

PRESS RELEASE

Response to Standard Industries' Letter dated 25 September 2016

Standard Industries' 25 September 2016 letter questioned the validity of certain information included in Braas Monier's 23 September 2016 letter.

The Board of Directors of Braas Monier (the "Board") believes it is necessary and in the interests of shareholders to rectify any suggestion that they may have been misled.

1. No premium for control

- The Standard Industries takeover offer of EUR 25 per share is at a discount to the current market price of EUR 26
- The takeover offer is also at a discount to independent analysts' consensus trading target share price of EUR 26
- The average customary control premia paid for European companies over the last 20 years has been 36%
- EUR 25 per share does not provide shareholders with a customary premium in exchange for control
- The Board also notes that EUR 25 is the price per share which 40 North (Standard Industries' affiliate) paid in June 2016 for its non-controlling 29.1% shareholding in Braas Monier
- The actions of Monier Holdings, which has been seeking to exit for some time, do not validate any offer price

The Board is therefore correct to state that the offer of EUR 25 per share contains no customary premium in exchange for control.

2. No value for synergies

- Standard Industries has indicated its intention to combine Braas Monier with Icopal
- The Board believes that EUR 30-40 m would be a reasonable estimate of the amount of annual synergies which would arise from a combination of Icopal and Braas Monier. This estimate is supported by an analysis undertaken by a leading international management consultancy firm
- EUR 30-40 m equates to less than 2% of Braas Monier's and Icopal's combined revenues and is in line with the level of synergies announced with other combinations of building materials manufacturers
- The EUR 30-40 m synergies would arise both from revenue gains principally from cross-selling, and cost savings from areas such as duplicate corporate and regional functions, procurement, logistics and the removal of public company costs

The Board is therefore correct to state that the offer of EUR 25 per share would deprive Braas Monier shareholders from any benefit arising from synergies.

3. Discount to most recent comparable transaction

- The 10.5x historic EV/EBITDA multiple paid by Standard Industries for Icopal referred to in the Board's 23 September 2016 letter is based on public data including GAF's own public announcement and Icopal's IFRS 2015 Annual Report. The sources and bases of this calculation were fully disclosed in the 23 September 2016 letter
- In contrast, Standard Industries has not disclosed details of its alternative calculation, without which it is not possible to assess whether Standard Industries' analysis has been undertaken on an appropriately comparable basis
- Braas Monier has superior financial metrics compared to Icopal. Braas Monier's EBITDA margins are substantially higher than Icopal and Braas Monier generates c.2.5x the annual operating cash flow of Icopal
- Braas Monier has no requirement to fund its pension schemes. This contributes to Braas Monier's sector leading equity free cash flow yield of c.8%
- Reference by Standard Industries to a trading multiple for Wienerberger is an incorrect comparison when assessing an appropriate takeover multiple

The Board is therefore correct to state that the offer of EUR 25 per share is at a discount to the most recent comparable transaction.

4. Unrecognised value in German pension schemes

- Braas Monier's pension liabilities relate almost exclusively to German pension schemes which are (a) unfunded (with no legal funding obligation) and (b) closed to new entrants
- Over the last 5 years the Braas Monier pension liabilities have increased by around EUR 177 m due principally to changes in discount rate assumptions. During this period the cash outflows under these pension schemes have remained stable at around EUR 15 m per annum, an amount which is not expected to increase materially in future years
- The after tax pension liability under these pension schemes at 30 June 2016 was EUR 370 m. This accounting liability is derived in accordance with IFRS and assumes that this sum would be invested in high quality corporate bonds (or similar risk assets) generating investment returns of 1% per annum
- This contrasts with the c.8% equity free cash flow yield which Braas Monier currently generates at the current share price of EUR 26
- Jefferies, the independent equity analyst, estimates that this mismatch could add a further EUR 2-3 per share of value to an acquirer which takes a long term view of the value of these pension liabilities

5. Significant future shareholder value as an independent company

- Braas Monier has successfully implemented a strategy of significant rationalisation and restructuring, resulting in a strong improvement in earnings and cash flows and a significant reduction of net debt
- These material improvements in Braas Monier's financial position have enabled it to implement a successful strategy of organic and inorganic growth; to undertake a refinancing which will improve annual cash flow by around EUR 12 m; and to implement a progressive dividend policy
- Braas Monier is strongly positioned financially and operationally to benefit from any recovery in its European markets. Braas Monier offers:
 - A sector leading equity free cash flow yield of c.8%
 - High cash generation with material further de-leveraging expected in the medium term
 - High operational leverage, which the Board believes will generate improved earnings and even greater cash flows in any European recovery
 - Strong pricing power and sector leading sustainable EBITDA margins
 - A high quality platform for growth which is well positioned in all its key markets and with a strong geographic footprint

- A successful ongoing M&A strategy with a well-developed pipeline of future opportunities

The Board is therefore correct to state that Braas Monier is in a strong position to generate significant future shareholder value as an independent company.

In November 2016 Braas Monier will update the market on its current trading and outlook.

Recommendation to REJECT the Offer

The Board therefore continues unanimously to recommend that shareholders reject the takeover offer of EUR 25 per share because it contains no premium for control; it does not reflect the value of the significant synergies which would accrue to Standard Industries by Braas Monier being part of the same group as Icopal; it is at a significant discount to the EBITDA multiple paid by Standard Industries for Icopal; and overall significantly undervalues the company and its future prospects. The Board is focused on maximising the value and position of all stakeholders over time. To the extent that the Board receives a takeover or merger proposal which offers fair and appropriate value, such a proposal would receive full consideration.

The Board will not recommend the acceptance of a takeover offer at EUR 25 per share and will further detail its recommendation not to accept this offer in its statement pursuant to section 27 (1) of the German Securities Acquisition and Takeover Act (WpÜG). Such statement will be released following review of the offer document, which is not yet available and will only be published by Standard Industries following clearance by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).

In the meantime, shareholders are asked to continue their support of the Board and await further developments.

The Board of Braas Monier is being advised by Rothschild in relation to this matter. Scott Harris is advising the Board in relation to shareholder engagement.

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Forward-Looking Statement

This document contains forward-looking statements relating to the business, financial performance and results of Braas Monier Building Group S.A. (the 'Company') and/or the industry in which the Company operates. The words 'anticipate', 'assume', 'believe', 'estimate', 'expect', 'foresee', 'intend', 'may', 'plan', 'project', 'should' and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about the Company's beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of the Company. Forward-looking statements therefore speak only as of the date they are made, and the Company undertakes no obligation to update any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. These statements are based on the Company's management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the building materials industry, intense competition in the markets in which we operate and costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting our markets, and other factors beyond our control). This document is intended to provide a general overview of the Company's business and does not purport to deal with all aspects and details regarding the Company. Neither the Company nor any of its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith. This document speaks as of its date and the material contained in this presentation reflects current legislation and the business and financial affairs of the Company which are subject to change and audit.

Appendix 1

Sources and Bases

1. General

Unless otherwise stated, the financial and other information relating to Braas Monier is derived from Braas Monier's annual report and accounts for the year ended 31 December 2015.

Bases of calculations and sources of information are provided below in the order in which the relevant information appears in this document; accordingly, where any such information is repeated in this document, the underlying bases and sources are not.

2. Specific references

- a) The current trading price is based on the closing trading price of Braas Monier of EUR 26 on Tuesday 27 September 2016
- b) The analysts' consensus trading target share price of EUR26 is based on the average of the latest trading target prices of Berenberg, Exane BNP Paribas, HSBC, Jefferies, JP Morgan, MainFirst and UBS
- c) The reference to customary control premia is based on data from M&A Monitor and includes European public deals over the last 20 years (excluding partial, minority and squeeze-out offers)
- d) The reference to a reasonable estimate of expected annual synergies of EUR 30-40 m arising from a merger of Icopal and Braas Monier is based on an analysis undertaken by a leading international management consultancy firm and the considered views of the Board
- e) The reference to EUR 30-40 m equating to less than 2% of Braas Monier's and Icopal's combined revenues is based on:
 - i) Braas Monier revenue of EUR 1,257 m (per the Braas Monier Annual Report 2015); plus
 - ii) Icopal revenue of EUR 974 m (per the Icopal Holding a/s Annual Report 2015)
- f) The 10.5x EV/EBITDA multiple paid by GAF Corporation (a subsidiary of Standard Industries) for its acquisition of Icopal is based on:
 - i) the enterprise value on acquisition of "approximately € 1 bn" stated on the GAF Corporation press release dated 25 January 2016 (www.gaf.com/about_gaf/press_room/press_releases/782565376); and
 - ii) the EUR 95 m EBITDA provided in the last available historic financial reports of Icopal prior to completion of the transaction, being an operating profit of EUR 59 m

- plus depreciation, amortisation and impairment losses of EUR36m (per the Icopal Holding a/s Annual Report 2015)
- g) Reference to Braas Monier's EBITDA margins being substantially higher than Icopal's is based on:
 - i) Braas Monier FY15 EBITDA margin of 16.8% (per the Braas Monier Annual Report 2015); and
 - ii) Icopal's FY15 EBITDA margin of 9.8% (per the Icopal Holding a/s Annual Report 2015)
 - h) Reference to Braas Monier generating c.2.5x more operating cash flow annually than Icopal is based on:
 - i) Braas Monier FY15 operating cash flow of EUR122m (per the Braas Monier Annual Report 2015); and
 - ii) Icopal's FY15 operating cash flow of EUR49m (per the Icopal Holding a/s Annual Report 2015)
 - i) Reference to the c.8% equity free cash flow yield is based on the closing share price of EUR 26 on 27 September 2016 and LTM cash flow as follows:
 - i) June 2016 LTM cash flow of EUR72m (per the Braas Monier Interim Financial Report Q2 / H1 2016 presentation); plus
 - ii) EUR 12 m improvement to annual cash flows in respect of the refinancing (reflecting annualised cash interest savings of in excess of EUR 10 m plus interest rate swap savings of EUR 2 m) (per the Braas Monier Interim Financial Report Q2 / H1 2016 presentation)
 - j) Reference to the EUR 177 m increase in the Braas Monier pension liabilities since 2011 is calculated as the latest published pension liability of EUR 433 m (as set out below), compared with the pension liability of EUR 255 m in 2011 as per the Braas Monier IPO Prospectus 2014
 - k) The after tax pension liability of EUR 370 m is calculated as:
 - i) Latest published pension liability of EUR 433 m (as per the Braas Monier Q2 2016 Interim Financial Report); less
 - ii) Latest published pension deferred tax asset of EUR 63 m (as per the Braas Monier Q2 2016 Interim Financial Report)
 - l) Reference to the cash outflow under the pension schemes of EUR 15 m per annum are as per the Braas Monier Annual Report 2015
 - m) Reference to Jefferies' estimates are as per the Jefferies note titled "Braas Monier, € 25 Offer Undervalues Shares in Our View" dated 25 September 2016