

## Distribution Financial Metrics and Trading Multiples

(Data as of December 31, 2006)

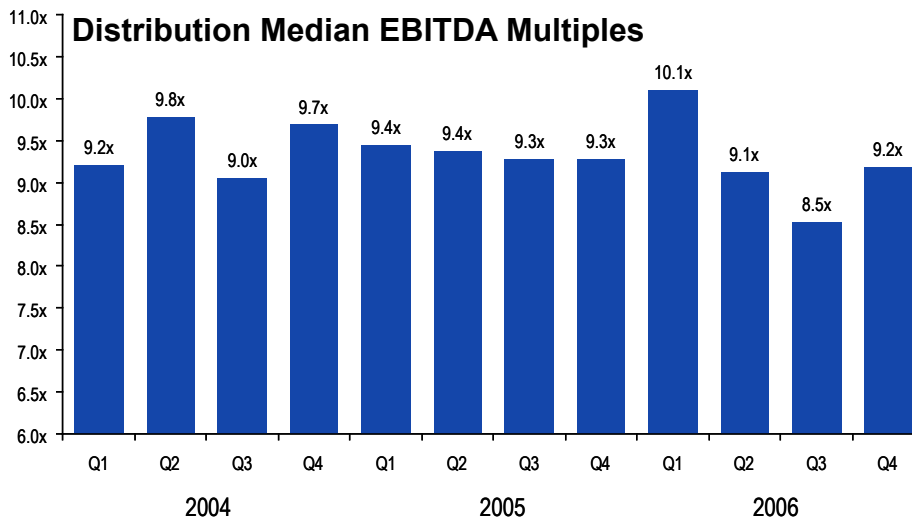
(\$ in millions)

Company	Ticker	Enterprise Value	LTM					EV to LTM Sales	EV to LTM EBITDA	ROIC	Working Capital/Sales
			Sales	Sales Growth	Gross Margin	EBITDA	EBITDA Margin				
Airgas Inc. *	ARG	\$4,088	\$3,013	14.8%	50.6%	\$452	15.0%	1.4 x	9.0 x	10.3%	5.8%
AM Castle & Co.	CAS	674	1,083	16.5%	18.2%	101	9.3%	0.6	6.7	12.1%	20.7%
Anixter International Inc. *	AXE	2,831	4,666	27.1%	24.3%	325	7.0%	0.6	8.7	12.3%	25.0%
Applied Industrial Technologies Inc.	AIT	1,115	1,950	11.6%	27.0%	139	7.1%	0.6	8.0	20.2%	14.1%
Barnes Group Inc. *	B	1,539	1,207	12.1%	36.1%	147	12.1%	1.3	10.5	9.1%	13.4%
Beacon Roofing Supply Inc. *	BECN	1,140	1,501	76.4%	24.3%	127	8.5%	0.8	9.0	10.4%	14.0%
BlueLinx Holdings Inc.	BXC	998	5,288	(3.9%)	10.0%	134	2.5%	0.2	7.4	7.9%	12.9%
Builders FirstSource, Inc. *	BLDR	869	2,367	3.9%	26.1%	232	9.8%	0.4	3.8	26.5%	9.4%
Building Materials Holding Corp.	BLG	1,076	3,455	31.2%	22.3%	297	8.6%	0.3	3.6	18.0%	7.4%
Bunzl plc	BNZL	4,849	6,193	17.8%	30.6%	451	7.3%	0.8	10.7	16.8%	5.4%
DXP Enterprises Inc.	DXPE	206	255	51.6%	27.9%	20	7.7%	0.8	10.5	19.3%	14.1%
Fastenal Co. *	FAST	5,402	1,745	19.7%	50.3%	341	19.5%	3.1	15.9	22.4%	34.5%
Genuine Parts Co.	GPC	8,427	10,325	7.3%	31.5%	854	8.3%	0.8	9.9	15.7%	23.5%
Hagemeyer NV	HGM	3,442	7,845	9.6%	23.6%	243	3.1%	0.4	14.2	6.5%	12.8%
Houston Wire & Cable Company *	HWCC	457	306	N/A	28.1%	47	15.5%	1.5	9.6	30.9%	28.4%
Huttig Building Products Inc.	HBP	175	1,136	7.4%	19.3%	29	2.6%	0.2	6.0	8.0%	10.8%
Industrial Distribution Group Inc.	IDGR	113	546	0.6%	21.9%	13	2.4%	0.2	8.6	7.4%	16.2%
Interline Brands Inc. *	IBI	1,154	1,000	21.8%	38.2%	112	11.2%	1.2	10.3	8.2%	27.3%
Kaman Corp.	KAMN	625	1,186	10.9%	27.7%	67	5.6%	0.5	9.4	8.4%	23.3%
Lawson Products Inc.	LAWS	370	508	17.6%	59.5%	37	7.2%	0.7	10.1	9.4%	20.7%
MSC Industrial Direct Co. Inc. *	MSM	2,815	1,318	19.8%	46.8%	252	19.2%	2.1	11.2	17.5%	28.5%
Park-Ohio Holdings Corp.	PKOH	534	1,027	13.3%	13.8%	77	7.5%	0.5	6.9	11.8%	22.2%
Pool Corp *	POOL	2,201	1,891	29.3%	28.6%	193	10.2%	1.2	11.4	21.6%	14.5%
Reliance Steel & Aluminum Co.	RS	4,208	5,042	55.6%	27.2%	654	13.0%	0.8	6.4	12.7%	24.2%
Ryerson Inc.	RYI	1,690	5,798	7.8%	15.0%	222	3.8%	0.3	7.6	6.7%	24.0%
Smith International Inc.	SII	10,714	6,865	30.4%	31.5%	1,110	16.2%	1.6	9.7	22.8%	29.3%
Watsco Inc. *	WSO	1,377	1,829	16.3%	25.7%	148	8.1%	0.8	9.3	15.4%	21.8%
WESCO International Inc. *	WCC	3,204	5,181	24.2%	20.3%	379	7.3%	0.6	8.5	23.5%	6.7%
Wolseley plc	WOS	20,274	27,737	25.8%	27.8%	2,002	7.2%	0.7	10.1	12.5%	17.4%
WW Grainger Inc. *	GWW	5,586	5,812	7.6%	40.3%	711	12.2%	1.0	7.9	21.0%	13.8%
<b>Median</b>		<b>\$1,458</b>	<b>\$1,921</b>	<b>16.5%</b>	<b>27.5%</b>	<b>\$207</b>	<b>8.2%</b>	<b>0.7 x</b>	<b>9.2 x</b>	<b>12.6%</b>	<b>16.8%</b>

\*=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.