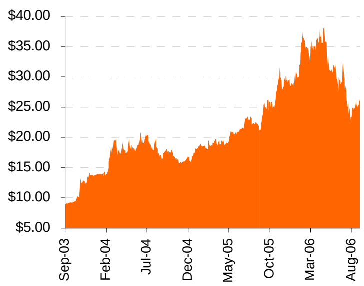
August 22, 2006

DREW INDUSTRIES, INC.

($25.03 / NYSE / DW)

Three-Year Price History



PORTFOLIO.................. **GROWTH**

Reference Statistics

Sector .... Consumer Discretionary
Industry .... Auto Parts & Equipment

Market Cap ....$560 M

Average Volume......................... 0.140 M shares
Float.. 18.5 M shares

P / E.. 14.03
ROE..22.10 %
PE / ROE... 0.60
P / B... 2.94
EV / FCF.. 38.00

Dividend Yield.. NA
Screen Score Percentile.....................................

Fiscal Year End ....December
Next Report ....October 2006

Contact...Fred Zinn
Title .... Chief Financial Officer
Number....................................XXX-XXX-XXXX

Fair Value Range................................$39 - $54
Time Horizon .... 5 years
Expected CAGR ....13.21 %

Investment Summary

Through its two wholly-owned subsidiaries, Kinro Inc. and Lippert Components, Inc., Drew Industries is one of the largest component suppliers to the recreational vehicle (RV) and manufactured housing (MH) industries. With 47 manufacturing facilities in 17 states, Drew generates two-thirds of its revenues from sales to RV manufacturers.

- ☑ **Management has proven their mettle with a track record of success greater than 25 years.** Having navigated Drew through periods of industry growth and decline, management has proven its ability to make great decisions and make Drew a firmly entrenched market share leader of many key RV and MH components. Perhaps no one has benefited from these decisions more than management itself, which still owns over 20 percent of outstanding shares.

- ☑ **We like the growth characteristics of the RV and MH end markets.** Demographics, quality, and image all appear to be improving and capable of sustaining industry growth. Furthermore, we believe Drew has a significant opportunity for growth in the mobile home segment, which currently accounts for less than 5 percent of sales.

- ☑ **We like the formula of market leadership + cheap, accretive acquisitions + DW's existing national presence + increasing market share + new product development.** The Company prides itself on being patient acquirers and a review of recent transactions supports this claim. The ability to realize cost savings and nationalize a regional brand has led to impressive market share gains.

- ☑ **Recent macro events have hidden the Company's true profitability and growth potential.** The past five years have seen (1) a boom in the price of steel, which represents 50 percent of the Company's raw material costs; (2) high gasoline prices that have influenced a slowdown in new RV purchases; (3) and record-low interest rates that have made on-site construction of new homes more affordable relative to manufactured homes. In addition, recent FEMA-related sales have been uncharacteristically low-margin. When the smoke clears and we begin to see at least minor mean-reversion in these phenomena, Drew will improve profitability.

- ☑ **We sleep well at night knowing that Drew is a well-run business, on both the corporate and operational level.** Drew's shareholder-friendly corporate governance practices, management training program, and performance-based pay schedule leave very little to be desired.