

PRESS RELEASE

Publication of Reasoned Opinion in response to Standard Industries' Offer Document published 14 October 2016; publication of Q3 2016 trading update; announcement of revised dividend policy

The Board of Braas Monier continues to reject Standard Industries' offer of EUR 25 per share

Luxembourg, 28 October 2016. The Board of Directors of Braas Monier (the "Board") today publishes its Reasoned Opinion (the "Reasoned Opinion") in response to Standard Industries' Offer Document published 14 October 2016 (the "Offer Document").

After careful review of the Offer Document the Board is of the opinion that Standard Industries' offer is inadequate from a financial perspective. The Board therefore advises the shareholders of Braas Monier to reject Standard Industries' offer.

The Board bases its recommendation on the following key considerations.

1. No premium for control

- Standard Industries' takeover offer of EUR 25 per share is at a discount to the current market price of above EUR 26
- The takeover offer is also at a discount to independent analysts' consensus trading target share price of EUR 26-27
- 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

2. Unrecognised 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
- EUR 25 per share cash offer would deprive Braas Monier shareholders of any benefits arising from synergies

3. Discount to most recent comparable transaction

- The 2016 acquisition of Icopal by Standard Industries' subsidiary, GAF Corporation, is the most comparable recent transaction in the sector
- Standard Industries paid a multiple of 10.6x EBITDA for Icopal
- 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 cashflow of Icopal, however the Offer by Standard Industries represents only 8.7x EBITDA

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
- Since 2011 the Braas Monier pension liabilities have increased by almost EUR 200 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 September 2016 was EUR 374 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 around 1% per annum
- This contrasts with the c.8% equity free cashflow yield which Braas Monier currently generates at the current share price

- Jefferies (the independent equity analyst) estimates that this mismatch could add a further EUR 2-3 per share of value to an acquiror 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 cashflows 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 cashflow by around EUR 12 m, of which around EUR 6 m has been realized during Q3 2016; 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 cashflow yield of c.8%
 - High cash generation with material further deleveraging expected in the medium term
 - High operational leverage, which the Board believes will generate improved earnings and even greater cashflows 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

Braas Monier's financial adviser Rothschild has provided a fairness opinion concluding that the offer consideration is inadequate from a financial point of view. UBS has also provided a fairness opinion concluding that the offer consideration is inadequate from a financial point of view.

Further the Board notes a lack of clarity on certain matters in relation to Standard Industries' offer including:

- The Offer Document provides no firm commitment in respect of employees;
- The Offer Document provides no details on future intentions in relation to matters including: strategy; use of assets; delisting; future of the business; and Board composition; and

The full text of the Reasoned Opinion is available on the Braas Monier website under the following link: www.offer.braas-monier.com

It is expressly noted that the Reasoned Opinion alone is binding. The information provided in this press release is not to be understood as an explanation or supplement to the statements in the Reasoned Opinion.

Publication of Q3 2016 trading update

In conjunction with the Reasoned Opinion, Braas Monier also today released a trading statement for Q3 2016. The trading statement is available on the Braas Monier website under the following link:
www.braas-monier.com/investor-relations/reports-presentations/index

Change of Dividend Policy and Dividend for 2016

The Board of Directors has previously stated its commitment to focus on generating high sustainable free cash flows and allocating them wisely. In this context the Board of Directors has undertaken a review of its dividend policy with the aim of paying a dividend which appropriately reflects the Company's financial condition, results of operations, capital requirements and investment opportunities.

Accordingly the Board of Directors has today decided to adjust Braas Monier's progressive dividend policy and link it more directly to the Company's adjusted free cash flow which the Board of Directors deems to be more appropriate for a well-balanced capital allocation. Therefore the Board of Directors has adopted a dividend policy with a total annual dividend payout ratio in the range of 30% - 50% of Braas Monier's adjusted free cash flow. Adjusted free cash flow is defined as net cash from operating and investing activities excluding growth capital expenditure (such as M&A) and significant one-off items incurred in the relevant period. Braas Monier retains its commitment to a net debt / Operating EBITDA ratio of no greater than 2.0x.

As a consequence of the Company's current operating and financial position and future prospects, the Board of Directors will propose to shareholders a total dividend of EUR 0.70 per ordinary share in respect of the financial year ending 31 December 2016 at the Annual General Meeting to be held on 10 May 2017.

Investor and Analyst presentation on Friday 28 October 2016 at 11am CET

Braas Monier will hold a conference call regarding the Reasoned Opinion and the Q3 2016 trading statement. This call will be held on Friday 28 October 2016 at 11am CET. The call will be communicated by webcast under the following link:

www.audio-webcast.com/cgi-bin/visitors.ssp?fn=visitor&id=4081

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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.