



NCI BUILDING SYSTEMS REPORTS FOURTH QUARTER
AND FISCAL 2003 FINANCIAL RESULTS

ESTABLISHES EARNINGS GUIDANCE FOR THE FIRST
QUARTER OF FISCAL 2004

HOUSTON (December 10, 2003) - NCI Building Systems, Inc. (NYSE:NCS) today announced financial results for the fourth quarter and 12 months ended November 1, 2003. For the fourth quarter, net income per diluted share was \$0.53, which included a net positive impact of \$0.10 per diluted share from compensation-related issues. The Company's established guidance for net income per diluted share for the fourth quarter was in a range of \$0.40 to \$0.43. Sales for the fourth quarter were \$254.8 million compared with \$253.8 million for the fourth quarter of fiscal 2002. Net income for the fourth quarter of fiscal 2003 was \$10.1 million compared with \$10.8 million, or \$0.58 per diluted share, for the fourth quarter of fiscal 2002.

For fiscal 2003, sales were \$898.2 million compared with \$953.4 million for fiscal 2002. Net income was \$22.8 million, or \$1.20 per diluted share, for fiscal 2003 versus a net loss of \$33.8 million, or \$1.81 per diluted share, for fiscal 2002. Net income for fiscal 2002 included the negative effect of a change in accounting principle of \$65.1 million, or \$3.49 per diluted share.

Commenting on the announcement, A.R. Ginn, Chairman, President and Chief Executive Officer, said, "NCI achieved solid financial results for the fourth quarter in an environment that remained challenging. We produced a sequential-quarter increase in sales of 7.9% from the third quarter of fiscal 2003 and the first increase in comparable-quarter sales in 18 months. We were also pleased to meet the high end of our earnings guidance for the quarter, even before the impact of the compensation-related issues referenced above. The positive net impact of \$0.10 per diluted share was comprised of the reversal of previously accrued bonus compensation, partially offset by the full accrual of the retirement benefits for Johnie Schulte, Jr., the Company's former President and Chief Executive Officer, who retired on November 1, 2003."

"We again attribute NCI's profitable operations, which stand in contrast to many of our industry peers, to our ability to leverage our competitive advantages to gain market share in a consolidating industry. These advantages include one of the industry's broadest lines of high quality, innovative products, superior customer service, low-cost operations, and strong financial position. In fact, we strengthened our financial position further during the fourth quarter by using cash from operations to reduce debt by \$19.0 million and \$48.5 million for fiscal year 2003. As a result, our debt to total capitalization improved to 42.9% at the end of fiscal 2003 from 49.5% at the end of fiscal 2002."

[financial tables](#)