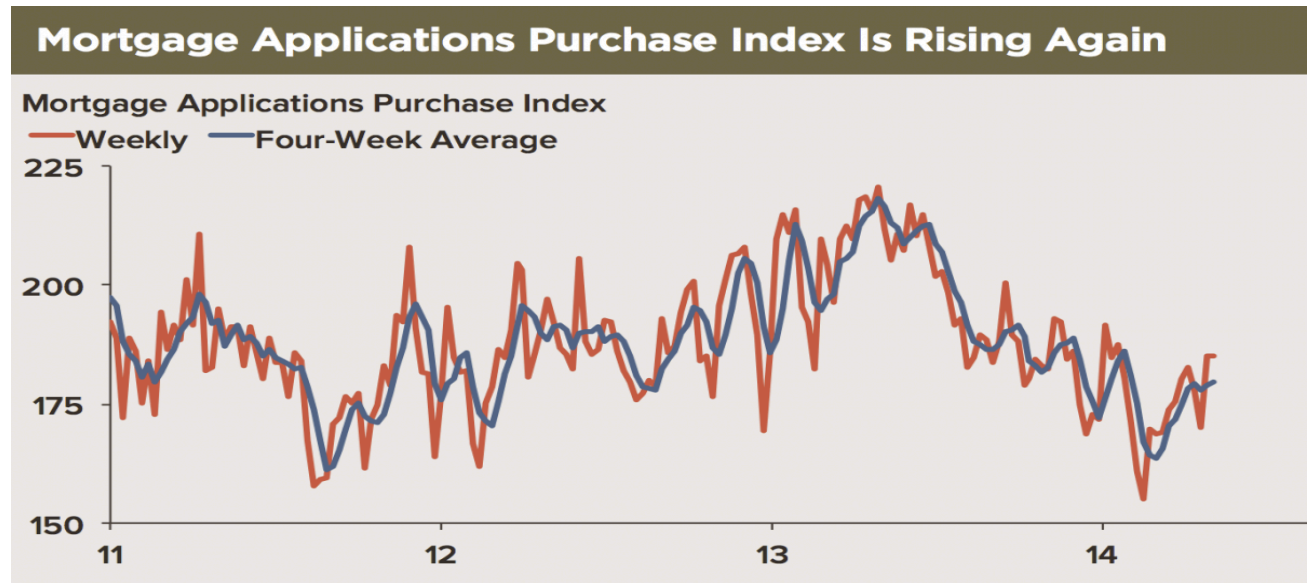


Building Products

Housing data has been very weak in the past few months, reeling from the impact of the cold winter and elevated mortgage rates. As the weather returns to seasonal norms and mortgage rates decline, we expect housing data to improve.

At the end of May, we saw existing home sales rise less than expected. For April 2014, The National Association of Realtors reported that existing home sales increased 1.3 percent to an annual rate of 4.65 million units. While this is slightly less than the 4.68 million unit pace that economists were expecting, it suggests the sector is regaining its footing after stumbling in the second half of 2013 under the weight of higher mortgage rates and house prices. For the remainder of the second quarter, existing home sales are expected to rise 2.2% month-over-month to an annualized pace of 4.69 million units.



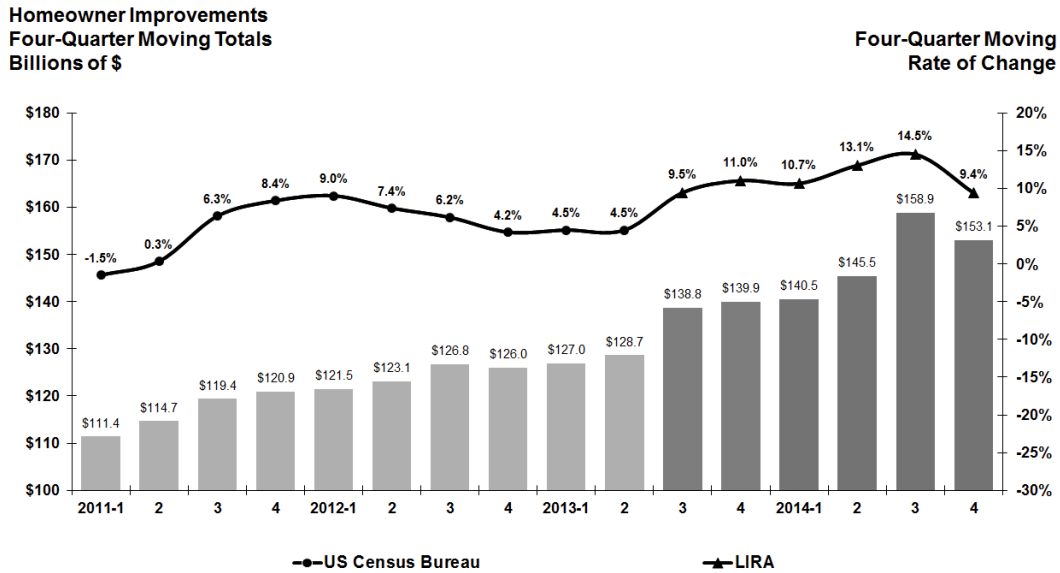
It is important to note that the mortgage applications purchasing index, however, has been trending up since early March. Despite the marginal growth in home sales, we are still confident that a housing recovery is well on its way. The mortgage application purchase indexes, as well as other factors signal a healthy future for the building products industry.

Housing –Related Spending

Rising Remodeling Expenditures

According to Ducker worldwide, US total home improvement expenditures are projected to grow to \$137.5 billion in 2015, a 5% CAGR over the low of \$112.9 billion in 2011.

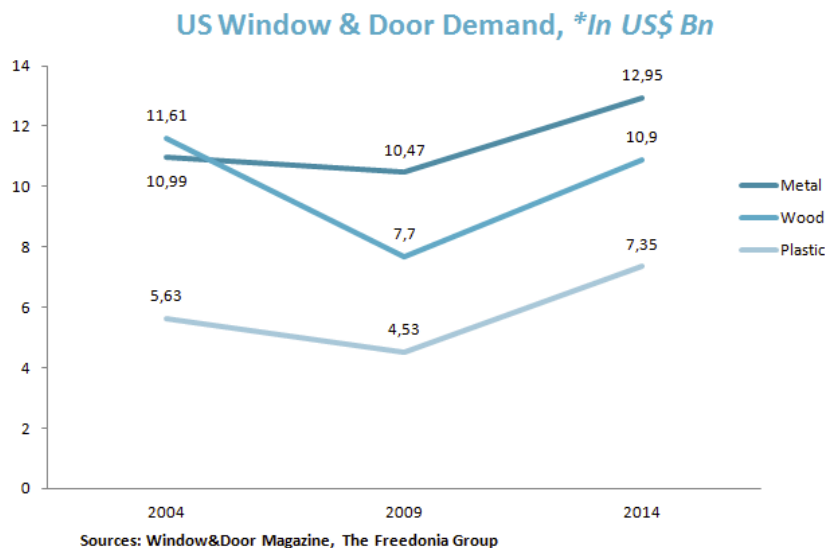
Leading Indicator of Remodeling Activity – First Quarter 2014



Note: The third and fourth quarter 2013 estimate is based on the LIRA, because data collection for home improvement spending by the Census Bureau was impacted by the October 2013 government shutdown.
Source: Joint Center for Housing Studies of Harvard University.

Window and Door Demand

Demand for windows and doors in the United States is estimated to grow 6.9 percent per year to \$31.9 billion by 2018, according to a new study by The Freedonia Group. Plastic windows and doors will see the most growth at 8.2 percent per year, while metal and wood windows and doors will grow 6.7 percent and 6.2 percent each year, respectively.



Manufacturing on the Rise



Markit's May manufacturing PMI increased to a three-month high of 56.4 in May, from 55.4 in April. This was a stronger gain than the 56.2 that economists expected. Any reading above 50 indicates growth. According to Markit's report, the household sector in particular is leading the upturn with demands in consumer goods rising at the fastest rate in four years.

Consumer Spending

Consumer spending remained healthy in April, but flat; Americans report spending an averaged \$88/month, virtually the same as March and February. However, this ranks among the best figures for the month of April since Gallup began measuring spending in January 2008.

Daily Self-Reported U.S. Consumer Spending -- January 2008-April 2014

Monthly averages

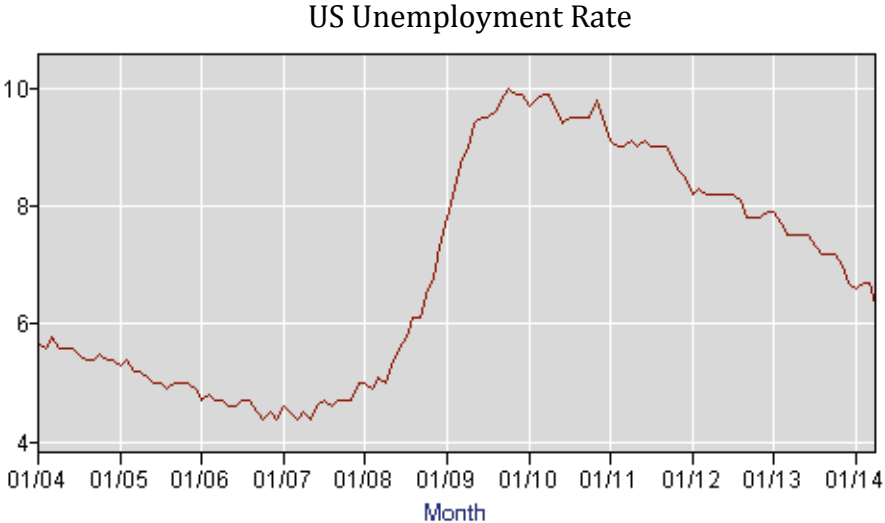


Figures shown are for April of each year

GALLUP®

The Labor Market

The Labor Department data in May showed unemployment rates falling below 6% in half of the U.S states as hiring picks up. Nationally, businesses and government agencies added 288,000 new positions in April, the biggest burst of hiring in 2 ½ years.



Source: US Department of Labor