

**MARKETS
UPDATE
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residential sector, has 15 distribution facilities throughout Atlanta, North Georgia, Birmingham, AL, and Charlotte, NC. The company also has three manufacturing facilities and a sales support center.

United Stationers Inc., Deerfield, IL, reported sales in 2007 grew 2.2 percent to \$4.6 billion. The increase reflected continued strong growth in the janitorial and breakroom supplies category.

Watsco, Inc., Coconut Grove, FL, reported sales in 2007 of \$1.76 billion, including \$121 million from locations acquired or opened in the past 12 months. Revenues on a same-store basis fell 7.6 percent, reflecting a 5 percent decline in sales of HVAC equipment (45 percent of sales).

Genuine Parts Company reported sales in 2007 were \$10.84 billion, up 4 percent compared with 2006. Profit for the year was \$506.3 million, up 7 percent. Industrial distributor Motion Industries reported sales were up 8 percent in 2007, and EIS, GPC's Electrical/Electronic Group, reported a 7 percent increase in sales.

Barnes Group Inc., Bristol, CT, aerospace and industrial components manufacturer and distributor, reported sales in 2007 grew 14 percent to \$1.44 billion, and profit was up 37 percent.

Electrical distributor and integrator **Hagemeyer NV** reported sales of €6.4 billion in 2007 (US\$9.4

billion at current exchange rates). Organic revenue growth was 4.3 percent for the year, decreasing from 5.7 percent in the first half to 3.1 percent in the second half. About 75 percent of the organic revenue growth for the year was attributed to price increases.

Canadian wholesalers sold \$520.7 billion worth of goods in 2007, a 4.7 percent increase over the previous year, according to Statistics Canada. All seven wholesale sectors registered stronger growth in 2007, led by the "other products" sector, which consists primarily of wholesalers of agricultural fertilizers and supplies, chemicals, recycled materials and paper products, as well as by the personal and household goods sector. The automotive sector was the only area to record growth significantly below the national average during 2007. The increase in wholesale sales was spread, with every province and territory posting gains in 2007.

Canada's manufacturing sector managed to stay afloat in 2007, according to Statistics Canada. Sharp price-driven increases for both petroleum and primary metals provided buoyancy, as sales edged up 0.3 percent over 2006 levels to \$612.9 billion. Manufacturing of primary metals rose 5 percent on sharp demand from Asian markets. Alternatively, motor vehicle (-3.2 percent) and wood product (-15.8 percent) manufacturers saw sales drop in the face of challenging market conditions.

Calculation of MDM Inflation Index for December 2007

	BLS Price Indices Dec. '07	BLS Price Indices Nov. '07	BLS Price Indices Dec. '06	% Sales Weight	Weighted Indices Dec. '07 (1)X(4)	% Change Dec. '07 Nov. '07	% Change Dec. '07 Dec. '06
1136 Abr. Prod.	473.8	465.5	450.9	19.1	90.49	1.79	5.07
1135 Cutting Tools	438.2	437.6	432.2	18.9	82.81	0.12	1.38
1145 Power Trans.	651.4	650.1	628.6	15.4	100.31	0.19	3.63
1081 Fasteners	465.6	465.3	442.4	9.0	41.90	0.06	5.25
1149.01 Valves, etc.	787.1	786.8	757.0	7.6	59.82	0.04	3.97
1132 Power Tools	331.0	331.0	325.7	6.5	21.51	0.00	1.63
1144 Mat. Handling	468.5	468.5	455.0	6.2	29.04	0.00	2.96
0713.03 Belting	549.8	548.5	536.9	6.1	33.54	0.23	2.40
1042 Hand Tools	683.4	682.1	670.8	8.1	55.36	0.20	1.88
108 Misc. Metal	425.2	424.9	412.5	3.1	13.18	0.07	3.08
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"New" December Index	275.9	December Inflation Index			527.97	0.40	3.28
"New" November Index	274.7	November Inflation Index			525.84		
		December 2007 Inflation Index			511.21		

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