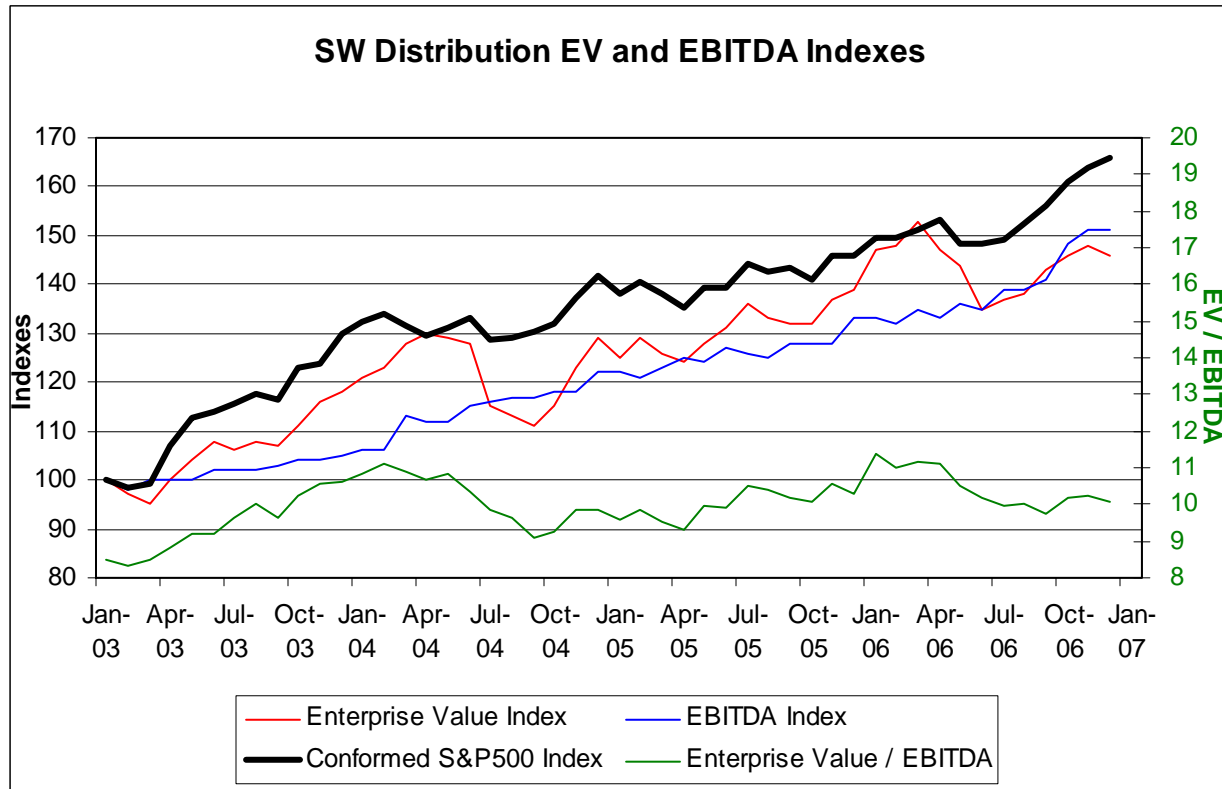


DISTRIBUTION NEWS



MONTHLY STATS

KEY BENCHMARKS

Index	Price 11/30/06	Price 12/31/06	% Δ	YTD
Conformed S&P 500	163.7	165.7	1.2%	13.6%
SW Distribution EV	147.4	146.4	(0.7%)	5.0%
SW Distribution EBITDA	150.7	151.3	0.4%	13.5%

See Construction of the Indexes below.

SW DISTRIBUTION EV INDEX ONE MONTH EV PERFORMANCE IN PERCENT

Best 5 Company Tickers		Worst 5 Company Tickers	
IFON	21.0%	WCC	(11.1%)
DXPE	18.1%	TECD	(10.2%)
RENT	6.3%	HDL	(9.4%)
BLDR	5.1%	LAWS	(9.1%)
RYI	4.6%	WSO	(8.4%)

SW DISTRIBUTION INDICES IN DECEMBER

- ❑ Enterprise Value (“EV”) Index decreased 0.7% to 146.4 from 147.4
- ❑ Cash Flow (“EBITDA”) Index increased 0.4% to 151.3 from 150.7
- ❑ Conformed S&P Index increased 1.2% to 165.7 from 163.7
- ❑ Valuation Ratio (“EV/ EBITDA”) fell to 10.1 from 10.3
- ❑ For 2006, cash flow up 13.5%
- ❑ EV Index Value up 5.0% for 2006, well behind S&P 13.6% increase

DISTRIBUTION NEWS

■ MERGER & ACQUISITION ACTIVITY

- 4 new acquisitions announced and will close in future periods
- 6 new acquisitions announced and closed during December
- Activity continues above average of 6 transactions per month

■ EARNINGS ANNOUNCEMENTS

- 2 Index companies announced earnings in November
- 1 had strong growth (>10%)
- 1 had weak growth (<5%)

■ EARNINGS GUIDANCE

- No Index companies increased guidance
- 2 Index companies decreased guidance
- 1 Index company affirmed guidance, and 1 issued new guidance

■ ANALYST UPGRADES/DOWNGRADES

- 8 Index companies were upgrades
- 5 Index companies were downgrades
- 14 analysts initiated coverage: 10 at buy and 4 at sell
- Suggests improved expectations of performance
- Last month: 10 up and 15 down

■ CREDIT MARKETS

- 0 Index companies refinanced bank loans on improved terms
- TECD issued public debt
- PKOH rating raised by S&P
- Former index company MKTS filed for bankruptcy on 12/29/06

■ CONCLUSIONS

- Continued consolidation across sectors
- Discrepancy in future expectations: decrease in Valuation Ratio signals market expectation of slowing earnings, but number of upgrades signals improving prospects
- Look for January earnings announcements

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ABOUT THE SW DISTRIBUTION INDEXES

Construction of the Indexes

Each index is cap weighted based on the aggregate enterprise values and EBITDA for all of the index companies. The initial value of each index was set equal to 100 as of January 31, 2003, and each index was recomputed as of the last trading day of every month thereafter. Divisor adjustments were made to account for any company entering the indexes, in the case of an IPO after January 31, 2003 for example, and for any material acquisition or divestiture made by an index company after the start date of the indexes for which there was reported data available to us. As of June 30th, prior period SW Index values were restated based on an adjustment we made to reflect M&A transactions over the index period. All of the underlying financial data used to calculate the indexes and compile the news items have been provided by Bloomberg Financial Markets without any independent verification by us. Any errors, however, in making the index calculations are ours.

Company Selection Criteria and Categorization

The companies we selected for inclusion in the indexes and key financial metrics are listed in Appendix 1. The index companies are the 63 publicly held distribution companies based in the U.S. having an enterprise value of at least \$75 million on January 31, 2006 except that Hughes Supply was omitted from the indexes because of the pending acquisition by Home Depot. School Specialty, Inc. (SCHS) and Builders Firstsource, Inc. (BLDR) were added to the indexes as of May 31st. Advanced Marketing Services (MKTS) and Aviall (AVL) were deleted as of June 30th and September 30th, respectively. Each index company was assigned to a category corresponding to its Global Industry Classification Standard Sector ("GICS"). Valley National Gases (VLG) has accepted a buy-out offer; its inclusion in the Indexes will terminate upon completion of the transaction.

SW Distribution EV Index

The SW Distribution EV Index tracks the aggregate enterprise value of the 63 selected distribution companies in the index as of the close of the last trading day in any month during the index period. 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. The aggregate EV for the entire group of index companies as of January 31, 2003 was assigned a base index value of 100. On the last trading day of every month thereafter, the index has been recalculated to reflect the corresponding changes in the components of aggregate EV, subject to any required divisor adjustments.

SW Distribution EBITDA Index

The SW Distribution EBITDA Index tracks the aggregate last twelve months of EBITDA reported by the 63 selected distribution companies in the index as of the close of the last trading day in any month during the index period. EBITDA means earnings before interest, taxes, depreciation and amortization, in certain cases adjusted by Bloomberg for items of income or expense thought to be non-recurring in nature. The aggregate EBITDA for the entire group of index companies as of January 31, 2003 was assigned a base index value of 100. On the last trading day of every month thereafter, the index has been recalculated to reflect the corresponding changes in the components of aggregate EBITDA, subject to any required divisor adjustments.

Graphing the Indexes

In order to illustrate the performance of each index over the index period, we plotted the successive monthly values for each index as a graph shown in the opening figure above.

Conformed S&P 500 Index

In order to show more clearly the SW Distribution Indexes in relation to the S&P 500 Index, we adjusted the S&P Index as of January 31, 2003 from its actual value of 856 to a conformed value of 100, and we made similar conforming adjustments to the actual S&P 500 Index for every month thereafter.

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APPENDIX 1: DISTRIBUTION INDEX—MONTHLY SUMMARY OF INDEX COMPANIES

As of: Dec-06

Ticker	Name	Mkt Cap	Enterprise Value	LTM Sales	Sales Growth	Gross Margin	LTM EBITDA	EBITDA Margin	EV to LTM Sales	EV to LTM EBITDA	A/R Days	Inventory Turns	Inv. Days on Hand	Cash Cycle (Days)	Total Debt to EBITDA	# of Employees	LTM Sales (\$000's)	
Category: Consumer Discr																		
GPC	GENUINE PARTS CO	\$ 8,082	\$ 8,427	\$ 10,325	5.6%	31.5%	\$ 808	7.8%	0.8	10.4	44.7	3.3	112.1	104.1	0.6	31,700	\$ 326	
POOL	POOL CORP	\$ 1,986	\$ 2,205	\$ 1,891	26.7%	28.6%	\$ 188	9.9%	1.2	11.8	10.3	5.6	65.0	48.4	1.4	2,700	\$ 700	
LKQX	LKQ CORP	\$ 1,225	\$ 1,328	\$ 729	47.9%	45.8%	\$ 83	11.5%	1.8	15.9	19.2	3.7	97.7	105.0	1.3	3,370	\$ 216	
BLG	BUILDING MATERIALS HLDG CORP	\$ 717	\$ 1,076	\$ 3,455	1.3%	22.3%	\$ 289	8.4%	0.3	3.7	39.2	11.7	31.2	50.3	1.4	21,000	\$ 165	
DW	DREW INDUSTRIES INC	\$ 562	\$ 639	\$ 772	5.8%	21.6%	\$ 78	10.1%	0.8	8.2	19.5	6.6	55.2	57.1	1.0	4,541	\$ 170	
KEYS	KEYSTONE AUTOMOTIVE INDS INC	\$ 555	\$ 549	\$ 673	15.5%	44.7%	\$ 50	7.4%	0.8	11.0	26.5	2.9	124.8	125.1	-	3,761	\$ 179	
HDL	HANDLEMAN CO	\$ 137	\$ 217	\$ 1,341	9.4%	16.3%	\$ 8	0.6%	0.2	25.5	77.5	5.3	68.9	55.5	11.4	2,600	\$ 516	
ERS	EMPIRE RESOURCES INC	\$ 107	\$ 199	\$ 414	17.1%	7.7%	\$ 21	5.1%	0.5	9.4	48.2	4.5	81.5	101.1	4.4	50	\$ 8,288	
RENT	RENTRAK CORP	\$ 164	\$ 135	\$ 103	19.4%	31.2%	\$ 10	10.0%	1.3	13.0	49.2	509.1	0.7	(32.1)	0.1	201	\$ 514	
CRFT	CRAFTMADE INTERNATIONAL INC	\$ 93	\$ 116	\$ 115	-9.3%	30.9%	\$ 11	9.8%	1.0	10.3	61.9	3.8	95.8	121.5	1.8	131	\$ 876	
Count = 10	Category Trimmed Mean	\$ 682	\$ 793	\$ 1,174	12.6%	28.4%	\$ 91	8.6%	0.8	11.2	38.6	5.6	75.9	80.4	1.5	4,788	\$ 437	
Category: Consumer Staples																		
SYU	SYSCO CORP	\$ 22,722	\$ 24,393	\$ 33,290	8.3%	19.3%	\$ 1,892	5.7%	0.7	12.9	27.6	16.4	22.3	24.8	1.0	49,600	\$ 671	
SVU	SUPERVALU INC	\$ 7,360	\$ 16,393	\$ 25,784	134.1%	18.0%	\$ 1,241	4.8%	0.6	13.2	10.1	10.8	33.8	10.7	7.5	56,000	\$ 460	
UNFI	UNITED NATURAL FOODS INC	\$ 1,528	\$ 1,711	\$ 2,504	12.3%	19.1%	\$ 106	4.2%	0.7	16.1	23.3	7.1	51.4	49.5	1.8	4,500	\$ 557	
AOI	ALLIANCE ONE INTERNATIONAL I	\$ 673	\$ 1,664	\$ 2,197	-3.2%	13.5%	\$ 180	8.2%	0.8	9.2	36.2	2.3	157.9	179.1	5.6	5,400	\$ 407	
PFGC	PERFORMANCE FOOD GROUP CO	\$ 964	\$ 900	\$ 5,787	2.0%	13.3%	\$ 102	1.8%	0.2	8.8	12.4	16.7	21.8	15.9	0.1	7,000	\$ 827	
NAFC	NASH FINCH CO	\$ 365	\$ 753	\$ 4,656	-2.6%	8.9%	\$ 93	2.0%	0.2	8.1	15.5	14.5	25.2	20.0	4.2	9,487	\$ 491	
SPTN	SPARTAN STORES INC	\$ 450	\$ 564	\$ 2,182	15.2%	19.2%	\$ 66	3.0%	0.3	8.6	7.5	16.2	22.6	9.8	1.9	7,500	\$ 291	
Count = 7	Category Trimmed Mean	\$ 2,195	\$ 4,284	\$ 8,186	7.0%	16.6%	\$ 345	4.0%	0.5	10.5	17.8	13.0	31.1	24.2	2.9	15,797	\$ 517	
Category: Energy																		
SII	SMITH INTERNATIONAL INC	\$ 8,791	\$ 10,714	\$ 6,865	35.7%	31.5%	\$ 1,104	16.1%	1.6	9.7	69.8	4.0	91.3	122.1	1.0	14,697	\$ 467	
Count = 1	Category Trimmed Mean	\$ 8,791	\$ 10,714	\$ 6,865	35.7%	31.5%	\$ 1,104	16.1%	1.6	9.7	69.8	4.0	91.3	122.1	1.0	14,697	\$ 467	
Category: Healthcare																		
CAH	CARDINAL HEALTH INC	\$ 26,095	\$ 26,662	\$ 83,622	11.0%	6.5%	\$ 2,560	3.1%	0.3	10.4	16.8	10.5	34.9	12.2	1.1	55,000	\$ 1,520	
MCK	MCKESSON CORP	\$ 15,006	\$ 13,736	\$ 91,661	3.6%	4.5%	\$ 1,467	1.6%	0.1	9.4	23.6	11.4	32.1	13.0	0.7	26,400	\$ 3,472	
ABC	AMERISOURCEBERGEN CORP	\$ 8,636	\$ 8,403	\$ 61,203	12.4%	3.6%	\$ 846	1.4%	0.1	9.9	18.1	14.0	26.1	7.9	1.3	13,200	\$ 4,637	
PDCO	PATTERSON COS INC	\$ 4,941	\$ 5,050	\$ 2,727	8.2%	34.7%	\$ 353	12.9%	1.9	14.3	45.2	7.5	48.4	61.8	0.8	6,440	\$ 423	
HSIC	HENRY SCHEIN INC	\$ 4,338	\$ 4,678	\$ 4,997	13.0%	28.7%	\$ 354	7.1%	0.9	13.2	45.2	6.7	54.1	64.1	1.4	9,600	\$ 521	
OMI	OWENS & MINOR INC	\$ 1,257	\$ 1,582	\$ 5,097	9.8%	10.8%	\$ 141	2.8%	0.3	11.3	26.6	8.9	41.2	35.6	2.3	3,700	\$ 1,378	
PSSI	PSS WORLD MEDICAL INC	\$ 1,322	\$ 1,429	\$ 1,687	10.7%	28.9%	\$ 104	6.2%	0.8	13.7	47.4	7.8	47.0	55.2	1.5	3,214	\$ 525	
Count = 7	Category Trimmed Mean	\$ 6,849	\$ 6,690	\$ 31,529	10.4%	15.9%	\$ 632	4.1%	0.5	11.7	31.7	9.2	40.7	35.6	1.2	11,868	\$ 1,483	

APPENDIX 1: DISTRIBUTION INDEX—MONTHLY SUMMARY OF INDEX COMPANIES

As of: Dec-06

Ticker	Name	Mkt Cap	Enterprise Value	LTM Sales	Sales Growth	Gross Margin	LTM EBITDA	EBITDA Margin	EV to LTM Sales	EV to LTM EBITDA	A/R Days	Inventory Turns	Inv. Days on Hand	Cash Cycle (Days)	Total Debt to EBITDA	# of Employees	LTM Sales (\$'000's)
Category: Industrials																	
GWV	WW GRAINGER INC	\$ 6,017	\$ 5,586	\$ 5,812	6.4%	40.3%	\$ 692	11.9%	1.0	8.1	36.4	4.6	80.1	80.9	0.0	14,297	\$ 407
FAST	FASTENAL CO	\$ 5,416	\$ 5,402	\$ 1,745	16.9%	49.8%	\$ 340	19.5%	3.1	15.9	45.7	2.3	160.5	188.8	-	9,306	\$ 187
WCC	WESCO INTERNATIONAL INC	\$ 3,147	\$ 3,459	\$ 5,181	18.7%	20.3%	\$ 373	7.2%	0.7	9.3	31.7	8.3	44.2	24.8	1.0	6,000	\$ 864
AXE	ANIXTER INTERNATIONAL INC	\$ 2,134	\$ 2,831	\$ 4,666	31.8%	24.3%	\$ 328	7.0%	0.6	8.6	69.6	4.4	82.5	102.4	2.2	5,600	\$ 833
MSM	MSC INDUSTRIAL DIRECT CO-A	\$ 2,622	\$ 2,813	\$ 1,424	35.9%	46.4%	\$ 257	18.0%	2.0	10.9	41.0	2.8	130.3	148.9	0.8	3,607	\$ 395
B	BARNES GROUP INC	\$ 1,135	\$ 1,539	\$ 1,207	18.6%	36.1%	\$ 146	12.1%	1.3	10.5	55.4	4.5	81.4	68.6	3.0	6,205	\$ 195
USTR	UNITED STATIONERS INC	\$ 1,413	\$ 1,515	\$ 4,536	0.6%	16.0%	\$ 251	5.5%	0.3	6.0	28.2	6.3	58.1	46.6	0.5	5,700	\$ 796
WSO	WATSCO INC	\$ 1,313	\$ 1,377	\$ 1,829	6.1%	25.7%	\$ 147	8.0%	0.8	9.4	41.7	4.6	78.8	90.5	0.4	3,200	\$ 572
SCHS	SCHOOL SPECIALTY INC	\$ 790	\$ 1,204	\$ 1,077	10.0%	42.9%	\$ 105	9.7%	1.1	11.5	56.1	5.1	71.1	95.9	4.0	2,800	\$ 385
IBI	INTERLINE BRANDS INC	\$ 725	\$ 1,154	\$ 1,000	39.1%	38.2%	\$ 109	10.9%	1.2	10.6	55.8	3.4	108.5	120.8	4.0	n/a	n/a
BECN	BEACON ROOFING SUPPLY INC	\$ 826	\$ 1,140	\$ 1,501	86.6%	24.3%	\$ 124	8.3%	0.8	9.2	41.3	9.2	39.6	47.3	2.5	2,641	\$ 568
AIT	APPLIED INDUSTRIAL TECH INC	\$ 1,141	\$ 1,115	\$ 1,950	11.1%	27.0%	\$ 139	7.1%	0.6	8.0	42.6	7.2	50.4	65.3	0.5	4,683	\$ 416
BLDR	BUILDERS FIRTSOURCE INC	\$ 615	\$ 869	\$ 2,367	-11.5%	26.1%	\$ 207	8.8%	0.4	4.2	39.8	12.0	30.5	41.0	1.5	n/a	n/a
KAMN	KAMAN CORP	\$ 539	\$ 625	\$ 1,186	10.6%	27.7%	\$ 72	6.1%	0.5	8.6	62.3	4.0	91.7	118.7	1.3	3,712	\$ 319
PKOH	PARK-OHIO HOLDINGS CORP	\$ 183	\$ 538	\$ 1,027	9.8%	13.7%	\$ 76	7.4%	0.5	7.1	63.2	4.3	85.5	99.1	4.9	3,400	\$ 302
LAWS	LAWSON PRODUCTS INC	\$ 391	\$ 370	\$ 504	9.6%	59.8%	\$ 36	7.1%	0.7	10.4	43.1	2.6	141.4	166.7	-	1,630	\$ 309
RELL	RICHARDSON ELEC LTD	\$ 159	\$ 279	\$ 646	4.8%	24.5%	\$ 23	3.5%	0.4	12.3	62.3	4.1	88.0	114.4	6.1	1,268	\$ 509
DXPE	DXP ENTERPRISES INC	\$ 180	\$ 206	\$ 255	57.2%	27.9%	\$ 20	7.7%	0.8	10.6	41.4	7.0	51.9	62.8	1.5	448	\$ 570
HBP	HUTTIG BUILDING PRODUCTS INC	\$ 109	\$ 175	\$ 1,136	-2.6%	18.9%	\$ 11	0.9%	0.2	16.5	36.0	7.8	46.5	45.6	6.9	2,146	\$ 529
IDGR	INDUSTRIAL DISTRIBUTION GRP	\$ 93	\$ 113	\$ 546	2.8%	21.9%	\$ 13	2.4%	0.2	8.6	50.6	7.3	50.0	57.8	1.5	1,300	\$ 420
Count = 20	Category Trimmed Mean	\$ 1,000	\$ 1,241	\$ 1,616	13.8%	29.1%	\$ 144	8.0%	0.7	9.6	46.6	5.3	73.2	83.6	1.8	3,759	\$ 464
Category: Information																	
CDWC	CDW CORP	\$ 5,512	\$ 4,991	\$ 6,569	4.1%	15.8%	\$ 445	6.8%	0.8	11.2	39.1	20.3	17.9	36.0	-	4,300	\$ 1,528
ARW	ARROW ELECTRONICS INC	\$ 3,856	\$ 4,861	\$ 13,043	27.5%	15.1%	\$ 677	5.2%	0.4	7.2	65.8	7.4	49.6	68.3	1.9	11,400	\$ 1,144
AVT	AVNET INC	\$ 3,745	\$ 4,749	\$ 14,634	11.6%	12.9%	\$ 618	4.2%	0.3	7.7	60.0	7.9	46.1	60.6	2.4	10,900	\$ 1,343
IM	INGRAM MICRO INC-CL A	\$ 3,381	\$ 3,552	\$ 30,461	7.9%	5.4%	\$ 473	1.6%	0.1	7.5	34.8	13.8	26.4	22.4	1.5	13,000	\$ 2,343
TECD	TECH DATA CORP	\$ 2,063	\$ 2,089	\$ 20,850	6.8%	4.7%	\$ 238	1.1%	0.1	8.8	38.3	12.8	28.5	30.1	0.7	8,200	\$ 2,543
SCSC	SCANSOURCE INC	\$ 782	\$ 886	\$ 1,771	27.1%	10.2%	\$ 74	4.2%	0.5	11.9	58.9	7.4	49.5	57.4	1.4	916	\$ 1,934
CELL	BRIGHTPOINT INC	\$ 680	\$ 577	\$ 2,379	16.3%	6.4%	\$ 65	2.7%	0.2	8.9	27.7	11.6	31.5	17.1	-	1,683	\$ 1,413
BELM	BELL MICROPRODUCTS INC	\$ 214	\$ 534	\$ 3,279	4.4%	7.6%	\$ 38	1.2%	0.2	14.1	44.8	9.5	38.3	47.4	7.9	1,827	\$ 1,794
NUHC	NU HORIZONS ELEC CORP	\$ 185	\$ 246	\$ 693	50.9%	15.3%	\$ 21	3.0%	0.4	11.8	52.2	5.3	68.5	102.2	3.4	659	\$ 1,051
IFON	INFOSONICS CORP	\$ 69	\$ 74	\$ 215	24.6%	8.7%	\$ 4	1.8%	0.3	19.6	68.6	22.8	16.0	61.8	5.5	28	\$ 7,678
Count = 10	Category Trimmed Mean	\$ 1,863	\$ 2,187	\$ 7,902	15.8%	10.2%	\$ 246	3.0%	0.3	10.2	49.3	11.3	36.0	48.0	2.1	4,986	\$ 1,755

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As of: Dec-06

Ticker	Name	Mkt Cap	Enterprise Value	LTM Sales	Sales Growth	Gross Margin	LTM EBITDA	EBITDA Margin	EV to LTM Sales	EV to LTM EBITDA	A/R Days	Inventory Turns	Inv. Days on Hand	Cash Cycle (Days)	Total Debt to EBITDA	# of Employees	LTM Sales (\$000's)
Category: Materials																	
RS	RELIANCE STEEL & ALUMINUM	\$ 2,974	\$ 4,208	\$ 5,042	86.9%	26.1%	\$ 653	13.0%	0.8	6.4	41.3	5.5	66.4	85.1	1.9	5,600	\$ 900
ARG	AIRGAS INC	\$ 3,161	\$ 4,041	\$ 2,988	12.6%	45.0%	\$ 442	14.8%	1.4	9.2	19.7	6.8	53.7	43.8	1.9	10,300	\$ 290
RYI	RYERSON INC	\$ 659	\$ 1,690	\$ 5,798	8.6%	13.8%	\$ 233	4.0%	0.3	7.3	47.3	4.9	74.7	96.1	4.6	5,800	\$ 1,000
ANDE	ANDERSONS INC/THE	\$ 746	\$ 890	\$ 1,378	16.3%	15.7%	\$ 79	5.8%	0.6	11.2	21.0	6.7	54.6	53.5	2.4	1,224	\$ 1,126
MYE	MYERS INDUSTRIES INC	\$ 549	\$ 768	\$ 900	6.8%	28.3%	\$ 95	10.6%	0.9	8.0	50.3	6.4	57.2	74.4	2.4	n/a	n/a
CAS	CASTLE (A.M.) & CO	\$ 433	\$ 674	\$ 1,083	28.2%	28.8%	\$ 97	8.9%	0.6	7.0	50.3	4.6	79.1	81.2	2.5	1,604	\$ 675
NUCO	NUCO2 INC	\$ 387	\$ 420	\$ 121	16.1%	54.8%	\$ 38	31.6%	3.5	11.0	39.3	190.9	1.9	(3.0)	0.9	700	\$ 172
VLG	VALLEY NATIONAL GASES INC	\$ 256	\$ 333	\$ 219	21.5%	51.1%	\$ 39	17.7%	1.5	8.6	34.1	8.5	43.1	34.3	1.9	748	\$ 293
Count = 8	Category Trimmed Mean	\$ 958	\$ 1,414	\$ 1,935	17.2%	32.5%	\$ 164	11.8%	1.0	8.5	38.9	6.5	58.3	62.0	2.2	2,995	\$ 632
Index Totals																	
Count = 63	High	\$ 26,095	\$ 26,662	\$ 91,661	134.1%	59.8%	\$ 2,560	31.6%	3.5	25.5	77.5	509.1	160.5	188.8	11.4	56,000	\$ 8,288
	Low	\$ 69	\$ 74	\$ 103	-11.5%	3.6%	\$ 4	0.6%	0.1	3.7	7.5	2.3	0.7	(32.1)	-	28	\$ 165
	Median	\$ 826	\$ 1,204	\$ 1,950	11.1%	22.3%	\$ 124	7.1%	0.6	9.9	41.3	7.0	51.9	57.8	1.5	4,400	\$ 543
	Trimmed Mean	\$ 1,701	\$ 1,966	\$ 3,491	14.0%	23.1%	\$ 211	6.7%	0.7	10.2	40.6	7.5	57.0	63.5	1.9	5,363	\$ 716

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<u>Date</u>	<u>Ticker</u>	<u>Company Name</u>	<u>Summary of News Items</u>
12/01/06	ABC	AmerisourceBergen	Acquired all of the outstanding stock of Montreal-based Access M.D. for approximately \$12.9 million. Access M.D. provides support services to manufacturers of specialty pharmaceuticals.
12/13/06	ABC	AmerisourceBergen	Analyst Ivan Feinseth of Matrix USA upgraded AmerisourceBergen from "buy" to "strong buy"
12/13/06	ABC	AmerisourceBergen	Reaffirmed its forecasted earnings per share for fiscal year 2007 at \$2.40 - \$2.55 per share at its annual investors' meeting. The company also stated that it planned to buy back \$450 - \$500 million in shares over the year and is expecting to spin off its PharMerica Long Term Care business later in the year.
12/14/06	AIT	Applied Industrial	Wachovia initiated coverage at "Market Perform".
12/11/06	ANDE	The Andersons	Analyst Ivan Feinseth of Matrix USA upgraded The Andersons from "sell" to "hold".
12/14/06	ANDE	The Andersons	Banc of America analyst Eric K. Brown upgraded The Andersons from "neutral" to "buy", with a price target of \$52 per share.
12/15/06	ANDE	The Andersons	Announced a cash dividend of 4.75 cents per share. The dividend is 5.6% higher than that paid in the fourth quarter last year.
12/14/06	AOI	Alliance One	Announced implementation of succession plan formulated at the time of its merger in May 2005. Chairman and CEO Brian J. Harker will retire as CEO but will remain Chairman. Current President and COO Robert E. "Pete" Harrison will succeed Mr. Harker as CEO.
12/04/06	ARG	Airgas	Announced that it has acquired Alabama-based Southern Welding Supply and Alpena, Michigan-based Alpena Supply Company.
12/07/06	ARW	Arrow Electronics	InTechnology announced the terms for the sale of its Specialist Distribution division to the European Subsidiary of Arrow Electronics: £41 million in cash. The transaction is expected to close on Dec. 29.
12/13/06	ARW	Arrow Electronics	Will distribute Color Kinetics Incorporated's LED technology in North America.
12/21/06	ARW	Arrow Electronics	Received EU approval for its previously announced acquisition of the UK based InTechnology.
12/27/06	ARW	Arrow Electronics	Closed its transaction with InTechnology.
12/20/06	AVT	Avnet	Received FTC, Canadian, and EU approval for its previously announced acquisition of Access Distribution, a subsidiary of General Electric. The deal is set to close December 31 st .
12/07/06	AVT	Avnet	Was named "North American Distributor of the Year" by Integrated Device Technology.
12/11/06	AVT	Avnet	Was named "Innovator of the Year – Large Company" at the Arizona Governor's Celebration of Innovation.
12/12/06	AVT	Avnet	Announced Chairman and CEO Roy Vallee established a Rule 10b5-1 plan for the orderly exercise of stock options and the sale of the underlying shares. Mr. Valle is in compliance with company requirements that executives hold company stock worth at least three times his annual base salary.
12/13/06	AVT	Avnet	Pericom Semiconductor expanded its distribution agreement with Avnet to be fully worldwide. Avnet had previously distributed Pericom's electronic components in Europe and Asia.
12/20/06	AVT	Avnet	Opened an integration center in Tiajin, China. The center will support North American customers with operations in China as well as expand Avnet's presence in China's marketplace.
12/21/06	AVT	Avnet	Will market Seoul Semiconductor's energy-efficient LED and solid-state illumination products in the Americas.

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12/20/06	B	Barnes Group	Will open a new office and distribution center in Shanghai on January 1, 2007 for its AS Raymond division. The division manufactures high quality springs for industrial and mechanical uses.
12/26/06	B	Barnes Group	Utendahl Capital Partners analyst Seaver T. Wang took up coverage of Barnes Group, rating it "overweight". The price target was \$25 per share.
12/14/06	BECN	Beacon Roofing Supply	Announced increase in fourth quarter sales to \$431.3 million, an increase of 86.6% over the fourth quarter last year. Results were skewed by several major acquisitions over the past year: sales of existing products increased 20% and the remaining increase was due to acquisitions. Diluted net income per share came in at \$0.32 as compared to \$0.25 last year; Reuters Estimates had predicted net income of \$0.34 per diluted share.
12/07/06	BELM	Bell Microproducts	Solicited consent of the holders of its outstanding \$110 million principal amount 3¾% convertible subordinated notes due 2024 to waive any default for its failure to file reports with the SEC and to amend the indenture governing the terms of the notes to delete the provision triggering a default for failure to file such reports. The company has delayed filing its Form 10-Q for the period ending September 30, 2006 and has announced its intention to amend previous period's reports.
12/19/06	BELM	Bell Microproducts	Sold its 50 millionth hard drive. The San Jose-based company started 18 years ago, and expects to move another 50 million hard drives in the next four years.
12/19/06	BELM	Bell Microproducts	Announced results of its solicitation of the consent of the holders of its \$110 million aggregate principal amount 3¾% convertible subordinated notes due 2024. Holders representing a sufficient amount of notes waived the defaults and consented to amend the indenture.
12/07/06	BLG	Building Materials Holding Corp.	Declared a 4 th quarter dividend of \$0.10 per common share.
12/8/06	BLG	Building Materials Holding Corp.	Moved from Nasdaq to the New York Stock Exchange. Its new ticker is "BLG".
12/01/06	CAH	Cardinal Health	Upgraded from "neutral" to "buy" by UBS analyst Ricky Goldwasser. The target price was \$77.
12/04/06	CAH	Cardinal Health	Introduced a system to provide its pharmaceuticals to hospitals in unit dose, bar-coded packaging, which has been shown to significantly reduce the chance of patient mistreatment. The ReadyScan system will be available by the end of January 2007.
12/11/06	CAH	Cardinal Health	Unveiled the AirLife Infant nCPAP System, a ventilator for premature infants designed to minimize some of the dangers and discomforts of artificial respiration.
12/26/06	CAH	Cardinal Health	Paid \$10 million to settle a probe by the New York Attorney General into buying and selling pharmaceuticals from and to improper sources, potentially letting counterfeit drugs onto the market or letting drugs be misused. As part of the settlement, Cardinal agreed to limit its buying and selling to the appropriate sources.
12/11/06	CDWC	CDW Corporation	Announced its average daily sales for November. Sales increased 11.9% to \$569.2 million from last November's sales of \$508.5. Excluding sales made by Berbee employees, acquired in October, average daily sales came to \$534.8 million, an increase of 5.2%.
12/14/06	CELL	Brightpoint	Banc of America initiated coverage at "neutral".
12/19/06	CELL	Brightpoint	Entered into agreements to acquire the U.S. and Latin American Operations from CellStar Corporation for \$88 million.

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12/04/06	CRFT	Craftmade International	Declared a dividend of \$0.12 per share for the second quarter of fiscal year 2007, payable January 15 th .
12/13/06	DW	Drew Industries	Clayton Homes gave a Total Quality Supplier Award to the window division of Kinro, Inc, a subsidiary of Drew Industries.
12/14/06	ERS	Empire Resources	Announced regular cash dividend of \$0.05 per share and a special dividend of \$0.16 per share.
12/14/06	FAST	Fastenal	Wachovia initiated coverage at "Market Perform".
12/18/06	FAST	Fastenal	Morningstar named Fastenal CEO Willard D. Oberton one of its CEO of the Year Finalists.
12/05/06	GPC	Genuine Parts Co.	Was rated "neutral/cautious" in new coverage by Goldman Sachs analyst Matthew J. Fassler.
12/14/06	GWW	W.W. Grainger	Wachovia initiated coverage at "Market Perform".
12/05/06	HDL	Handleman	Released its financial results for the 2 nd quarter of its fiscal year 2007, ended October 28, 2006. For the quarter, revenues were 330.5 million, up 8.56% from the 2 nd quarter of 2006. Net loss was (\$1.42 million), compared to a net income of \$9.8 million a year ago.
12/04/06	HSIC	Henry Schein	Updated 2006 financial guidance, due to lower than expected sales of vaccines. The diluted EPS for the fourth quarter are estimated to be \$0.66 to \$0.68, and for the year, \$2.00 to \$2.02. The vaccines are expected to be sold in the first quarter of 2007, however, and the company affirmed its previous guidance for the 2007 financial year.
12/11/06	IM	Ingram Micro	Will distribute Webroot Software's new anti-virus/anti-spyware product designed for small and medium-sized enterprises.
12/07/06	KEYS	Keystone Automotive	Sidoti & Company analyst Scott L. Stemper downgraded Keystone from "buy" to "neutral".
12/11/06	KEYS	Keystone Automotive	Analyst Ivan Feinseth of Matrix USA upgraded Keystone Automotive from "hold" to "buy".
12/15/06	KEYS	Keystone Automotive	Upgraded by analyst Anthony F. Cristello of BB&T Capital Markets from "hold" to "buy". His 12-month price target is \$36.00 per share.
12/08/06	LAWS	Lawson Products, Inc	Declared a 4 th quarter dividend of \$0.20 per share.
12/29/06	MKTS	Advanced Marketing Services	Filed for voluntary Chapter 11 bankruptcy protection. The company was unable to obtain new financing and had struggled with a weak financial base and with resolving legal and regulatory differences. Wells Fargo will provide \$75 million in debtor-in-possession (DIP) financing.
12/14/06	MSM	MSC Industrial	Wachovia initiated coverage at "Market Perform".
12/28/06	MYE	Myers Industries	Announced an agreement to acquire ITML Horticultural Products, an Ontario-based producer of plastic containers for plants. Terms were not immediately disclosed.
12/05/06	NUHC	Nu Horizons Electronics	Announced expansion of distribution agreement with Exar Corporation to include Taiwan. Nu Horizons already distributes Exar's high-tech electronic components in North America, the UK, and Australia, New Zealand, Korea, Indonesia, Malaysia, the Philippines, Singapore, and Thailand in Asia and the Pacific.
12/01/06	PDCO	Patterson Companies	Analyst John C. Kreger of William Blair & Co. took up coverage of Patterson Companies, rating it "market perform".
12/04/06	PDCO	Patterson Companies	Analyst Ivan Feinseth of Matrix USA downgraded Patterson Companies from "hold" to "sell".
12/11/06	PDCO	Patterson Companies	Ivan Feinseth of Matrix USA later upgraded Patterson from "sell" to "hold".

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12/21/06	PDCO	Patterson Companies	Announced the acquisition of two rehabilitation equipment companies: Theraquip of Greensboro, NC and Metro Medical of New Orleans, LA. The terms of the acquisition were not disclosed.
12/15/06	PKOH	Park-Ohio	Announced S&P raised its rating on the company's Senior Subordinated Notes from "CCC+" to "B-" with a stable outlook.
12/05/06	POOL	Pool Corp	Analyst Joan L. Storms of Wedbush Morgan Securities took up rating Pool Corp, giving it a "buy". The price target is \$50 per share.
12/07/06	POOL	Pool Corp.	Lehman Brothers analyst Daniel Whang initiated coverage of Pool Corp and rated it "equalweight" with a price target of \$40 per share.
12/07/06	PSSI	PSS World Medical	Will distribute Claim-Remedi software to physicians. Claim-Remedi's software facilitates claiming insurance reimbursements.
12/19/06	PSSI	PSS World Medical	Lowered its financial forecast for fiscal year 2007. The company estimates that 750,000 flu vaccines will go unsold due to lower than expected demand. Earnings per share is estimated at 69-71 cents per share, down from the 76-78 cents per share forecasted in October.
12/6/06	RS	Reliance Steel	Announced the acquisition of Industrial Metals and Surplus and Athens Steel, both based in Georgia. The transactions are expected to close in the next 30 days; terms were not disclosed.
12/28/06	RS	Reliance Steel	Announced an agreement to acquire Encore Steel based in Edmonton, Alberta.
12/18/06	RYI	Ryerson	Davenport & Co. analyst Timothy P. Hayes took up coverage of Ryerson, rating it "neutral".
12/18/06	SCHS	School Specialty	Analyst Ivan Feinseth of Matrix USA upgraded School Specialty, Inc to "sell" from "strong sell".
12/05/06	SCSC	ScanSource	Will distribute Mitel's hardware, software, and accessories in Mexico. Mitel specializes in integrating voice, video, and data communication systems
12/05/06	SCSC	ScanSource	Has expanded its distribution agreement with Datalogic to include the United States. Datalogic, based in Europe, manufactures handheld bar-code readers.
12/07/06	SII	Smith International	Merrill Lynch resumed coverage of Smith International; analyst Alan D. Laws rated it "buy" with a target price of \$56.
12/14/06	SVU	Supervalu	Announced earnings per share estimates of \$0.52 to \$0.56 (average analyst estimate of \$0.60) for its fiscal 2007 third quarter and \$0.59 to \$0.66 (average analyst estimate of \$0.60) for its fiscal 2007 fourth quarter. For fiscal 2007, the company expects earnings per share of \$2.32 to \$2.43 (average analyst estimate of \$2.39).
12/11/06	SYU	Sysco	Named William Delaney as new CFO effective July 1, 2007. The current CFO, John Stubblefield, is retiring.
12/08/06	TECD	Tech Data Corp.	JPMorgan analyst Thomas J. Dinges downgraded Tech Data Corp from "neutral" to "underweight".
12/12/06	TECD	Tech Data Corp	Analyst Ivan Feinseth of Matrix USA downgraded Tech Data Corp. from "buy" to "hold".
12/12/06	TECD	Tech Data Corp.	Will now distribute Samsonite's bags, cases, and other products to IT resellers.

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12/14/06	TECD	Tech Data Corp.	Announced public offering of \$325 million aggregate principal amount of convertible senior debentures due 2026, and granted the initial underwriters an additional \$25 million aggregate principal amount over allotment. The company intends to use the net proceeds to repay short term debt. Banc of America Securities will act as the manager of the offering.
12/14/06	TECD	Tech Data Corp.	S&P assigned rating of "BBB-" to Tech Data's proposed \$325 million convertible senior notes due 2026. Moody's rated the notes "Ba2".
12/15/06	TECD	Tech Data Corp.	Announced completion of the sale of its \$325 million in aggregate principal amount of Convertible Senior Debentures due 2026. The company granted the underwriters an over allotment of up to \$25 million aggregate principal amount. The debenture bear interest at 2¾% and may be converted to 18.4310 shares of the company's common stock per \$1,000 principal amount of the debentures.
12/19/06	UNFI	United Natural Foods	UBS analyst Ajay Jain took up coverage of United Natural Foods and rated it a "buy 1". The price target is \$44 per share
12/14/06	WCC	Wesco International	Wachovia initiated coverage at "Market Perform".