

Braas Monier Building Group S.A.
Société Anonyme
4, rue Lou Hemmer
L-1748 Senningerberg
RCS Luxembourg: B0148558

Annual accounts for the financial year ended 31 December 2016
(with the report of the Réviseur d'Entreprises agréé thereon)

Table of contents

	Pages
Management Report by the Board of Directors for the year ended 31 December 2016	3-14
Report of Réviseur d'Entreprises Agréé	15-16
Annual accounts	
- Balance sheet	17-21
- Profit and loss account	22-23
- Notes to the annual accounts for the year ended 31 December 2016	24-36

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016

General Information on Braas Monier Building Group S.A.

Braas Monier Building Group S.A. (hereafter the "Company") was incorporated on 7 October 2009 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period. The registered office of the Company is established at 4, rue Lou Hemmer, L-1748 Senningerberg.

The shares in the company have been trading on the regulated market (Prime Standard) of the Frankfurt Stock Exchange since 25 June 2014.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The Company is the holding company of our Group, acting under the commercial name "Braas Monier" or "Braas Monier Building Group" (hereafter the "Group"). The business of the Company is primarily conducted by the relevant operating subsidiaries serving the local markets and the Company benefits from interest payable on group-internal cash pool deposits.

The Group is a leading manufacturer and supplier of pitched roof products, including both roof tiles and roofing components, in Europe, parts of Asia and South Africa, based on volumes sold. We are one of the few manufacturers to sell both a comprehensive range of concrete and clay tiles for pitched roofs and complementary roofing components designed to cover various functional aspects of roof construction. In the market for roofing components, which is relatively fragmented and comprises generally local competitors, we believe we hold market-leading positions in respect of many of our roofing components products. We also manufacture and supply chimneys and energy systems. This market is highly fragmented and we believe we are the leading manufacturer and supplier of ceramic chimneys in Europe and steel chimneys in the United Kingdom. Our portfolio of industry-leading brands includes Braas, Monier, Bramac, Redland, Wierer, Cobert and Coverland for roof tiles and roofing components, Klöber for roofing components and Schiedel for chimneys and energy systems.

Takeover offer by Standard Industries

At the end of June 2016, 40 North Latitude SPV-F LLC (40 North), a privately-held investment firm affiliated with Standard Industries, acquired a participation of c. 29.1 % of the shares in Braas Monier from the former major shareholder, Monier Holdings S.C.A. (Monier Holdings), which continued to hold 10.77 % of the shares following that transaction. Standard Industries is a privately-held, global, diversified holding company with interests in inter alia the building materials sector. Its businesses include GAF, the largest roofing manufacturer in North America, and Icopal, a European leader in high-end commercial roofing products and waterproofing solutions.

On 14 October 2016, Marsella Holdings S.à r.l. (Marsella), a wholly-owned subsidiary of Standard Industries, launched a public takeover offer for all outstanding shares in Braas Monier, offering a cash consideration of EUR 25.00 per share. 40 North and Monier Holdings had already before signed irrevocable undertakings to tender their shares into the offer. The Board of Directors of Braas Monier rejected this initial offer as it was of the opinion that the proposed consideration did not reflect the fair value of the company and its future prospects, nor did it reflect the value of the synergies which could be realized by a combination of Braas Monier and Icopal. The Board of Braas Monier acknowledged the industrial logic of combining its business with Standard Industries and pointed out that a takeover or merger proposal which offers fair and appropriate value would receive its full consideration.

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

Finally, on 18 December 2016 Braas Monier, Marsella and Standard Industries reached an agreement on an amended offer which the Board of Braas Monier fully supported and which it unanimously recommended shareholders of Braas Monier to accept. Furthermore, Braas Monier, Marsella and Standard Industries signed a Business Combination Agreement.

The agreement provided that Standard Industries would increase the offer price to be paid at closing by EUR 0.27 from EUR 25.00 to EUR 25.27 per share. The agreement also provided that the Board of Directors of Braas Monier would resolve to issue 3,916,666 new ordinary bearer shares, each with a par value of EUR 0.01, and carrying dividend rights as from 1 January 2016 (the 'New Shares') from a capital increase by incorporation of reserves, making use of the authorised share capital of Braas Monier. As a consequence of the implementation of the capital increase on 22 December 2016, the total share capital of Braas Monier amounts to EUR 430,833.33, divided into 43,083,333 ordinary bearer shares, each with a par value of EUR 0.01.

Under the terms of the offer and in line with the agreement, shareholders were able to tender both their previously held shares and the 'New Shares' during the extended acceptance period and/or the additional acceptance period.

Further, the agreement provided that the Board of Directors of Braas Monier would resolve to distribute an interim dividend of EUR 0.64 per previously held share and 'New Shares' (equivalent to EUR 27.6 million in total). The interim dividend was paid on 5 January 2017.

Board of Directors

The Company is supervised by the Board of Directors. Our Board of Directors is, pursuant to article 17.2 of the Articles of Association, vested with the broadest powers to act in the name of the Company and to take any actions necessary and useful to fulfil our Company's corporate purpose, with the exception of the powers reserved by law or by the Articles of Association to the general meeting of shareholders.

In the following, and until the date hereof (unless otherwise stated against their name), the individuals listed below served on the Board of Directors:

Francis Carpenter (Independent), Luxembourg, Grand Duchy of Luxembourg

Georg Harrasser (Group CEO), Frankfurt, Germany (since November 2016)

Christopher Davies (Independent), Cheshire, United Kingdom (since May 2016)

Emmanuelle Picard (Independent), Paris, France (since May 2016)

Jean-Pierre Clavel (Independent), Paris, France

Guy Harles (Independent), Luxembourg, Grand Duchy of Luxembourg

Pierre-Marie De Leener (Chairman, Interim Group CEO until November 2016), Saviese, Switzerland

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

Werner Paschke (Independent), Luxembourg, Grand Duchy of Luxembourg

Pepyn Dinandt, Munich, Germany (until January 2016)

Winston Maxwell Ginsberg, London, United Kingdom (until June 2016)

Torsten Murke, Frankfurt am Main, Germany (until May 2016)

Fabrice Nottin, London, United Kingdom (until June 2016)

The Board of Directors has established the following standing committees:

Audit Committee

The Audit Committee (AC) oversees our accounting, financial reporting and internal control functions and issues recommendations with regard to, among other things, the appointment of an approved independent auditor and the approval of its services to the Board of Directors. As of 31 December 2016, the AC members were as follows: Werner Paschke (Chairman) and Christopher Davies.

Nomination & Remuneration Committee

The Nomination and Remuneration Committee (NRC) considers and recommends nominees for appointment as officers and for election as directors to the Board of Directors. In addition, it makes recommendations concerning compensation and incentive programs. As of 31 December 2016, the NRC comprised the following members: Francis Carpenter (Chairman), Guy Harles and Jean-Pierre Clavel.

Financial Condition and Results of Operations

The Company records two major assets on its books, a 100% interest in Braas Monier Building Group Holding S.à r.l. (which itself owns as direct and indirect subsidiaries the operational entities of the Group) and an intercompany receivable against Monier Finance S.à r.l. (“Cash Pool Receivable”).

Growth in building material industries is typically correlated to the overall development of the Gross Domestic Product (GDP) in an economy. The global economy grew moderately by 3.1% in 2016 – very close to the growth rate of 3.2% in 2015 but lower than the expected 3.4% for 2016 – according to the latest update of the key world economic outlook projections of the International Monetary Fund in January 2017. Politically, 2016 was marked by unexpected twists and turns like the outcome of the referendum in the UK in June to leave the EU (The Brexit).

Due to our strong focus on European markets, the GDP development in major European countries, such as Germany, the UK, France and Italy, has a high relevance for our business. Experience shows that, with a certain time lag, general trends in GDP development are followed by residential construction activity.

Result of Operations

The Company’s income in 2016 results mainly from the interest on the intercompany receivable against Monier Finance S.à r.l.. Total interest income amounts to EUR 0.1m.

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

The Company was charged with EUR 18.3m, most of which represents cost accrued in connection with takeover offer in an amount of EUR 17.3m. The remainder comprises current expenses, audit fees and other advisory costs.

Equity

The Company has a strong equity position of EUR 420.7m.

On 11 May 2016 the annual general meeting of shareholders decided to allocate a dividend of EUR 0.40 per share of the Company for a total amount of EUR 15,666,666.80.

On 20 December 2016 the Board of Directors resolved to increase the Company's Share Capital by issuance of 3,916,666 new ordinary bearer shares with a par value of EUR 0.01 each and carrying dividend rights as from 1 January 2016 (the "New Shares") by way of incorporation of reserves making use of the authorized share capital of the Company.

Also on 20 December 2016 the Board of Directors resolved to pay, on 5 January 2017, an interim dividend of EUR 0.64 per share of the Company (including New Shares) for a total amount of EUR 27,573,333.12.

As of 31 December 2016, the Company's subscribed capital amounted to EUR 430,833.00 and was composed of 43,083,333 bearer shares with a nominal value of EUR 0.01 each.

The authorised capital of the Company is set at EUR 153,333.00 represented by maximum of 15,333,334 shares, each with a nominal value of EUR 0.01.

Assets

Total assets decreased in the financial year from EUR 485.0m to EUR 467.2m, mainly due to a decrease in Cash Pooling receivables.

Main assets of the Company are shares in affiliates of EUR 401m (mainly Braas Monier Building Group Holding S.à r.l.) and receivables against affiliate companies of EUR 66.0m which mainly represents the Cash Pool Receivable. Minor assets refer to other receivables of EUR 258k and cash of EUR 11k.

Liabilities

The main liability positions are the interim dividend (together with related withholding tax) declared in December 2016, amounting to EUR 27.6m and cost accrued in connection with takeover offer amounting to EUR 15.8m.

Research and Development

The Company does not undertake any Research and Development activity.

Acquisition of Company's own shares

The Company has not acquired own shares.

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

Existence of a Branch

The Company does not maintain any branches.

Risks and Opportunities

Due to its activities, the Company as such does not face significant operational risks. However, the Company and in particular its subsidiaries are conducting their business throughout the world and are exposed to numerous potential risks.

The risk management system (RM) of the Company and Braas Monier covers financial, strategic, compliance as well as operational aspects. The major aim of the Company's RM is to minimize risks and take advantage of opportunities.

The Audit Committee as well as the Board of Directors regularly discuss the operational and financial results as well as the related risks.

The principal risks that could have a material impact on the Company are summarized below.

Market and Business Related Risks

The Group's business, results of operations and financial condition is materially affected by changes in the macroeconomic environment. The Group is subject to the cyclicity of the building materials industry and operate in a seasonal industry, which may cause significant fluctuations in our results of operations.

Financial Risks

The Company is exposed to the following risks in connection with our financial instruments, which mainly comprise financial assets, other assets and liabilities:

- Exchange rate risks

The Group is exposed to exchange rate risks due to the number of subsidiaries in foreign non-Euro countries. The Group reduces the risks associated with the volatility of key currencies and the resulting economic exchange rate risks by having production facilities for tiles in all countries where substantial volumes are sold.

- Change of Control

Upon consummation of the takeover by Standard Industries, Braas Monier Building Group S.A. will undergo a change of control. Only very few legal instruments, to which Group companies are a party, contain change-of-control provisions referring to a change of control at the level of the Company as the Group's ultimate holding company. Such instruments include our contractual arrangements for the RCF and the senior-secured fixed rate notes issued in 2016. The Group has hence reached an agreement with the lending banks of the RCF to maintain the RCF also post of the change of control, and has further reached an agreement with Standard Industries, pursuant to which Standard Industries will provide any funds needed to satisfy the Group's expenses resulting from the launch of a redemption offer to the bondholders, as provided for in the senior-secured fixed rate notes' indenture in the event of a change of control.

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

- Interest rate risks

The Group's exposure to market risk for changes in interest rates relates primarily to the debt obligations. The Revolving Credit Facility is bearing interests on a floating rate basis. Due to the continuous deleveraging of the Group and a decreasing RCF utilisation within the calendar year, the interest rate risk is considered as minor compared to the previous financing structure. The existing interest rate swaps have been terminated after the successful refinancing of the Senior Secured Floating Rate Note and the former Revolving Credit Facility in June 2016. The new Senior Secured Notes bear a fixed interest coupon at 3% and are not exposed to any interest rate risk.

- Credit risks

The Group is exposed to credit risks from its operating activities (primarily for trade receivables) and from its financing activities, including derivative financial instruments and deposits with banks and financial institutions. A default can occur if individual business partners cannot meet their contractual obligations and the Group thus suffers a financial loss.

To reduce credit risks arising from financing activities, transactions are entered into with institutions with a first-class credit rating. Credit risk from balances held with banks and financial institutions is managed by Treasury & Corporate Finance in accordance with the Treasury Guideline.

As derivative financial instruments are entered into only with banks with first-class credit ratings, the actual credit risk is on Group level negligible. No concentrations of risk exist.

Regulatory and Legal Risks

The Group is subject to stringent environmental and health and safety laws, regulations and standards.

Processes and procedures are established to minimize the exposure from these risks and the legal department of the Group monitors these risks permanently and reports regularly to the Senior Management.

Overall Evaluation of the Group's Risk Situation

The occurrence of any of the events or circumstances described in these risks, individually or together with other circumstances, could have a material adverse effect on our business, results of operations and financial condition.

Braas Monier Building Group has taken adequate action to secure its financing sources following a change of control caused by and due to the offer of Standard Industries. Therefore, there is no going concern risk for the Group.

Material Opportunities

At the end of the reporting period macro conditions in some of the economic regions the Group operates were at a trough. An earlier recovery of these markets could improve the financials results faster than currently anticipated.

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

Corporate Governance

As a Luxembourg société anonyme, the Company is subject to the corporate governance regime as set forth in particular in the Luxembourg law of 10 August 1915 on commercial companies, as amended. As a company whose shares are listed on a regulated market, the Company is further subject to the law of 24 May 2011 on the exercise of certain shareholder rights in listed companies.

Disclosures pursuant to Article 11(1) and (3) of the Luxembourg law on takeovers of 19 May 2006.

The information required by article 10.1 of Directive 2004 / 25 EC on takeover bids which has been implemented by article 11 of the law of 19 May 2006 on takeovers, as amended, is set forth below:

- a) For information concerning the structure of capital, reference is made to Note 5. The shareholders exercise their collective rights in the General Meeting of Shareholders. Each share entitles its holder to one vote. The right of a shareholder to participate in a General Meeting and to exercise the voting rights attached to its shares are determined with respect to the shares held by such shareholder on the 14th day before the respective General Meeting. Each shareholder can exercise its respective voting rights in person, through a proxy holder or in writing (the latter only if using voting forms provided by the Company).
- b) The Articles of Association of the Company do not contain restrictions on the transfer of shares.
- c) The following table sets forth information as of 31 December 2016 with respect to the beneficial ownership and voting rights of Braas Monier's shares by each person as notified to the Company to be the beneficial owner of more than 5% of Braas Monier's issued share capital pursuant to corresponding voting right notifications (in accordance with the European Market Abuse Regulation – MAR) as received by Braas Monier from time to time:

	Shares	% of issued shares	% of voting rights
40N Latitude SPV-F Holdings S.à r.l. ^{A)}	11,400,000	29.11 %	29.11 %
Monier Holdings S.C.A. ^{B)}	4,219,070	10.77 %	10.77 %
AIO IV S.à r.l. & AIO V S.à r.l. (Anchorage Capital Group LLC) ^{C)}	2,061,855	5.26 %	5.26 %
Lucerne Capital Management, LP ^{D)}	1,978,439	5.05 %	5.05 %

A) According to a notification received on 5 July 2016.

40N Latitude SPV-F Holdings S.à r.l. is a wholly owned subsidiary of 40 North Latitude SPV-F LLC ('40 N SPV-F'), which has contributed all of the shares previously held by it into 40N Latitude SPV-F Holdings S.à r.l. as contribution in kind effective 3 August 2016.

40 North Latitude SPV-F LLC ('40 N SPV-F') as purchaser and Monier Holdings S.C.A. as seller entered into a share purchase agreement relating to the purchase of 11,400,000 shares in the Issuer on 14 May 2016 ('SPA'). The delivery of these shares was subject to certain customary conditions precedent, including the approval from the competent merger control authorities (or expiry of the applicable waiting periods). The conditions precedent have been fulfilled and the delivery of shares has taken place on 29 June 2016 in accordance with the settlement provisions under the SPA.

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

The SPA has been entered into on 14 May 2016 between 40 North Latitude SPV-F LLC (40 N SPV-F) as purchaser and Monier Holdings S.C.A. as seller and is subject to certain customary conditions precedent, among which the approval from the competent merger control authorities (or expiry of the applicable waiting periods.) In addition to certain other withdrawal reasons, the SPA allows each party to withdraw from the SPA if the conditions precedent are not satisfied by 14 August 2016 or such other date as mutually agreed by the parties.

40 N SPV-F is 100 % held by 40 North Latitude Master Fund Ltd. ('40 N Master Fund'), which in turn is 100 % held by 40 North Latitude Fund LP ('40 N Fund'). 40 North GP III LLC ('40 N GP') is the sole general partner and controls 40 N Fund. 40 North Management LLC ('40 N Management') is 40 N Fund's investment advisor, supervising and handling its investments and running its day-to-day business, subject to 40 N GP's instructions. David J. Millstone and David S. Winter each hold 50 % in 40 N GP and are 40 N GP's sole managing members. David J. Millstone and David S. Winter also each hold 50 % in 40 N Management and are its sole managing members. David J. Millstone and David S. Winter jointly determine all decisions for 40 N GP and 40 N Management.

B) According to a notification received on 5 July 2016.

Monier Holdings GP S.A. is the general partner of Monier Holdings S.C.A. Monier Holdings S.C.A. owns 10.77 % of the shares in Braas Monier Building Group S.A.

York Capital: York Global Finance 51 S.à r.l. owns 25.1 % of the shares of Monier Holdings GP S.A. York European Opportunities Investments Master Fund, L.P. owns 18.66 % of York Global Finance 51 S.à r.l. York European Opportunities Domestic Holdings, LLC is the general partner of York European Opportunities Investments Master Fund, L.P. York Credit Opportunities Investments Master Fund, L.P. owns 26.76 % of York Global Finance 51 S.à r.l. York Credit Opportunities Domestic Holdings, LLC is the general partner of York Credit Opportunities Investments Master Fund, L.P. York Credit Opportunities Fund, L.P. owns 16.26 % of York Global Finance 51 S.à r.l. York Credit Opportunities Domestic Holdings, LLC is the general partner of York Credit Opportunities Fund, L.P. York Select Master Fund, L.P. owns 8.82 % of York Global Finance 51 S.à r.l. York Select Domestic Holdings, LLC is the general partner of York Select Master Fund, L.P. York Select, L.P. owns 7.28 % of York Global Finance 51 S.à r.l. York Select Domestic Holdings, LLC is the general partner of York Select, L.P. York Multi-Strategy Master Fund, L.P. owns 6.07 % of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of York Multi-Strategy Master Fund, L.P. York Capital Management, L.P. owns 3.11 % of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of York Capital Management, L.P. York European Focus Master Fund, L.P. owns 1.92 % of York Global Finance 51 S.à r.l. York European Focus Domestic Holdings, LLC is the general partner of York European Focus Master Fund, L.P. York European Strategies Trading Limited owns 1.92 % of York Global Finance 51 S.à r.l. York Managed Holdings, LLC is the investment manager of York European Strategies Trading Limited. Jorvik Multi-Strategy Master Fund, L.P. owns 0.69 % of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of Jorvik Multi-Strategy Master Fund, L.P. Permal York, Ltd. owns 0.19 % of York Global Finance 51 S.à r.l. York Managed Holdings, LLC is the investment manager of Permal York, Ltd. York European Strategic Investors Holdings Fund, L.P. owns 8.31 % of York Global Finance 51 S.à r.l. York Offshore Holdings II, LLC is the general partner of York European Strategic Investors Holdings Fund, L.P. York Capital Management Global Advisors, LLC controls York European Opportunities Domestic Holdings, LLC, York Credit Opportunities Domestic Holdings, LLC, York Select Domestic Holdings, LLC, Dinan Management, LLC, York European Focus Domestic Holdings, LLC, York Managed Holdings, LLC and York Offshore Holdings II, LLC. James Dinan controls 100 % of the voting rights held by York Capital Management Global Advisors, LLC.

TowerBrook: TowerBrook Investors III, L.P. owns 13.98 % of the shares of Monier Holdings GP S.A. TowerBrook Investors III Executive Fund, L.P. owns 0.37 % of the shares of Monier Holdings GP S.A. TowerBrook Investors GP III, L.P. is the general partner of TowerBrook Investors III, L.P. and TowerBrook Investors III Executive Fund, L.P. TowerBrook Investors Ltd. is the general partner of TowerBrook Investors GP III, L.P. TowerBrook Investors III (Parallel), L.P. owns 6.4 % of the shares of Monier Holdings GP S.A. TowerBrook Investors GP III (Parallel), L.P. is the general partner of TowerBrook Investors III (Parallel), L.P. TowerBrook Investors Ltd. is the general partner of TowerBrook Investors GP III (Parallel), L.P. Neal Moszkowski and Ramez Sousou jointly control TowerBrook Investors Ltd. They each hold approximately 50 % of the voting rights in TowerBrook Investors Ltd.

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

Apollo: Lily (Lux) S.à r.l. owns 18.86 % of the shares of Monier Holdings GP S.A. Lily (Lux) Holdings S.à r.l. is the sole shareholder of Lily (Lux) S.à r.l. Lily, L.P. is the sole shareholder of Lily (Lux) Holdings S.à r.l. Apollo Management VII, L.P. is the manager of Lily, L.P. AIF VII Management, LLC is the general partner of Apollo Management VII, L.P. Apollo Management L.P. is the sole member of AIF VII Management, LLC. Apollo Management GP, LLC is the general partner of Apollo Management L.P. Apollo Management Holdings, L.P. is the sole member of Apollo Management GP, LLC. Apollo Management Holdings GP, LLC is the general partner of Apollo Management Holdings, L.P. Leon Black, Joshua Harris and Marc Rowan are the managers of Apollo Management Holdings GP, LLC and as such they jointly control Apollo Management Holdings GP, LLC, with each of them having an equal vote (i.e., 33.33 %).

The voting rights held by York Capital, TowerBrook and Apollo are aggregated based on a certain security holders agreement dated 16 October 2009 (as amended) which obliges the parties to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the issuer.

C) According to a notification received on 16 September 2016.

AIO IV S.à r.l. holds approx. 3.93 % of the voting rights in the issuer directly and is 100 % held by Anchorage Illiquid Opportunities Offshore Master IV, L.P. ("AIO Offshore IV"). AIO V S.à r.l. holds approx. 1.34 % of the voting rights in the issuer directly and is 100 % held by Anchorage Illiquid Opportunities Offshore Master V, L.P. ("AIO Offshore V"). Anchorage IO GP IV, L.L.C. ("AIO GP IV"), holds approx. 3.93 % of the voting rights in the issuer indirectly and is the general partner of AIO Offshore IV. Anchorage IO GP V, L.L.C. ("AIO GP V"), holds approx. 1.34 % of the voting rights in the issuer indirectly and is the general partner of AIO Offshore V. Anchorage Capital, L.L.C. ("ACL"), holds approx. 5.26 % of the voting rights in the issuer indirectly and is the managing member of AIO GP IV and AIO GP V. Anchorage Capital Management, L.L.C. ("ACM"), holds approx. 5.26 % of the voting rights in the issuer indirectly and is the managing member of ACL. Anchorage Advisors Management, L.L.C. ("AAM"), holds approx. 5.26 % of the voting rights in the issuer indirectly and is the managing member of Anchorage Capital Group, L.L.C., which is the investment advisor to AIO IV S.à r.l. and AIO V S.à r.l. Kevin M. Ulrich holds approx. 5.26 % of the voting rights in the issuer indirectly and is the senior managing member of ACM and AAM.

D) According to a notification received on 14 December 2015.

- d) The Company has not issued any securities granting special control rights to their holders.
- e) The control rights of any shares issued in connection with employee share plans are exercised directly by the respective employees.
- f) The Articles of Association of the Company do not contain any restrictions on voting rights.
- g) As of 31 December 2016, there are no agreements among the shareholders which are known to the Company that could result in restrictions on the transfer of shares or voting rights within the meaning of Directive 2004/109/EG (Transparency Directive).
- h) The members of the Board of Directors are appointed and may be dismissed by the General Meeting of the Shareholders duly convened with a simple majority of the shareholders present and voting (meaning 50 % of the voting rights present at the General Meeting of the Shareholders plus one vote) in accordance with Article 13.1 and 13.2 in connection with Article 19.1 of the Articles of Association as well as Article 67 (2) of the Luxembourg law of 10 August 1915 on commercial enterprises, as amended. There is no quorum requirement. Each shareholder who holds at least 25 % of the shares in the Company has the right to propose to each general meeting a list of up to three candidates to be appointed as directors of the Company by the general meeting of shareholders, which shall proceed to a vote on any such proposal. Any vote of the general meeting of shareholders on an amendment of the Articles of Association requires a quorum of at least 50% of the share capital and a majority of two thirds of the share capital represented or present in the meeting.

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

- i) The Board of Directors is vested with wide-ranging powers for the execution of all administrative tasks in the interests of the Company and to fulfil its corporate purpose.
- j) There are no significant agreements to which the Company is a party which take effect, alter or terminate upon a change of control in the Company following a takeover bid.
- k) There are no agreements between the Company and members of the Board of Directors or employees providing for compensation to members of the Board of Directors or employees in the case of a takeover bid if the employment relationship is terminated without valid reason or due to a takeover offer.

Compliance with Corporate Governance Code

Braas Monier Building Group S.A. is a Luxembourg Société Anonyme (S.A.), which is listed solely on a stock exchange in Germany. It is therefore not subject to the Luxembourg corporate governance regulations applicable to companies listed in Luxembourg. Furthermore, we are not required to comply with the respective German Corporate Governance Code (hereinafter also “Code”) applicable to listed German stock corporations.

Nevertheless, the Board of Directors has decided to follow, on a voluntary basis and to a certain extent, the recommendations of the Code regarding the principles of good corporate governance, as Braas Monier Building Group S.A. regards the “Code” to be an important foundation for responsible corporate governance. However, certain recommendations will apply to our Company only to the extent that they are consistent with applicable Luxembourg corporate law and our corporate structure. Inconsistencies originate in particular from Braas Monier Building Group S.A.’s single-tier board structure of a Board of Directors, whereas the recommendations of the “Code” assume a two-tier board structure for German stock corporations.

In February 2002, the Code was adopted by the competent Government Commission and continually updated with the goal of establishing principles for good corporate governance and bolstering trust in German companies. The “Code” is designed to make the German corporate governance system transparent and understandable. Its purpose is to promote the trust of international and national investors, customers, employees and the general public in the management and supervision of listed German stock corporations.

The Company’s full declaration of compliance with the recommendation of the “Code” is available on our corporate website at www.braas-monier.com/investor-relations/corporate-governance/index.html.

Internal Control

An Internal Control System at the Group was established as part of an internal control programme in 2011 and forms an essential element of the corporate governance system. The primary objectives of the ICS are to prevent the risk of significant errors in accounting reporting, uncover substantially incorrect valuations and ensure compliance with applicable regulations. It also helps to ensure that the Company is not exposed to excessive financial risks and that internal and external financial reporting is reliable.

The principles, processes and measures introduced are regularly supervised and enhanced. The Consolidation and Controlling department performs an annual Control Self-Assessment to verify the

Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

effectiveness of the ICS and to identify areas of further improvement. The results of this assessment are regularly presented at year end to the Audit Committee.

The Consolidation and Controlling Department has overall responsibility for the accounting process, the preparation of the financial statements and the internal and external reporting.

Outlook for 2017

Global growth is projected at 3.4 % in 2017 by the IMF higher than the currently estimated growth rate of 3.1 % in 2016.

Lead indicators for the European new-build and renovation business, such as building permits or consumer confidence, are generally positive for the majority of countries. Research institutes correspondingly expect the construction activity in Europe to further pick up in the current business year. For Asia, the expectations are less positive.

We remain positive overall with regard to the residential market development in 2017 for our businesses and expect moderate volume growth in the key markets we are active in, barring any extraneous events driven by major geopolitical instability.

Moderate growth in the addressable market for concrete and clay roof tiles is expected for Germany, France, Spain and a number of other European countries, such as Portugal, Belgium and selected south-eastern European markets. The addressable markets in the UK, Italy and the Czech Republic are expected to be rather stable. A similar development is also expected for Norway and Sweden, Austria and Turkey. The most positive market development in 2017 is expected for countries such as Hungary, Romania, Denmark and Poland. The Chinese and Malaysian markets will most likely show a moderate contraction. The components business is expected to show an improvement in performance supported by rising national and international building standards, especially with regard to energy efficiency and safety. With regard to the Chimneys & Energy Systems business, expectations are for a similar development to the roofing business in the respective markets.

We will continue to strive for above-market growth. Management is confident to achieve this goal in the coming years through the Group-wide 'Top Line Growth' programme, focussing on customer oriented sales and marketing initiatives, value-adding services, the development of innovative products and solutions, such as the recently launched tile with Aerlox technology, and further opportunistic bolt-on acquisitions.

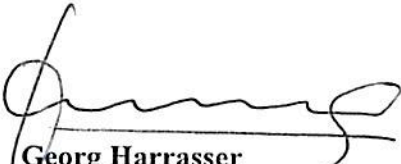
In 2017, we will continue to invest in profitable growth. Our product innovations have the potential to further enrich our product mix and we continue to actively search for and evaluate further potential M&A targets to strengthen our operations, consolidate markets and thereby profit further from a future market recovery.

On the basis of these assumptions, the Management has set the goal of moderately increasing revenue and operating income before exchange rate and consolidation effects.


Braas Monier Building Group S.A.

Management Report by the Board of Directors for the year ended 31 December 2016 (continued)

Senningerberg, G.D. of Luxembourg, March 23, 2017



Georg Harrasser
(Chief Executive Officer)



Matthew Russell
(Chief Financial Officer)

To the Shareholders of
Braas Monier Building Group S.A.
4, rue Lou Hemmer
L-1748 Senningerberg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

Following our appointment by the Annual General Meeting of the Shareholders dated 11 May 2016, we have audited the accompanying annual accounts of Braas Monier Building Group S.A., which comprise the balance sheet as at 31 December 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Braas Monier Building Group S.A. as of 31 December 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the Corporate Governance Statement but does not include the annual accounts and our report of Réviseur d'Entreprises agréé thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Other matter

The Corporate Governance Statement includes information required by Article 68bis paragraph (1) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as applicable for the year ended 31 December 2016.

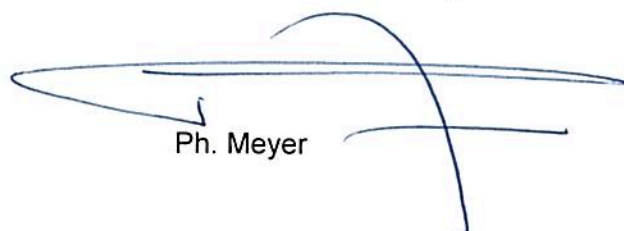
Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

The information required by Article 68bis paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as applicable for the year ended 31 December 2016 and included in the Corporate Governance Statement is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Luxembourg, 23 March 2017

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé



Ph. Meyer

RCSL Nr.: B148558

Matricule : 20092426778

BALANCE SHEET**Financial year from** ⁰¹ 01/01/2016 **to** ⁰² 31/12/2016 *(in* ⁰³ EUR)

Braas Monier Building Group S.A.

4, rue Lou Hemmer

L-1748 Senningerberg

ASSETS

	Ref.	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called			
II. Subscribed capital called but unpaid			
B. Formation expenses			
C. Fixed assets		400,927,195.91	400,927,195.91
I. Intangible assets			
1. Costs of development			
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were			
a) acquired for valuable consideration and need not be shown under C.I.3			
b) created by the undertaking itself			
3. Goodwill, to the extent that it was acquired for valuable consideration			
4. Payments on account and intangible assets under development			
II. Tangible assets			
1. Land and buildings			
2. Plant and machinery			

	Ref.	Current year	Previous year
3. Other fixtures and fittings, tools and equipment			
4. Payments on account and tangible assets in the course of construction			
III. Financial assets	2.2.2, 3	400,927,195.91	400,927,195.91
1. Shares in affiliated undertakings	3	400,927,195.91	400,927,195.91
2. Loans to affiliated undertakings			
3. Participating interests			
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests			
5. Investments held as fixed assets			
6. Other Loans			
D. Current assets		66,230,477.05	84,055,516.27
I. Stocks			
1. Raw materials and consumables			
2. Work in progress			
3. Finished goods and goods for resale			
4. Payments on account			
II. Debtors	2.2.3, 4	66,219,160.64	84,032,822.54
1. Trade debtors			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
2. Amounts owed by affiliated undertakings	4.1	65,960,952.16	84,002,652.54
a) becoming due and payable within one year	4.1.1	65,960,952.16	84,002,652.54
b) becoming due and payable after more than one year			
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
4. Other debtors		258,208.48	30,170.00
a) becoming due and payable within one year		258,208.48	30,170.00
b) becoming due and payable after more than one year			

RCSL Nr.: B148558

Matricule : 20092426778

	Ref.	Current year	Previous year
III. Investments			
1. Shares in affiliated undertakings			
2. Own shares			
3. Other investments			
IV. Cash at bank and in hand		11,316.41	22,693.73
E. Prepayments		0.00	40,000.00
TOTAL (ASSETS)		467,157,672.96	485,022,712.18

CAPITAL, RESERVES AND LIABILITIES

	Ref.	Current year	Previous year
A. Capital and reserves	5	420,733,251.30	483,588,001.91
I. Subscribed capital	5.1	430,833.33	391,666.67
II. Share premium account	5.2	455,647,010.42	498,926,177.00
III. Revaluation reserve			
IV. Reserves	5.3	1,250.00	1,250.00
1. Legal reserve	5.3.1	1,250.00	1,250.00
2. Reserve for own shares			
3. Reserves provided for by the articles of association			
4. Other reserves, including the fair value reserve			
a) other available reserves			
b) other not available reserves			
V. Profit or loss brought forward		-15,731,091.76	-13,279,683.53
VI. Profit or loss for the financial year		-19,614,750.69	-2,451,408.23
VII. Interim dividends		0.00	0.00
VIII. Capital investment subsidies			
B. Provisions	6	15,775,000.00	0.00
1. Provisions for pensions and similar obligations			
2. Provisions for taxation			
3. Other provisions	6.1	15,775,000.00	0.00
C. Creditors	2.2.6, 7	30,649,421.66	1,434,710.27
1. Debenture loans			
a) Convertible loans			
i) becoming due and payable within one year			
ii) becoming due and payable after more than one year			
b) Non convertible loans			
i) becoming due and payable within one year			
ii) becoming due and payable after more than one year			
2. Amounts owed to credit institutions			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			

	Ref.	Current year	Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stock			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
4. Trade creditors	7.1	1,590,108.68	833,927.27
a) becoming due and payable within one year	7.1.1	1,590,108.68	833,927.27
b) becoming due and payable after more than one year			
5. Bills of exchange payable			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
6. Amounts owed to affiliated undertakings	7.2	232,423.00	55,012.66
a) becoming due and payable within one year	7.2.1	232,423.00	55,012.66
b) becoming due and payable after more than one year			
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
8. Other creditors	7.3	28,826,889.98	545,770.34
a) Tax authorities	7.3.1	5,376,805.83	545,770.34
b) Social security authorities			
c) Other creditors	7.3.2	23,450,084.15	0.00
i) becoming due and payable within one year		23,450,084.15	0.00
ii) becoming due and payable after more than one year			
D. Deferred income			
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		467,157,672.96	485,022,712.18

RCSL Nr.: B148558

Matricule : 20092426778

PROFIT AND LOSS ACCOUNT**Financial year from** ₀₁ 01/01/2016 **to** ₀₂ 31/12/2016 (in ₀₃ EUR)

Braas Monier Building Group S.A.

4, rue Lou Hemmer

L-1748 Senningerberg

PROFIT AND LOSS ACCOUNT

	Ref.	Current year	Previous year
1. Net turnover			
2. Variation in stocks of finished goods and in work in progress			
3. Work performed by the undertaking for its own purposes and capitalised			
4. Other operating income		0.00	0.00
5. Raw materials and consumable and other external expenses		-18,318,229.13	-1,491,236.62
a) Raw materials and consumables			
b) Other external expenses	8	-18,318,229.13	-1,491,236.62
6. Staff costs			
a) Wages and salaries			
b) Social security costs			
i) related to pensions			
ii) other social security costs			
c) Other staff cost			
7. Value adjustments			
a) in respect of formation expenses and of tangible and intangible assets			
b) in respect of current assets			
8. Other operating expenses	9	-1,015,516.19	-1,064,281.71

	Ref.	Current year	Previous year
9. Income from participating interests			
a) derived from affiliated undertakings			
b) other income from participating interests			
10. Income from other investments and loans forming part of the fixed assets		0.00	0.00
a) derived from affiliated undertakings			
b) other income not included under a)			
11. Other interest receivable and similar income	10	132,391.01	595,153.86
a) derived from affiliated undertakings	10.1	127,911.42	595,153.86
b) other interest and similar income		4,479.59	0.00
12. Share of profit or loss of undertakings accounted for under the equity method			
13. Value adjustments in respect of financial assets and of investments held as current assets			
14. Interest payable and similar expenses		-96.38	-3,473.26
a) concerning affiliated undertakings		0.00	0.00
b) other interest and similar expenses		-96.38	-3,473.26
15. Tax on profit or loss		0.00	-3,220.50
16. Profit or loss after taxation		-19,201,450.69	-1,967,058.23
17. Other taxes not shown under items 1 to 16		-413,300.00	-484,350.00
18. Profit or loss for the financial year		-19,614,750.69	-2,451,408.23

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 1 - General information

Braas Monier Building Group S.A. (hereafter the "Company") was incorporated on 7 October 2009 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period.

The registered office of the Company is established at 4, rue Lou Hemmer, L- 1748 Senningerberg.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The purpose of the Company is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control and development of its portfolio.

The Company may in particular hold directly or indirectly participations in any form in companies acting as manufacturer or supplier of pitched roof products, including both roof tiles and roofing components, as well as any other form of roofing materials, components, chimneys, related products and building materials generally.

The Company may further guarantee, grant security, grant loans or otherwise assist the companies in which it holds a direct or indirect participation or right of any kind or which form part of the same group of companies as the Company.

The Company may raise funds especially through borrowing in any form or by issuing any kind of notes, securities or debt instruments, bonds and debentures and generally issue securities of any type.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it considers useful for the pursuing of these purposes.

The Company has no parent company which prepares consolidated financial statements including the Company as a subsidiary.

The Company also prepares consolidated financial statements, which are subject to publication as prescribed by the law. The copies of the consolidated financial statements are available at the registered office of the Company at 4, Rue Lou Hemmer, L-1748 Senningerberg.

The Company successfully completed an initial public offering in 2014. The shares have been trading on the regulated market (Prime Standard) of the Frankfurt Stock Exchange since 25 June 2014.

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 1 - General information (cont. and end)

As of 31 December 2016 Braas Monier is subject to a takeover offer by Marsella Holdings S.à r.l., which is a subsidiary of Standard Industries Inc. (Standard Industries), a privately-held, global, diversified holding company with interests in inter alia the building materials sector.

As of 31 December 2016 40 North Latitude SPV-F LLC, a privately-held investment firm affiliated with Standard Industries, owns 29.11 % of the shares in Braas Monier. As of 31 December 2016 Standard Industries itself had secured 40.22 % of the share capital of Braas Monier via their takeover offer and irrevocable undertakings to tender Braas Monier shares into the offer.

As of 30 January 2017, Standard Industries reported that it had secured approximately 93.8 % of total shares outstanding.

The takeover offer will be settled within five business days following Standard Industries' publication that all closing conditions have been fulfilled. Braas Monier's Management expects the takeover to be settled in the beginning of the second quarter 2017.

Note 2 - Principles, rules and valuation methods

2.1 General principles

The annual accounts are prepared in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the management body.

The accounting methods used are based on the going concern principle.

The provisions of the law of 18 December 2015 on the annual accounts and consolidated accounts and the grand-ducal regulation of 18 December 2015 on the layout of balance sheet and profit and loss accounts, amending the law of 19 December 2002 have been transposed in these annual accounts. The layout and the headings of certain balance sheet and profit and loss account captions have been modified accordingly. Some comparative figures have been reclassified for the same reason.

2.2 Significant rules and valuation methods

The significant valuation rules of the Company can be summarised as follows:

2.2.1 Formation expenses

The formation expenses are fully amortised during the year in which they are incurred.

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 2 - Principles, rules and valuation methods (cont.)

2.2.2 Financial assets

Financial assets such as shares in affiliated undertakings, participating interests, loans to these undertakings, securities held as fixed assets, other loans are valued at their historical acquisition cost including the incidental costs of acquisition. Loans granted to affiliated undertakings or other companies and defined as financial assets are valued at their nominal value.

Any value adjustment is calculated by comparing the equity value of an affiliated undertaking with the respective book value. The equity value has been determined via a DCF- or Multiple Approach on the net of enterprise value and the net finance position. If the equity value is below the book value, a permanent diminution in the value of the financial assets held is assumed. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.3 Debtors

Debtors are recorded at their nominal value. A value adjustment is made when their recovery is partly or completely in doubt. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.4 Derivative financial instruments

The Company may, from time to time, enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. The Company records initially derivative financial instruments at cost.

At each balance sheet date, unrealized losses are recognized in the profit and loss account whereas gains are accounted for when realized. In the case of hedging of an asset or a liability which is not recorded at fair value, unrealized gains or losses are deferred until the recognition of the realized gains or losses on the hedged item.

2.2.5 Prepayments

This item includes charges incurred during the financial year but attributable to a subsequent financial year.

2.2.6 Creditors

Debts are recorded at their repayment value.

2.2.7 Tax

The tax liability estimated by the Company for the financial years for which the Company has not been assessed yet, is recorded under the caption "Creditors". The advance payments are disclosed in the assets of the balance sheet under "Debtors".

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 2 - Principles, rules and valuation methods (cont. and end)

2.2.8 Foreign currency translation

The Company maintains its books and records in EUR.

All transactions expressed in currency other than EUR are translated into EUR at the exchange rate prevailing at the date of the realisation.

The formation expenses and the fixed assets other than the long-term loans classified as financial assets and expressed in another currency than EUR are translated in EUR at the exchange rate prevailing at the date of their acquisition. At the balance sheet date, these fixed assets are maintained at their historical exchange rate.

Cash is translated at the exchange rate prevailing at the balance sheet date. Exchange gains and losses resulting from this conversion are accounted in the profit and loss account for the period.

Other assets and liabilities are translated separately respectively at the lower (assets) or at the higher (liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation.

In the case there is an economic link between an asset and a liability, they are translated in total and only the unrealised net exchange losses are accounted for in the profit and loss account.

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 3 – Financial assets

The development of financial assets during the financial year is as follows:

	Shares in affiliated undertakings EUR	Total EUR
Gross book value - opening balance	400,927,195.91	400,927,195.91
Additions for the year	0.00	0.00
Disposals for the year	0.00	0.00
Transfers for the year	0.00	0.00
Gross book value - closing balance	400,927,195.91	400,927,195.91
Accumulated value adjustments - opening balance	0.00	0.00
Allocations for the year	0.00	0.00
Reversals for the year	0.00	0.00
Transfers for the year	0.00	0.00
Accumulated value adjustments - closing balance	0.00	0.00
Net book value - closing balance	400,927,195.91	400,927,195.91
Net book value - opening balance	400,927,195.91	400,927,195.91

As at 31 December 2016, the companies in which the Company owns at least twenty per cent of the share capital, or in which it is the member having unlimited liability, can be detailed as follows:

Name of the company	Registered office	% of ownership	Shareholder's equity (excluding Result of the year)	Result of the year 2015	Net book value as at 31/12/2016
			EUR	EUR	EUR
Braas Monier Building Group Holding S.à r.l.	4, rue Lou Hemmer, L-1748 Senningerberg	100.0%	197,699,468.15	538,126,603.52	400,883,695.91
BMBG Bond Finance GP S.à r.l.	4, rue Lou Hemmer, L-1748 Senningerberg	100.0%	306.35	-18,437.29	12,500.00
BMBG Bond Finance S.C.A.*	4, rue Lou Hemmer, L-1748 Senningerberg	99.9%	982.59	-47,685.11	31,000.00
Total			197,700,757.09	538,060,481.12	400,927,195.91

*BMBG Bond Finance GP S.à r.l. owns the remaining 0.1% of the share capital

The Board of Directors is of the opinion that as at 31 December 2016 there is no permanent diminution in value of the shares held in the companies. Accordingly, no value adjustment has been recorded (in 2015: nil, please refer to note 2.2.2).

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 4 - Debtors

4.1 Amounts owed by affiliated undertakings

4.1.1 becoming due and payable within one year

At year end the position amounts to EUR 65,960,952.16 (2015: EUR 84,002,652.54).

A cash pooling agreement is in place with Monier Finance S.à r.l. as cash pool master, with the objective to optimize control over liquidity and cash flow within the Group. Any positive or negative balance of the cash pool participant bears interest. The interest is calculated as sum of the local reference rate (1 month EURIBOR) plus an interest of 17.4 basis points for positive balances or 342 basis points for negative balances. The Cash Pool Receivable with Monier Finance S.à r.l. amounts to EUR 53,308,202.85 (2015: EUR 72,451,937.62) and intercompany receivable (former cash pool) with Braas Monier Building Group Services GmbH amounts to EUR 11,570,164.43 (2015: EUR 11,550,714.92).

Remaining amounts is balance receivable with Braas Monier Building Group Holding S.à r.l. of EUR 1,082,584.88 (2015: 0.00), being result of refinancing cost recharge.

Note 5 - Capital and reserves

5.1 Subscribed capital

The subscribed capital amounts to EUR 430,833.33 (2015: EUR 391,666.67) and is represented by 43,083,333 (2015: 39,166,667) shares with a nominal value of EUR 0.01 each, fully paid.

The authorised capital of the Company is set at EUR 153,333.00 represented by maximum of 15,333,334 shares, each with a nominal value of EUR 0.01.

On 20 December 2016 the Board of Directors resolved to increase the Company's Share Capital by issuance of 3,916,666 new ordinary bearer shares with a par value of EUR 0.01 each and carrying dividend rights as from 1 January 2016 (the "New Shares") by way of incorporation of reserves making use of the authorized share capital of the Company.

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 5 - Capital and reserves (cont.)

5.2 Share premium account

As at year end the share premium amounts to EUR 355,688,669.09 (2015: EUR 398,967,835.67).

The evolution of the share premium during the financial year has been as follows:

	2016
	EUR
Share premium at the beginning of the financial year	398,967,835.67
Decrease of Share premiums during the year (share cap. increase)	-39,166.66
Dividend distributions	-43,239,999.92
Share premium at the end of the financial year	355,688,669.09

On 11 of May 2016, the annual general meeting of shareholders decided to allocate a dividend of EUR 0.40 per share of the Company for a total amount of EUR 15,666,666.80.

On 20 December 2016, the Board of Directors resolved to pay, on 5 January 2017, an interim dividend of EUR 0.64 per share of the Company (including New Shares) for a total amount of EUR 27,573,333.12.

As at year end the similar premiums amounts to EUR 99,958,341.33 (2015: EUR 99,958,341.33).

The evolution of the capital surplus account during the financial year has been as follows:

	2016
	EUR
Capital surplus contributions at the beginning of the financial year	99,958,341.33
Increase of non-share contributions during the year	-
Redemptions of non-share contributions during the year	-
Capital surplus at the end of the financial year	99,958,341.33

In total as at year end the share premium and similar premiums amounts to EUR 455,647,010.42 (2015: EUR 498,926,177.00).

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 5 - Capital and reserves (cont. and end)

5.3 Reserves

5.3.1 Legal reserve

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

Note 6 - Provisions

6.1 Other provisions

Other provisions are composed of cost accrued in connection with takeover offer amounting to EUR 15,775,000.00 (2015: EUR 0.00).

Note 7 - Creditors

7.1 Trade creditors

7.1.1 becoming due and payable within one year

This item is composed of the following amounts:

	2016	2015
	EUR	EUR
Accruals	628,999.54	730,187.38
Suppliers	961,109.14	103,739.89
Total	1,590,108.68	833,927.27

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 7 - Creditors (cont. and end)

7.2 Amounts owed to affiliated undertakings

7.2.1 becoming due and payable within one year

This item is composed of the following amounts:

	2016	2015
	EUR	EUR
Payable to BMBG Services GmbH & BMBG Holding S.à r.l.	232,423.00	0.00
Payable to Monier Special Holdings S.à r.l.	0.00	55,011.66
Transfer Deed Monier Holdings SCA	0.00	1.00
Total	232,423.00	55,012.66

7.3 Other creditors

7.3.1 Tax authorities

The tax debts amount to EUR 5,376,805.83 (2015: EUR 545,770.34). They are mainly composed of withholding tax on interim dividends, net wealth tax liabilities and value added tax liabilities towards the administration.

7.3.2 Other creditors

Amount of EUR 23,450,084.15 (2015: EUR 0.00) mainly consists of interim dividend payable, net of withholding tax, paid on 5 January 2017.

Note 8 - Other external expenses

The other external expenses are mainly composed of takeover project costs of EUR 17,266,964.65.

Note 9 - Other operating expenses

The other operating expenses are mainly composed of director fees of the Company amounting to EUR 740k (2015: EUR 525k), of non-deductible VAT 2015 amounting to EUR 100,355.52 and non-deductible VAT 2016 amounting to EUR 181,380.00.

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 10 - Other interest receivable and similar income

10.1 - derived from affiliated undertakings

This item amounts to EUR 127,911.42 (2015: EUR 595,153.86) and contains:

- interest on the cash pool with Braas Monier Building Group Services GmbH of EUR 20,449.51 (2015: 344,339.21);
- interest on the cash pool with Monier Finance S.à r.l. of EUR 107,461.91 (2015: EUR 90,617.81).

Note 11 - Tax status

The Company is subject in Luxembourg to the applicable general tax regulations.

In 2015 a fiscal unity was established among the Company, Braas Monier Building Group Holding S.à r.l. and Monier Finance S.à r.l.. The tax consolidation of the three entities does not change the tax charge of the Company.

Note 12 - Related Parties

Related parties of Braas Monier Building Group S.A. are:

- Monier Holdings S.C.A. and Monier Holdings GP S.A.
- 40 North GP III LLC / 40 North Management LLC and affiliates of both companies
- Consenting first lien lenders who control Monier Holdings GP S.A.
- Other consolidated affiliates of the Group
- Joint ventures in which Braas Monier Building Group S.A. or any of its subsidiaries is a venture partner
- Members of the Board of Directors and the Senior Management
- Associates.

The main interactions between the Company and its related parties are listed below:

Transactions regarding shares in affiliated undertakings and on amounts owned by affiliated undertakings are disclosed in note 3 and 4.1.

Transactions regarding amounts owed to affiliated undertakings are disclosed in note 6.2.

The Company and the members of the administrative, management and supervisory bodies implemented a stock option plan for the executives and certain employees of the Group or its subsidiaries or affiliates (please refer to note 12).

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 12 - Related Parties (cont. and end)

The independent Directors that offer their services for the Company receive directors fees (please refer to note 8). Guy Harles, who serves as director on the Company's board of directors is a partner of Arendt & Medernach. Arendt & Medernach provides the Company with legal services in relation to Luxembourg law.

Note 13 - Off balance sheet Commitments

Pledges

In June 2016, after successful refinancing of the previous Senior Secured Floating Rate Notes with the new Senior Secured Fixed Rate Notes due 2021 issued by the BMBG Bond Finance SCA, old Company's pledges were released.

As per new Pledge Agreements from 15 June 2016, the Company pledged and assigned some of its assets in favour of BNP Paribas S.A. acting for itself and as security trustee for the benefit of the Secured Parties. The pledged assets consist of the followings:

- share pledge of Braas Monier Building Group Holding Sarl
- share pledge of BMBG Bond Finance SCA
- share pledge of BMBG Bond Finance GP Sarl
- intercompany loan receivables

Stock Option Plan

In September 2014 the Group launched a stock option plan for Senior Management and selected key management personnel. The granting of the stock option plan (SOP) enhances the long-term orientation of the plan participants' compensation structures, resulting in a deep alignment with the shareholders' long-term interests and the incentive to achieve sustainable value creation after the IPO.

Under the SOP eligible employees are granted equity-settled stock options in four annual tranches and with an exercise price equalling the closing price of the shares of the Group preceding the date of grant. The stock options do not qualify for dividends. The granted overall plan volume should not exceed a maximum shareholders' dilution of around 5%. Depending on the achievement of ambitious performance hurdles the granted stock options vest during the last twelve months of the performance period of three years. Then, each option entitles the option's holder to purchase one share of the Company at exercise price (strike price) within an exercise period of three years.

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Note 13 - Off balance sheet Commitments (cont. and end)

The stock options vest via a four-steps exercise table. For a vesting of 50% (type 1 options) of the initial grant, a minimum share price increase of at least 15% is required. Another 15% (type 2 options) of the initial grant vests when a share price increase of 20%, while the next additional 15% (type 3 options) vest at a share price increase of 30%. For a remaining 20% (type 4 options) vesting of the initial grant, the share price has to increase by at least 40%. In each of the aforementioned cases, vesting is linked to the relevant share price hurdle being exceeded on 20 consecutive trading days within the last twelve months of the performance period of three years. The SOP considers a cap of 300% of the initial share price at grant. In case the minimum performance hurdle of 15% of the share price increase is not met, the granted tranches are subject to forfeiture. In addition, the SOP considers specific conditions with respect to good leavers/bad leavers.

In April 2016, a further grant on similar terms was offered to Senior Management and selected key management personnel (Tranche 2016). The number of granted stock options in 2016 amounts to 411,956 in addition to the first tranche with 624,304 stock options in 2014 and the second tranche with 526,798 stock options in 2015. The exercise price of the 411,956 stock options granted in the reporting period is EUR 24.50 (closing price at 27 April 2016).

Note 14 - Subsequent events

Referring to the explanatory notes in Note 1, Standard Industries has reported that it has subsequently secured approximately 93.8 % of total shares outstanding of Braas Monier.

In light of the takeover offer by Standard Industries and the expected closing of the transaction in April 2017, the Board of Directors of Braas Monier has decided to terminate the Group's Stock Option Plan (SOP) in March 2017, resulting in expected cash payments of a mid-single-digit million Euro amount.

Braas Monier Building Group S.A.

Notes to the annual accounts for the year ended 31 December 2016

Senningerberg, G.D. of Luxembourg, March 23, 2017



Georg Harrasser
(Chief Executive Officer)



Matthew Russell
(Chief Financial Officer)