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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K/A**

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**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**Date of Report (Date of the earliest event reported): May 28, 2015 (April 13, 2015)**

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**BUILDERS FIRSTSOURCE, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**0-51357**  
(Commission  
File Number)

**52-2084569**  
(IRS Employer  
Identification No.)

**2001 Bryan Street, Suite 1600**  
**Dallas, Texas 75201**  
(Address of Principal Executive Offices) (Zip Code)

**(214) 880-3500**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 8.01. Other Events

### ProBuild Acquisition

On April 13, 2015, Builders FirstSource, Inc. (“Builders”) entered into a Securities Purchase Agreement (the “Securities Purchase Agreement”) with ProBuild Holdings LLC, a Delaware limited liability company (“ProBuild”), and the holders of securities of ProBuild named as parties thereto (collectively, the “Sellers”). Headquartered in Denver, Colorado, ProBuild is one of the nation’s largest professional building materials suppliers. Pursuant to the Securities Purchase Agreement, Builders will acquire all of the operating affiliates of ProBuild through the purchase of all of the issued and outstanding equity interests of ProBuild for approximately \$1.63 billion, subject to certain adjustments (the “ProBuild Acquisition”).

Filed with this Current Report are the audited combined financial statements (and notes thereto) of ProBuild Holdings, Inc., an affiliate of ProBuild, for the years ended December 31, 2014, 2013 and 2012 and the unaudited condensed combined financial statements of ProBuild Holdings, Inc. for the three months ended March 31, 2015 and 2014. As described in Note 1 to the audited financial statements and Note 1 to the unaudited condensed combined financial statements, the audited combined financial statements and the unaudited condensed combined financial statements reflect the financial statements of ProBuild Holdings, Inc. and those of ProBuild and other commonly-controlled entities and reflect all of the operations of the business expected to be acquired by Builders. Net liabilities of approximately \$644.4 million, included in the audited combined financial statements and unaudited condensed combined financial statements of ProBuild Holdings, Inc., which will not be assumed in the ProBuild Acquisition, primarily relate to long-term debt and related accrued interest, cash, income tax receivables and deferred tax liabilities.

Also filed with this Current Report is the unaudited pro forma condensed combined financial information of Builders, giving effect to the ProBuild Acquisition and the related acquisition financing transactions (the “Pro Forma Financial Information”). The pro forma adjustments and the purchase price allocation as presented in the Pro Forma Financial Information are based on estimates and certain limited information that is currently available. Accordingly, the Pro Forma Financial Information is preliminary and subject to change as additional information becomes available and as additional analyses are performed. The final purchase price allocation may be different than that reflected in the pro forma purchase price allocation presented in the Pro Forma Financial Information included in Exhibit 99.3 to this Current Report on Form 8-K, and this difference may be material.

### Item 9.01. Financial Statements and Exhibits.

(a) The audited combined financial statements (and notes thereto) of ProBuild Holdings, Inc. for the years ended December 31, 2014, 2013 and 2012 and unaudited condensed combined financial statements (and notes thereto ) for the three months ended March 31, 2015 and 2014 are filed herewith as Exhibits 99.1 and 99.2 hereto, respectively, and incorporated herein by reference.

(b) The unaudited pro forma condensed combined financial information (and notes thereto) of Builders FirstSource, Inc. giving effect to the ProBuild Acquisition and the related proposed acquisition financing transactions is filed herewith as Exhibit 99.2 and incorporated herein by reference.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
23.1*	Consent of PricewaterhouseCoopers LLP
99.1*	Audited combined financial statements (and notes thereto) of ProBuild Holdings, Inc. for the years ended December 31, 2014, 2013 and 2012
99.2	Unaudited condensed combined financial statements (and notes thereto) of ProBuild Holdings, Inc. for the three months ended March 31, 2015 and 2014
99.3	Unaudited pro forma condensed combined financial information (and notes thereto) of Builders FirstSource, Inc. giving effect to the ProBuild Acquisition and the related proposed acquisition financing transactions

\* Previously filed.

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### Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BUILDERS FIRSTSOURCE, INC.  
(Registrant)

By: /s/ Donald F. McAleenan  
Name: Donald F. McAleenan  
Title: Senior Vice President, General Counsel and Secretary

Date: May 28, 2015

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## EXHIBIT INDEX

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ProBuild Holdings, Inc.

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**ProBuild Holdings, Inc.**  
**Condensed Combined Balance Sheets**  
**March 31, 2015 and December 31, 2014**

	2015	2014
	(unaudited)	
	(in thousands of dollars)	
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 15,665	\$ 9,385
Accounts receivable, less allowances of \$12,726 and \$12,504 at March 31, 2015 and December 31, 2014, respectively	414,558	443,829
Inventories, net	337,066	317,476
Other current assets	21,444	20,494
Total current assets	788,733	791,184
Property and equipment, net	571,844	583,719
Goodwill	1,026,159	1,026,159
Other Assets	6,915	8,384
Total assets	<u>\$2,393,651</u>	<u>\$2,409,446</u>
<b>Liabilities and Equity</b>		
Current liabilities		
Accounts payable	\$ 292,583	\$ 288,707
Accrued expenses and other current liabilities	209,437	252,436
Current maturities of notes payable and lease obligations	6,269	6,109
Total current liabilities	508,289	547,252
Long-term liabilities		
Notes payable and lease obligations, net of current maturities	1,327,888	1,281,305
Other long-term liabilities	19,838	21,085
Total liabilities	<u>1,856,015</u>	<u>1,849,642</u>
Commitments and contingencies (Note 8)		
Stockholder's equity		
Common stock	5	5
Additional paid-in capital	869,218	869,218
Accumulated deficit	(815,485)	(810,583)
Total ProBuild Holdings, Inc. stockholder's equity	53,738	58,640
Noncontrolling interests	483,898	501,164
Total equity	<u>537,636</u>	<u>559,804</u>
Total liabilities and equity	<u>\$2,393,651</u>	<u>\$2,409,446</u>

*The accompanying notes are an integral part of these combined financial statements.*

**ProBuild Holdings, Inc.**  
**Condensed Combined Statements of Operations**  
**Three Months Ended March 31, 2015 and 2014**

	2015	2014
	(unaudited)	(unaudited)
	(in thousands of dollars)	(in thousands of dollars)
Net sales	\$913,140	\$908,444
Cost of goods sold	676,286	677,799
Gross margin	236,854	230,645
Operating expenses, excluding depreciation and amortization	233,915	248,747
Depreciation expense	12,300	11,760
Amortization expense	988	3,415
Total operating expenses	247,203	263,922
Loss from operations	(10,349)	(33,277)
Interest expense	(12,878)	(13,655)
Other income	3,046	3,092
Loss before income tax expense	(20,181)	(43,840)
Income tax expense	866	776
Net loss from operations	(21,047)	(44,616)
Less: Loss attributable to the noncontrolling interests	(16,145)	(41,885)
Net loss attributable to ProBuild Holdings, Inc.	<u>\$ (4,902)</u>	<u>\$ (2,731)</u>

*The accompanying notes are an integral part of these combined financial statements.*

**ProBuild Holdings, Inc.**  
**Condensed Combined Statements of Comprehensive Income**  
**Three Months Ended March 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
	<u>(unaudited)</u>	
	<u>(in thousands of dollars)</u>	
Net loss	<u>\$ (21,047)</u>	<u>\$ (44,616)</u>
Other comprehensive loss		
Pension adjustment	<u>(1,121)</u>	<u>—</u>
Other comprehensive loss	<u>(1,121)</u>	<u>—</u>
Total comprehensive loss	<u>(22,168)</u>	<u>(44,616)</u>
Less: Comprehensive loss attributable to noncontrolling interests	<u>(17,266)</u>	<u>(41,885)</u>
Comprehensive loss attributable to ProBuild Holdings, Inc.	<u>\$ (4,902)</u>	<u>\$ (2,731)</u>

*The accompanying notes are an integral part of these combined financial statements.*



**ProBuild Holdings, Inc.**  
**Condensed Combined Statements of Cash Flows**  
**Three Months Ended March 31, 2015 and 2014**

	2015	2014
	(unaudited)	
	(in thousands of dollars)	
<b>Cash flows from operating activities</b>		
Net loss	\$ (21,047)	\$ (44,616)
Adjustments to reconcile net loss to cash flows from operating activities		
Depreciation	13,664	13,076
Amortization of intangible assets	988	3,416
Bad debts, net of recoveries	463	540
Loss on sales and impairment of property and equipment	(927)	(1,040)
Deferred taxes	(482)	(99)
Noncash interest	540	540
Unfunded pension obligation	(879)	(593)
Other	(1,452)	(1,183)
Changes in assets and liabilities		
Accounts receivables, net	28,808	15,999
Inventories, net	(19,590)	(44,769)
Prepaid expenses and other current assets	(950)	(1,565)
Accounts payable	16,130	23,329
Accrued expenses and other current liabilities	(42,561)	(43,647)
Net cash used by operating activities	(27,295)	(80,612)
<b>Cash flows from investing activities</b>		
Increase in notes receivable and investments	(60)	(222)
Additions to property and equipment	(5,840)	(15,617)
Proceeds from sale of property and equipment	710	1,095
Net cash used in investing activities	(5,190)	(14,744)
<b>Cash flows from financing activities</b>		
Decrease in checks outstanding	(12,254)	(7,079)
Proceeds from long-term debt	244,449	347,375
Payments on long-term debt and capital lease obligations	(193,430)	(244,844)
Net cash provided by financing activities	38,765	95,452
Net increase in cash and cash equivalents	6,280	96
<b>Cash and cash equivalents</b>		
Beginning of quarter	9,385	14,343
End of quarter	<u>\$ 15,665</u>	<u>\$ 14,439</u>

*The accompanying notes are an integral part of these combined financial statements.*

**ProBuild Holdings, Inc.**  
**Notes to Condensed Combined Financial Statements**  
**(unaudited)**

**1. Organization and Summary of Significant Accounting Policies**

**Organization and Description of Business**

ProBuild Holdings, Inc. and subsidiaries and commonly controlled companies combined here within ("PBHI") are owned by ProBuild Capital LLC, which is, in turn, owned by FMR LLC and a FMR LLC related party entity, ProBuild Investors LLC (collectively referred to herein as the "Investors").

PBHI is a leading supplier of building materials, manufactured components, and construction services to professional contractors, subcontractors, and consumers. At March 31, 2015, PBHI operated locations in 40 states across the United States. PBHI sells a broad selection of building materials including lumber, plywood, OSB, gypsum wallboard and other drywall products, millwork, trusses, roofing, acoustical materials, siding products, insulation materials, metal specialties, hardware, and tools. PBHI's manufactured products include trusses, wall panels, millwork, and pre-hung door and window fabrication. PBHI also provides construction services which include framing and installation of other products.

These financial statements also include the accounts of a consolidated affiliate, ProBuild Real Estate Holdings, LLC ("PBRE"), which is a wholly owned subsidiary of ProBuild Capital LLC and owns properties that are leased to PBHI. PBRE is considered a variable interest entity ("VIE") for which PBHI directs activities and absorbs losses related to property sales and disposals and, as such, PBHI consolidates the results of PBRE. Related party earnings from operations have been eliminated in the preparation of these combined financial statements and all remaining PBRE income is reflected on the accompanying combined statements of operations as noncontrolling interests.

In the opinion of management, the accompanying unaudited condensed combined financial statements include all recurring adjustments and normal accruals necessary for a fair presentation of PBHI's financial position, results of operations and cash flows for the dates and periods presented. Results for interim periods are not necessarily indicative of the results to be expected during the remainder of the current year or for any future period. All significant intercompany accounts and transactions have been eliminated in combination.

The condensed combined balance sheet as of December 31, 2014 is derived from the audited combined financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. This condensed combined balance sheet as of December 31, 2014 and the unaudited condensed combined financial statements included herein should be read in conjunction with the more detailed audited combined financial statements for the year ended December 31, 2014. Accounting policies used in the preparation of these unaudited condensed combined financial statements are consistent with the accounting policies described in the Notes to Combined Financial Statements included in our audited financial statements as of and for the year ended December 31, 2014.

Certain prior period amounts have been reclassified to conform with the current period condensed presentation. Nontrade receivables have been reflected in accounts receivable, insurance recoveries have been reflected in other current assets and checks outstanding have been reflected in accounts payable in the condensed combined balance sheet at March 31, 2015 and December 31, 2014. These reclassifications did not have an impact on current or total assets and liabilities for the periods presented.

**2. Inventory**

Inventory consists principally of building materials finished goods and is carried at the lower of cost or market. Cost is determined using the last-in, first-out method. Had the first-in, first-out method been used to value inventory at March 31, 2015 and December 31, 2014, inventory would have been approximately \$52.2 million higher at March 31, 2015 and December 31, 2014, with no impact on pre-tax loss for the three months ended March 31, 2015 and 2014. Inventory is reported net of allowances for shrink, obsolescence, and net realizable value. As of March 31, 2015 and December 31, 2014, inventory allowances were \$8.8 million and \$7.9 million, respectively.

### 3. Property and Equipment

Property and equipment as of March 31, 2015 and December 31, 2014 is as follows:

	2015	2014
	<i>(in thousands of dollars)</i>	
Land	\$ 195,357	\$ 196,260
Buildings and improvements	332,403	330,857
Equipment and fixtures	558,399	555,048
Assets held-for-sale	10,016	9,683
Construction in progress	10,645	17,818
	<u>1,106,820</u>	<u>1,109,666</u>
Less: Accumulated depreciation	(534,976)	(525,947)
Property and equipment, net	<u>\$ 571,844</u>	<u>\$ 583,719</u>

Included in property and equipment are certain assets held under capital leases and lease finance obligations. These assets are recorded at the present value of minimum lease payments and include land, buildings and equipment. The following balances held under capital lease and lease finance obligations, net of accumulated amortization of \$50.1 million and \$49.7 million as of March 31, 2015 and December 31, 2014, respectively, are included on the accompanying combined balance sheets:

	2015	2014
	<i>(in thousands of dollars)</i>	
Land	\$ 140,672	\$ 142,087
Buildings and improvements	115,881	119,124
Equipment and fixtures	10,463	10,959
	<u>\$267,016</u>	<u>\$272,170</u>

Depreciation expense for the three months ended March 31, 2015 and 2014 was \$13.7 million and \$13.1 million, respectively, of which \$1.4 million and \$1.3 million, respectively, related to manufacturing and distribution centers and was included in cost of goods sold.

No impairments were recognized on the held-for-use assets at March 31, 2015 and December 31, 2014. For the three months ended March 31, 2015 and 2014, PBHI recognized impairment gains related to increases in the fair value, less cost to sell, of assets held-for-sale in the amounts of \$0.4 million and \$0.6 million, respectively.

### 4. Notes Payable and Lease Finance Obligations

Notes payable and lease finance obligations as of March 31, 2015 and December 31, 2014 consist of the following:

	2015	2014
	<i>(in thousands of dollars)</i>	
Related party notes payable	\$ 685,000	\$ 685,000
Revolving credit facilities	355,282	302,932
Lease finance obligations	286,414	290,902
Total notes payable	<u>1,326,696</u>	<u>1,278,834</u>
Less:		
Current portion - 3rd party notes payable	(888)	(886)
Total long term notes payable	<u>\$1,325,808</u>	<u>\$1,277,948</u>

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**5. Income Taxes**

The effective tax rates for the three months ended March 31, 2015 and 2014 were (4.3%) and (1.8%), respectively, which differs from the statutory rate of 35% principally due to state and local taxes, a valuation allowance and losses allocated to noncontrolling interests.

Based on the weight of positive and negative evidence, a valuation allowance on substantially all of the net deferred tax assets was recorded as of March 31, 2015 and December 31, 2014 in the amount of \$267.9 million and \$267.6 million, respectively. Realizability of the deferred tax assets could change if estimates of future taxable income change. To the extent taxable income is generated in future periods, these tax benefits will be realized and will reduce the future effective tax rate.

**6. Related Party Transactions**

For the three months ended March 31, 2015 and 2014, PBHI incurred interest expense of \$3.4 million and \$3.8 million, respectively, on related party debt. As of March 31, 2015 and December 31, 2014, PBHI had \$9.1 million and \$5.0 million, respectively, of cash invested in an overnight money market instrument with a related party.

**7. Employee Retirement and Benefit Plans**

**Retirement Plan**

PBHI terminated The ProBuild Retirement Plan as of January 30, 2015 and concurrently completed plan measurements resulting in an adjustment to its unfunded postretirement liabilities to reflect the unfunded status of the plans. This adjustment, along with the postretirement benefit expense, resulted in another comprehensive loss of \$1.1 million for the three months ended March 31, 2015. Further, PBHI contributed \$2.0 million to the Retirement Plan during 2015, and upon IRS approval of the plan termination expects to fund any required additional final contributions to fully fund all plan benefits. Also, upon IRS approval of the termination and liquidation of the Retirement Plan, any remaining unamortized comprehensive loss will be recognized in PBHI's combined statements of operations. Expected benefit payments in 2015 are \$8.1 million with distribution of all remaining plan benefits to be made upon IRS approval.

**8. Commitments and Contingencies**

PBHI is a party to certain disputes arising in the ordinary course of business. Such disputes may include product liability, warranty claims, general contractual liabilities, employment matters, intellectual property disputes, environmental and other matters. Management does not believe the ultimate outcome of these matters will materially affect PBHI's financial position, cash flows or results of operations.

## 9. Noncontrolling Interest

Noncontrolling interests represent third-party ownership in consolidated VIEs in which PBHI is determined to be the primary beneficiary. Below is an equity roll forward of the noncontrolling interests which identifies the balances between PBH LLC and other VIEs:

	Noncontrolling Interests (in thousands of dollars)		
	PBH LLC	PBRE	Total
<b>Balances at December 31, 2014</b>	<u>\$396,106</u>	<u>\$105,058</u>	<u>\$501,164</u>
Net (loss) income	(17,240)	1,095	(16,145)
Other comprehensive (loss)			
Pension adjustment	(1,121)	—	(1,121)
Total comprehensive (loss) income	(18,361)	1,095	(17,266)
<b>Balances at March 31, 2015</b>	<u>\$377,745</u>	<u>\$106,153</u>	<u>\$483,898</u>

## 10. Subsequent Events

PBHI evaluated subsequent events through May 28, 2015.

On April 13, 2015, PBHI signed a Securities Purchase Agreement with Builders FirstSource, Inc. as the acquirer in an all-cash transaction with a purchase price of \$1.625 billion. The transaction is expected to close in the second half of 2015.

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The accompanying Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2014 and for the three months ended March 31, 2015 and the Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2015 and the notes thereto of Builders FirstSource, Inc. (the “Company”) (“Unaudited Pro Forma Condensed Combined Financial Information”) have been derived by the application of pro forma adjustments based upon the historical financial statements of the Company and ProBuild Holdings, Inc. (“PBHI”), after giving effect to the ProBuild Acquisition, ABL Facility, First Lien Term Loan Facility, the Senior Unsecured Notes (and the Senior Unsecured Bridge Facility if drawn in lieu of the issuance of Unsecured Notes) (each as defined below), and issuance of the Company’s common stock (collectively, the “Transactions”) and related adjustments described in the following notes, and are intended to reflect the impact of the Transactions on the Company on a pro forma basis.

The final terms of the Transactions will be subject to market conditions and may change materially from the assumptions described in the following Unaudited Pro Forma Condensed Combined Financial Information. Changes in assumptions described below with respect to the ABL Facility, First Lien Term Loan Facility, the Senior Unsecured Notes, and the issuance of common stock in connection with the ProBuild Acquisition financing would result in changes to various components of the Unaudited Pro Forma Condensed Combined Balance Sheet, including long-term debt and stockholders’ equity, and various components of the Unaudited Pro Forma Condensed Combined Statement of Operations, including interest expense and earnings per share. Depending upon the nature of the changes, the impact on the Unaudited Pro Forma Condensed Combined Financial Information could be material.

The final purchase price allocation for the Transactions will be performed after the closing of the ProBuild Acquisition and will depend on final asset and liability valuations, which may depend in part on prevailing market rates and conditions. These final valuations will be based on the actual net tangible and intangible assets that exist as of the closing of the ProBuild Acquisition. Any final adjustments may change the allocations of purchase price, which could affect the fair value assigned to the assets acquired and liabilities assumed, and could result in a change to the Unaudited Pro Forma Condensed Combined Financial Information, including goodwill. The result of the final purchase price allocation could be materially different from the preliminary allocation set forth herein.

The Unaudited Pro Forma Condensed Combined Financial Information has been prepared to reflect adjustments to the Company’s historical consolidated financial information that are (i) directly attributable to the acquisition, (ii) factually supportable and (iii) with respect to the Unaudited Pro Forma Combined Statement of Operations, expected to have a continuing impact on the combined results. The differences between the actual valuations and the current estimated valuations used in preparing the Unaudited Pro Forma Condensed Combined Financial Information may be material and will be reflected in the Company’s future balance sheets and may affect amounts, including depreciation and amortization expense, which the Company will recognize in its statement of operations following the acquisition. The Unaudited Pro Forma Condensed Combined Financial Information is not intended to represent or be indicative of the consolidated results of operations or financial position of the Company that would have been reported had the Transactions been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial position of the Company. The Unaudited Pro Forma Condensed Combined Financial Information does not reflect any operating efficiencies and cost savings that the Company may achieve with respect to combining the companies or costs to integrate the business. Synergies and integration costs have been excluded from consideration because they do not meet the criteria for unaudited pro forma adjustments.

The Unaudited Pro Forma Condensed Combined Financial Information is provided for informational and illustrative purposes only and should be read in conjunction with the Company’s historical financial statements and related notes thereto, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 and the Company’s Quarterly Report on Form 10-Q for the three months ended March 31, 2015, and PBHI’s audited historical combined financial statements and notes and PBHI’s quarterly historical combined financial statements and notes thereto (which are available as Exhibits 99.1 and 99.2 to the Current Report on Form 8-K of which this financial information forms an exhibit, respectively). The audited combined financial statements and unaudited interim condensed combined financial statements reflect all of the operations of ProBuild Holdings LLC, the business to be acquired. Net liabilities, included in the combined financial statements of PBHI, not assumed in the ProBuild Acquisition are approximately \$644.4 million as described in note 6(g).

The following Unaudited Pro Forma Condensed Combined Financial Information was prepared using the acquisition method of accounting for business combinations under the guidance in Accounting Standards Codification (“ASC”) Topic 805, Business Combinations. The Unaudited Pro Forma Condensed Combined Balance Sheet reflects the Transactions as if they had been consummated on March 31, 2015 and includes pro forma adjustments for preliminary valuations of certain tangible and intangible assets by management in accordance with the acquisition agreement dated April 13, 2015. The Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2014 combines the Company’s historical results for the year ended December 31, 2014 with PBHI’s historical results for the year ended December 31, 2014 and the Unaudited Pro Forma Condensed Combined Statement of Operations for the three months ended March 31, 2015 combines the Company’s historical results for the three months ended March 31, 2015 with PBHI’s historical results for the three months ended March 31, 2015. The Unaudited Pro Forma Condensed Combined Statement of Operations gives effect to the Transactions as if they had been consummated on January 1, 2014.

The Unaudited Pro Forma Condensed Combined Financial Information has been compiled in a manner consistent with the accounting policies adopted by the Company. These accounting policies are similar in most material respects to those of PBHI. Following the ProBuild Acquisition, the Company will perform a more detailed review of PBHI’s accounting policies. As a result of that review, differences may be identified between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements.

**Builders FirstSource, Inc.**  
**Unaudited Pro Forma Condensed Combined Statement of Operations**  
**For the Three Months Ended March 31, 2015**

(in thousands other than per share amounts)	Historical		Presentation Reclassification	Pro Forma Adjustments	Note Ref	Pro Forma Combined Company
	Builders FirstSource	ProBuild Holdings				
Net sales	\$ 370,986	\$913,140	\$ —	\$ —		\$1,284,126
Cost of sales	287,253	676,286	9,185	388	4(c), 5(a)	973,112
Gross margin	83,733	236,854	(9,185)	(388)		311,014
Operating Expenses						
Selling, general and administrative expenses	82,838	247,203	(9,185)	10,152	4(c), 4(d), 5(b)	331,008
Facility closure costs	254	—	—	—	4(d)	254
Total operating expenses	83,092	247,203	(9,185)	10,152		331,262
Income (loss) from operations	641	(10,349)	—	(10,540)		(20,248)
Interest expense	(7,607)	(12,878)	—	(19,607)	5(c)	(40,092)
Interest income	—	—	—	—		—
Other income	—	3,046	—	—		3,046
Income (loss) from continuing operations before income tax	(6,966)	(20,181)	—	(30,147)		(57,294)
Income tax (expense) benefit	(196)	(866)	—	—	5(d)	(1,062)
Income (loss) from continuing operations	(7,162)	(21,047)	—	(30,147)		(58,356)
Income (loss) from discontinued operations	92	—	—	—		92
Net income (loss)	\$ (7,070)	\$ (21,047)	\$ —	\$ (30,147)		\$ (58,264)
Basic net income (loss) per share:						
Income (loss) from continuing operations	\$ (0.07)	\$				\$ (0.55)
Income (loss) from discontinued operations	—	—				—
Net income (loss)	\$ (0.07)					\$ (0.55)
Diluted net income (loss) per share:						
Income (loss) from continuing operations	\$ (0.07)	\$				\$ (0.55)
Income (loss) from discontinued operations	—	—				—
Net income (loss)	\$ (0.07)					\$ (0.55)
Weighted average common shares outstanding						
Basic	98,204			7,942	5(e)	106,146
Diluted	98,624			7,522	5(e)	106,146



**Builders FirstSource, Inc.**  
**Unaudited Pro Forma Condensed Combined Statement of Operations**  
**For the Year Ended December 31, 2014**

(in thousands other than per share amounts)	Historical		Presentation Reclassification	Pro Forma Adjustments	Note Ref	Pro Forma Combined Company
	Builders FirstSource	ProBuild Holdings				
Net sales	\$1,604,096	\$4,478,723	\$ —	\$ —		\$6,082,819
Cost of sales	1,247,099	3,323,726	35,900	(4,490)	4(a), 5(a)	4,602,235
Gross margin	356,997	1,154,997	(35,900)	4,490		1,480,584
Operating Expenses						
Selling, general and administrative expenses	306,508	1,084,052	(47,072)	35,960	4(a), 4(b), 5(b)	1,379,448
Facility closure costs	471	—	11,172	—	4(b)	11,643
Total operating expenses	306,979	1,084,052	(35,900)	35,960		1,391,091
Income (loss) from operations	50,018	70,945	—	(31,470)		89,493
Interest expense	(30,349)	(54,728)	—	(75,569)	5(c)	(160,646)
Interest income	—	3,271	—	—		3,271
Other income	—	6,318	—	—		6,318
Income (loss) from continuing operations before income tax	19,669	25,806	—	(107,039)		(61,564)
Income tax (expense) benefit	(1,111)	(596)	—	—	5(d)	(1,707)
Income (loss) from continuing operations	18,558	25,210	—	(107,039)		(63,271)
Loss from discontinued operations	(408)	—	—	—		(408)
Net income (loss)	\$ 18,150	\$ 25,210	\$ —	\$ (107,039)		\$ (63,679)
Basic net income (loss) per share:						
Income (loss) from continuing operations	\$ 0.19	\$				\$ (0.60)
Loss from discontinued operations	—					—
Net income (loss)	\$ 0.19					\$ (0.60)
Diluted net income (loss) per share:						
Income (loss) from continuing operations	\$ 0.18	\$				\$ (0.60)
Loss from discontinued operations	—					—
Net income (loss)	\$ 0.18					\$ (0.60)
Weighted average common shares outstanding						
Basic	98,050			7,840	5(e)	105,890
Diluted	100,522			5,817	5(e)	106,339

**Builders FirstSource, Inc.**  
**Unaudited Pro Forma Condensed Combined Balance Sheet**  
**As of March 31, 2015**

	Historical					
(in thousands)	Builders FirstSource	ProBuild Holdings	Presentation Reclassification	Pro Forma Adjustments	Note Ref	Pro Forma Combined Company
Assets						
Current assets:						
Cash	\$ 36,837	\$ 15,665	\$ —	\$ 75,378	6(a), 6(g)	\$ 127,880
Accounts receivable, net	157,221	414,558	—	—		571,779
Nontrade receivables	—	—	—	—		—
Inventories	146,824	337,066	—	89,134	6(b), 6(c)	573,024
Other current assets	24,215	21,444	—	4,459	6(d), 6(g)	50,118
Total current assets	365,097	788,733	—	168,971		1,322,801
Net Property and Equipment	84,734	561,828	—	124,372	6(c)	770,934
Other Assets:						
Goodwill	141,090	1,026,159	—	(840,322)	6(c)	326,927
Intangibles, net	16,657	3,660	—	520,040	6(c)	540,357
Assets held for sale	—	10,016	—	—		10,016
Other assets, net	17,878	3,255	—	43,249	6(d), 6(g)	64,382
Total Other Assets	175,625	1,043,090	—	(277,033)		941,682
Total Assets	\$ 625,456	\$2,393,651	\$ —	\$ 16,310		\$3,035,417
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable	\$ 90,737	\$ 292,583	\$ —	\$ —		\$ 383,320
Checks Outstanding	—	—	—	—		—
Accrued liabilities	74,083	205,368	—	(6,830)	6(c), 6(g)	272,621
Current maturities of long-term debt and lease obligations	55,076	6,269	—	(49,500)	6(d)	11,845
Deferred income taxes	—	4,069	—	(4,069)	6(g)	—
Total current liabilities	219,896	508,289	—	(60,399)		667,786
Long-term debt, net of current maturities	353,810	1,327,888	—	543,718	6(d)	2,225,416
Deferred income taxes	—	4,176	—	(4,173)	6(g)	3
Other long-term liabilities	17,774	15,662	—	(200)	6(c)	33,236
Total Liabilities	591,480	1,856,015	—	478,946		2,926,441
Stockholders' Equity						
Common Stock	985	5	—	(5)	6(e)	985
Additional paid-in capital	380,934	869,218	—	(769,218)	6(e)	480,934
Retained deficit	(347,943)	(815,485)	—	790,485	6(f)	(372,943)
Noncontrolling interest	—	483,898	—	(483,898)	6(f)	—
Total Stockholders' Equity	33,976	537,636	—	(462,636)		108,976
Total Liabilities and Stockholders' Equity	\$ 625,456	\$2,393,651	\$ —	\$ 16,310		\$3,035,417

## **1. Description of Transaction**

On April 13, 2015, the Company entered into a Securities Purchase Agreement (the “Agreement”) with ProBuild Holdings LLC, and the holders of securities of ProBuild named as parties thereto (collectively, the “Sellers”). Pursuant to the Agreement, the Company will acquire all of the operating affiliates of ProBuild through the purchase of all of the issued and outstanding equity interests of ProBuild for approximately \$1.63 billion, subject to working capital adjustments and other adjustments (the “ProBuild Acquisition”).

The Company has received a debt commitment letter from the parties thereto and certain of their respective affiliates pursuant to which they have committed to provide the Company with an \$800 million senior secured asset-backed loan facility (the “ABL Facility”), a \$550 million senior secured first lien term loan facility (the “First Lien Term Loan Facility”), and a \$750 million senior unsecured bridge facility (the “Senior Unsecured Bridge Facility”) (with respect to which the Company may issue up to \$750 million in senior unsecured notes in lieu of all or a portion thereof (the “Senior Unsecured Notes”). Additionally, the amount of the First Lien Term Loan Facility may be increased to repay, redeem, or defease the Company’s existing senior secured notes in an amount equal to \$350 million plus any applicable make-whole payments required in connection with any such repayment, redemption, or defeasance. Under certain circumstances, the increase may take the form of senior secured notes or senior unsecured notes instead of additional first lien term loans. The proceeds of the borrowings will be used on the closing date of the ProBuild Acquisition to pay a portion of the aggregate acquisition consideration, to refinance certain of the Company’s existing debt and to pay related fees and expenses.

## **2. Basis of Presentation**

The Unaudited Pro Forma Condensed Combined Financial Information included herein has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and certain footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations; however, management believes that the disclosures are adequate to make the information presented not misleading.

## **3. Accounting Policies**

Following the ProBuild Acquisition, the Company will conduct a review of accounting policies of ProBuild in an effort to determine if differences in accounting policies require reclassification of results of operations or reclassification of assets or liabilities to conform to the Company’s accounting policies and classifications. As a result of that review, the Company may identify differences among the accounting policies of the companies that, when conformed, could have a material impact on the Unaudited Pro Forma Condensed Combined Financial Information. The Company has completed a preliminary review of accounting policies for purposes of the Unaudited Pro Forma Condensed Combined Financial Information. During the preparation of the Unaudited Pro Forma Condensed Combined Financial Information, the Company identified a significant difference in accounting policy in regards to accounting for inventory. The Company accounts for the cost of inventory using the weighted average method, the use of which approximates the first-in, first-out method. PBHI accounts for the cost of inventory using last-in, first-out method. An adjustment has been made in the Unaudited Pro Forma Condensed Combined Financial Information to conform PBHI’s inventory cost policy to the Company’s.

## **4. Reclassifications of Historical ProBuild**

The audited combined financial statements of ProBuild Holdings, Inc. reflect all of the operations of the business to be acquired by the Company. Net liabilities, included in the combined financial statements of PBHI, not assumed in the acquisition were approximately \$644.4 million as described in footnote 6(g). Financial information presented in the “Historical ProBuild” column in the Unaudited Pro Forma Condensed Combined Statement of Operations represents the historical combined statement of operations of PBHI for the year ended December 31, 2014 and for the three months ended March 31, 2015, respectively. Such financial information has been reclassified or classified to conform to the historical presentation in the Company’s consolidated financial statements as set forth below. Unless otherwise indicated, defined line items included in the footnotes have the meanings given to them in the historical financial statements of PBHI.

*Reclassifications incorporated in the Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2014:*

	<b>Before Reclassification</b>	<b>Reclassification Amount</b>	<b>Ref</b>	<b>After Reclassification</b>
Cost of sales	\$ 3,323,726	\$ 35,900	(a)	\$ 3,359,626
Selling, general and administrative	1,084,052	(47,072)	(a), (b)	1,036,980
Facility closure costs	—	11,172	(b)	11,172

Reference:

- (a) Represents reclassification of \$35.9 million from “Selling, general and administrative expenses” to “Costs of sales” primarily related to manufacturing overhead, including indirect labor and benefits, rent and facility costs.
- (b) Represents reclassification of \$11.2 million from “Selling, general and administrative expenses” to “Facility closure costs” related to facility closures and related overhead.

*Reclassifications incorporated in the Unaudited Pro Forma Condensed Combined Statement of Operations for the three months ended March 31, 2015:*

	<b>Before Reclassification</b>	<b>Reclassification Amount</b>	<b>Ref</b>	<b>After Reclassification</b>
Cost of sales	\$ 676,286	\$ 9,185	(c)	\$ 685,471
Selling, general and administrative	247,203	(9,185)	(c), (d)	238,018
Facility closure costs	—	—	(d)	—

Reference:

- (c) Represents reclassification of \$9.2 million from “Selling, general and administrative expenses” to “Costs of sales” primarily related to manufacturing overhead, including indirect labor and benefits, rent and facility costs.
- (d) No facility closure charges were incurred in the three months ended March 31, 2015.

**5. Unaudited Pro Forma Condensed Combined Statement of Operations Adjustments**

- (a) Historically, PBHI reported inventory cost on a last-in, first-out basis. This adjustment conforms the inventory cost basis to first-in, first-out as a decrease to cost of sales of \$6.5 million and \$0 million for the year ended December 31, 2014 and for the three months ended March 31, 2015, respectively.

Adjustment also represents incremental depreciation of production-related assets of \$2.0 million and \$0.4 million, based on the fair value of property, plant and equipment, for the year ended December 31, 2014 and for the three months ended March 31, 2015, respectively.

- (b) In accordance with ASC 805, the purchase price of ProBuild will be allocated to the fair value of its assets and liabilities. The fair value of property, plant and equipment was approximately \$686.2 million and the fair value of intangible assets was approximately \$523.7 million. This adjustment increases selling, general and administrative expenses for incremental depreciation and amortization expense based on the fair value of property, plant and equipment and definite-lived intangible assets acquired as follows:

	Year Ended December 31, 2014	
	Net Property and Equipment	Intangible Assets, net
<b>Preliminary fair value</b>	<b>\$ 686,200</b>	<b>\$523,700</b>
Estimated pro forma depreciation and amortization	\$ 70,100	\$ 30,668
Portion attributable to cost of sales	(7,010)	—
Pro forma attributable to selling, general and administrative expenses	63,090	30,668
Historical depreciation and amortization	(48,313)	(9,485)
<b>Incremental depreciation and amortization attributable to selling, general and administrative expenses</b>	<b>\$ 14,777</b>	<b>\$ 21,183</b>

  

	Three months ended March 31, 2015	
	Net Property and Equipment	Intangible Assets, net
<b>Preliminary fair value</b>	<b>\$ 686,200</b>	<b>\$523,700</b>
Estimated pro forma depreciation and amortization	\$ 17,525	\$ 7,667
Portion attributable to cost of sales	(1,753)	—
Pro forma attributable to selling, general and administrative expenses	15,772	7,667
Historical depreciation and amortization	(12,300)	(988)
<b>Incremental depreciation and amortization attributable to selling, general and administrative expenses</b>	<b>\$ 3,472</b>	<b>\$ 6,679</b>

Depreciable property and equipment is expected to be amortized on a straight-line basis over an estimated average useful life of 7 years. Intangible assets are expected to be amortized on a straight-line basis over estimated useful lives of 15 – 20 years.

- (c) To consummate the ProBuild Acquisition, the Company intends to enter into a \$550.0 million First Lien Term Facility and \$800.0 million ABL Facility, of which, \$295.0 million is expected to be drawn on the date of the ProBuild Acquisition (excluding certain adjustments which may result from changes to working capital and any additional amounts required to pay down the Company's existing revolver), and to issue up to \$750.0 million of Senior Unsecured Notes (or draw upon a \$750.0 million Senior Unsecured Bridge Facility in lieu of issuing the Senior Unsecured Notes). Interest on the First Lien Term Facility and ABL Facility will be variable, while interest on the Senior Unsecured Notes will be fixed. Interest on the \$750.0 million Senior Unsecured Bridge Facility, if drawn in lieu of the issuance of Senior Unsecured Notes, will be variable. Interest expense on financing incurred in connection with the Transactions reflects an assumed weighted average interest rate of approximately 6.3%. The following pro forma adjustment to the Unaudited Pro Forma Condensed Combined Statement of Operations is shown below:

	Year Ended December 31, 2014	
Interest expense on financing incurred in connection with the Transactions at 6.3%	\$	102,279
Interest expense on ProBuild capital leases		20,982
Reverse interest expense recorded in ProBuild's historical results		(54,728)
Reverse interest expense recorded in the Company's historical results related to the existing revolver		(1,283)
Amortization of deferred financing costs and original issue discount recorded in connection with the Transactions		8,319
<b>Total pro forma adjustment to interest expense</b>	<b>\$</b>	<b>75,569</b>

  

	Three months ended March 31, 2015	
Interest expense on financing incurred in connection with the Transactions at 6.3%	\$	25,570
Interest expense on ProBuild capital leases		5,245
Reverse interest expense recorded in ProBuild's historical results		(12,878)
Reverse interest expense recorded in the Company's historical results related to the existing revolver		(410)
Amortization of deferred financing costs and original issue discount recorded in connection with the Transactions		2,080
<b>Total pro forma adjustment to interest expense</b>	<b>\$</b>	<b>19,607</b>

The Company estimates the weighted average interest rate on the new debt incurrence to be approximately 6.3%. A hypothetical 1/8% increase or decrease in the expected weighted average interest rate on financing incurred in connection with the Transactions, including from an increase in LIBOR (excluding the impact of the LIBOR floor), would increase or decrease interest expense on the Company's financing by approximately \$2.6 million annually.

- (d) For purposes of this Unaudited Pro Forma Combined Financial Data, the United States federal statutory tax rate of 35% has been used for all periods presented and then the income tax benefit has been fully reserved given the historical operating losses of the Company. This does not reflect the Company's effective tax rate, which includes other tax items, such as state taxes, as well as other tax charges or benefits, and does not take into account any historical or possible future tax events that may impact the Company.
- (e) Basic and diluted earnings per share calculations are computed using the two-class method and are based on the Company's historical basic and diluted weighted-average shares plus the new shares issued as part of the ProBuild Acquisition. The ProBuild Acquisition is estimated to include the issuance of \$100.0 million new equity at an assumed price of \$12.59 per share (which was the closing price of the Company's common stock as of May 27, 2015), or approximately 7.9 million shares. The number of shares to be issued will vary based on a number of factors including the equity offering price. The incremental common shares used in the pro forma earnings per share calculations differ from the 7.9 million shares issued for the ProBuild Acquisition. The difference reflects the change in pro forma weighted average shares outstanding after giving effect to the pro forma net loss and the pro forma share issuance.

## 6. Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments

- (a) Cash reflects an increase of \$91.0 million according to the following acquisition sources and uses:

### Sources of funds:

ABL Facility	\$ 295,000
First Lien Term Loan Facility	550,000
Senior Unsecured Notes	750,000
New Common Equity	100,000

### Total sources of funds

**\$1,695,000**

### Use of funds:

Cash paid to Sellers at closing	\$1,071,832
Paydown of ProBuild historical debt	390,282
Paydown of other ProBuild liabilities	4,093
Paydown of the Company's existing revolver	55,000
Transaction costs	25,000
New debt issuance costs and original issuance discount	57,750
Excess cash	91,043

### Total use of funds

**\$1,695,000**

- (b) Reflects the increase to inventory of \$52.2 million to align ProBuild's last-in, first-out inventory cost method to the Company's first-in, first-out inventory cost method.
- (c) The Unaudited Pro Forma Condensed Combined Balance Sheet has been adjusted to reflect the preliminary allocation by management of the ProBuild purchase price to identifiable tangible and intangible net assets acquired and the excess purchase price to goodwill.

Under the acquisition method of accounting, the total estimated purchase price is allocated to ProBuild's net tangible and intangible assets based on their estimated fair values at the date of the completion of the acquisition.

Below is a preliminary estimate of the purchase consideration for ProBuild, adjustment to the historical book value for net assets not acquired and the allocation of the purchase price to acquired identifiable assets and assumed liabilities.

<b>Preliminary purchase consideration</b>	<b>\$ 1,625,000</b>
Less estimated working capital adjustment	(71,910)
Less other purchase price adjustments	(86,882)
<b>Adjusted preliminary purchase consideration</b>	<b>\$ 1,466,208</b>
Historical book value of net assets acquired	
Book value of ProBuild's historical net assets as of March 31, 2015	\$ 537,636
Net liabilities not assumed	644,387
Historical book value of net assets to be acquired	1,182,023
Plus inventory FIFO to LIFO adjustment	52,200
Plus paydown of ProBuild historical debt	390,282
Plus paydown of other ProBuild liabilities	4,093
Less historical goodwill	(1,026,159)
Less historical intangibles	(3,660)
Adjusted value of net assets to be acquired	598,779
Excess purchase price over net assets	867,429
<b>Adjustments to reflect preliminary fair value of assets acquired</b>	
Write off ProBuild deferred financing costs	(3,414)
Inventories	36,934
Property, plant & equipment	124,372
Other intangibles, net—definite lived	523,700
Preliminary fair value adjustments	681,592
<b>Estimated goodwill</b>	<b>\$ 185,837</b>
Historical goodwill	\$(1,026,159)
Estimated goodwill	185,837
<b>Pro forma goodwill adjustment</b>	<b>\$ (840,322)</b>

The purchase price allocation for the ProBuild Acquisition includes values assigned to certain specific identifiable intangible assets aggregating approximately \$523.7 million. The trade name related intangible assets are valued at \$254.7 million, which was determined by estimating the present value of future royalty costs that will be avoided due to the Company's ownership of the trade names acquired. The customer-related intangible is valued at \$269.0 million, which was determined by estimating the present value of expected future net cash flows derived from such customers.

Inventories are increased to their estimated fair value, which represents an amount equivalent to estimated selling prices less distribution related costs and a normative selling profit. This inventory adjustment is expected to be fully recognized in cost of sales in the first three months after the transaction. We expect this step-up in basis and amortization of this amount to have a negative effect on gross margins until fully recognized.

Upon closing, the purchase consideration will be adjusted for working capital levels and other adjustments as stipulated in the purchase agreement.

Upon completion of the fair value assessment, the Company anticipates that the final purchase price allocation will differ from the preliminary assessment provided above. Any changes to the initial estimates of the fair value of the assets and liabilities will be recorded as adjustments to those assets and liabilities and the residual amounts will be allocated as an increase or decrease to goodwill.

- (d) The adjustments to debt are comprised of the following:

**Current Portion of Long Term Debt:**

Current portion of First Lien Term Loan Facility	\$ 5,500
Paydown of existing revolver	(55,000)
Net change in current maturities of long term debt	<u>\$ (49,500)</u>

**Long Term Debt:**

Non-current portions of First Lien Term Loan Facility, ABL Facility and the Senior Unsecured Notes	\$1,584,000
Paydown of ProBuild historical debt	(390,282)
ProBuild historical debt not assumed	(650,000)
Net change in long term debt	<u>\$ 543,718</u>

Deferred financing fees of \$52.2 million have been recorded, with \$7.5 million classified as other current assets and \$44.7 million classified as non-current assets. The proceeds from the First Lien Term Loan Facility have been reduced by a \$5.5 million original issue discount, which is presented as a reduction of the outstanding balance on the First Lien Term Loan on the balance sheet.

Deferred financing fees incurred in relation to the First Lien Term Loan Facility, ABL Facility and Senior Unsecured Notes will be amortized over the contractual term of such respective facilities. Amounts related to the original issue discount will be amortized over the contractual term of the First Lien Term Loan Facility.

Deferred financing fees of \$3.4 million relating to ProBuild's previous credit facility have been eliminated from other current assets (\$2.2 million) and other assets, net (\$1.2 million) with a corresponding decrease to retained earnings. No adjustment has been made to the Unaudited Pro Forma Condensed Combined Statements of Operations for these costs as they are non-recurring.

- (e) Adjustment eliminates ProBuild's common stock and additional paid in capital of \$869.2 million and reflects the issuance of new equity of \$100.0 million related to the ProBuild Acquisition.
- (f) Represents the elimination of ProBuild's retained deficit of \$815.5 million and estimated transaction fees expected to be incurred related to the ProBuild Acquisition of \$25.0 million. Also represents the elimination of ProBuild's non-controlling interest of \$483.9 million.
- (g) Net liabilities not assumed primarily consist of long term debt and related accrued interest, cash, income tax receivables, and deferred tax liabilities included in the following captions in the PBHI financial statements.

	Amount	Line Item Impacted
Cash	\$ 15,665	Cash
Income tax receivable	918	Other current assets
Related party receivable	210	Other assets, net
Assets not acquired	16,793	
Accrued interest	2,938	Accrued liabilities
Deferred taxes payable – current	4,069	Deferred income taxes
Deferred taxes payable – long term	4,173	Deferred income taxes
Long term debt	650,000	Long term debt, net of current maturities
Liabilities not assumed	661,180	
<b>Net liabilities not assumed</b>	<b><u>\$(644,387)</u></b>	