

**MARKETS
UPDATE
SUPPLEMENT
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merman Electric Supply Co., with three locations in central and western Massachusetts. The company has 80 employees. US Electrical Services is a distributor of electrical products and related services.

The Home Depot's Bob Nardelli has resigned from his posts as president, CEO and chairman of the board as of Jan. 2, 2007. Frank Blake, the company's executive vice president, succeeds him. The move comes amid criticism from investors over Nardelli's pay and slow stock gains during his reign. The board also announced that CFO Carol Tome and head of the wholesale division, Joe DeAngelo, will be assuming additional responsibilities. DeAngelo was appointed to the newly created position of Chief Operating Officer. He will continue to oversee HD Supply and will assume additional responsibilities for the retail business.

Graybar, St. Louis, MO, distributor of electrical and communications products, reported \$3.78 billion in sales through the first three quarters of 2006, an increase of 18.9 percent over the same period last year. Graybar's net income of \$46.7 million for the first three quarters is more than triple last year's performance for the same period. This year, the company has opened several new locations and expanded its security product line, adding customers such as security dealers and installers.

MSC Industrial Direct Inc., Melville, NY, distributor of MRO supplies to industrial customers, reported sales of \$402 million for the first quarter 2007, an increase of 35.9 percent from the same period in fiscal 2006. Profit increased 26.2 percent to \$40.3 million from the year-ago period. J&L Industrial Supply, purchased from Kennametal last year, accounted for two-thirds of the growth.

Praxair Distribution, Danbury, CT, a division of **Praxair Canada Inc.**, has acquired the Canadian propane tank-exchange business of **Blue Rhino**, a **Ferrellgas Partners L.P.** company. Praxair acquired more than 900 propane tank-exchange display cages at retail locations across Canada.

Airgas, Inc., Radnor, PA, has acquired **CFC Refi-max, LLC**, a full-service refrigerant supplier and reclamation company based in Atlanta, GA. The business, which has about 50 employees, had about \$21 million in sales in 2006.

Air Products, Lehigh Valley, PA, has agreed to acquire the industrial gas business of Central Europe-based **BOC Gazy Sp z o.o.** from **Linde Gas** for 370 million euros (US\$481 million). For regulatory purposes, BOC Gazy was required to be sold by Linde as a result of its purchase of The BOC Group plc in September 2006. The BOC Gazy business had fiscal year 2006 sales of 126 million euros (\$164 million). The business

Calculation of MDM Inflation Index for November 2006

	BLS Price Indices Nov. '06	BLS Price Indices Oct. '06	BLS Price Indices Nov. '05	% Sales Weight	Weighted Indices Nov. '06 (1)X(4)	% Change Nov. '06 Oct. '06	% Change Nov. '06 Nov. '05
1136 Abr. Prod.	450.9	450.9	426.6	19.1	86.13	0.00	5.71
1135 Cutting Tools	431.9	432.2	426.8	18.9	81.64	-0.06	1.21
1145 Power Trans.	625.4	619.5	601.7	15.4	96.32	0.96	3.95
1081 Fasteners	435.6	435.1	413.2	9.0	39.20	0.12	5.42
1149.01 Valves, etc.	758.0	756.3	695.0	7.6	57.60	0.21	9.05
1132 Power Tools	325.9	326.1	328.1	6.5	21.18	-0.07	-0.68
1144 Mat. Handling	455.8	454.7	436.6	6.2	28.26	0.25	4.40
0713.03 Belting	537.2	537.2	512.1	6.1	32.77	0.00	4.90
1042 Hand Tools	669.1	670.1	659.9	8.1	54.20	-0.15	1.39
108 Misc. Metal	410.8	410.5	397.8	3.1	12.74	0.07	3.26
"New" November Index	266.5	November Inflation Index			510.04	0.20	4.04
"New" October Index	265.9	October Inflation Index			509.02		
		November 2005 Inflation Index			490.24		

New index reflects 1977=100 base. Other numbers=1967 base. To convert multiply by .52247