. *	WSO	1,295	1,750	(2.0%)	25.6%	130	7.4%	0.7	9.9	14.6%	20.3%
WESCO International Inc. *	WCC	3,205	5,688	14.5%	20.6%	414	7.3%	0.6	7.7	14.1%	14.9%
Wolseley plc	WOS	16,698	32,993	28.1%	27.9%	2,193	6.6%	0.5	7.6	9.2%	13.6%
WW Grainger Inc. *	GWW	7,322	6,129	7.1%	40.3%	753	12.3%	1.2	9.7	20.1%	15.3%
Median		\$1,451	\$1,942	9.9%	26.5%	\$167	7.4%	0.7 x	9.5 x	12.4%	18.0%

* = 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.



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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.