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For immediate release

29 March 2016

Forterra plc
Intention to Float on the London Stock Exchange

Forterra, a leading UK producer of manufactured masonry products, today announces its intention to proceed with an initial public offering (the "**Offer**") of existing Ordinary Shares to institutional investors. Forterra intends to apply for admission of its Ordinary Shares to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities (together, "**Admission**"). The Company expects that Admission will occur in or around April 2016.

Forterra at a glance

- Leading producer of manufactured masonry products with exclusive focus on the UK market
- The only UK manufacturer with a significant offering of both clay bricks and concrete blocks (75%[1] of 2015 Group[2] revenue)
- #2 national market share in each of clay bricks and aircrete blocks, and #1 regional position in aggregate blocks in the South East and East of England[3]
- Sole manufacturer of the iconic Fletton brick sold under the London Brick® brand
- Focus on efficient manufacturing facilities of scale, including the largest, most modern fully automated soft mud brick manufacturing facility in the UK
- Complementary range of bespoke building products (25%[1] of 2015 Group revenue) including engineered precast concrete flooring
- Balanced exposure to the UK residential new build (c 55% of 2015 Group revenue) and residential renovation, maintenance and improvement ("**RMI**") (c 40% of 2015 Group revenue) markets
- 2015 Group results: revenue +8% to £290m; EBITDA[4] +29% to £71m; EBITDA margin +390bps to 24%
- The Group was formerly Hanson's UK building products division

Investment highlights

- **Leading UK manufactured masonry producer with strong positions across all core product categories**: The Group has significant market shares in each of clay bricks and aircrete blocks (on a national basis) and aggregate blocks (regionally in the economically prosperous South East and East of England regions).[3]

- **Complementary product range with operational and commercial benefits**: The Group has a broader range of manufactured masonry products than its key competitors[4] and Forterra is the only UK market participant selling significant volumes of both clay bricks and concrete blocks. The combination of bricks and blocks, together with the Group's other complementary products, provides significant commercial benefits through cross-selling, distribution efficiencies, procurement and recycling.

- **Well-invested, efficient manufacturing asset base**: Forterra heavily streamlined its production footprint following the 2008 economic downturn with the closure of many older, smaller and less efficient facilities. At the same time, the Group invested £55m in its state-of-the-art Measham facility, the largest, most modern and fully automated soft mud brick manufacturing facility in the UK. The Directors believe that the Group now has production scale advantages over its key competitors in the brick market.

- **Favourable UK house building market outlook**: UK house builders are key customers for Forterra. After a period of subdued building volumes, the UK has a significant structural undersupply of housing. The UK Government has introduced a series of policy initiatives to stimulate additional house building, providing an underpin and a possible upside for demand for the Group's products.

- **Attractive brick industry dynamics driven by capacity constraints and high barriers to entry**: The UK brick industry is consolidated with three major participants accounting for approximately 90% of brick production capacity in Great Britain. Following the 2008 economic downturn, the industry closed large numbers of old and inefficient facilities, improving the UK demand/supply balance and reducing average production costs. There are high barriers to new entrants based on the significant investment required to develop a new facility, the extensive approvals required for new plant construction and the long investment cycle to first production. The cost competitiveness of imports is impacted by the high transportation cost and low value to weight ratio.

- **Sustainable growth, strong margins and strong cash generation**: With the benefit of its streamlined production facilities, the Group has delivered strong financial results. Revenue grew at an average rate of 13% per annum between 2013 and 2015, supported by strong brick price growth, and EBITDA rose strongly at a CAGR of 78% over the same period. Furthermore, cash conversion[5] was greater than 80% of EBITDA in each of the last three years. The Group does not operate a defined benefit pension scheme and has no legacy pension liabilities.

- **Multiple levers for future profitable growth**: Forterra has immediately available additional production capacity from its existing facilities, together with on hand inventories, to capitalise on near term increases in demand from the UK house building industry. In addition, in the short term, the Directors believe that the Group has the potential to invest in a series of low cost, low risk, high return incremental production capacity enhancements. In the medium to longer term, the Group also has the option to develop an additional high efficiency, large scale manufacturing facility at its permissioned site in Swillington, Yorkshire.

Stephen Harrison, Chief Executive of Forterra, said:

"As a leading, long-established producer of building materials focused solely on the UK, we are excited to begin this new period as an independent company with a listing on the London Stock Exchange. The fundamentals of our industry are attractive and with our efficient manufacturing base, strong positions across all product categories, long-standing customer relationships, and significant scope for future capacity expansion, Forterra is very well placed for the future. Listing as an independent business is the next step in realising the significant potential that we see for Forterra and delivering on our plans for sustainable and profitable growth."

Paul Lester, Chairman of Forterra, said:

"We have a highly capable executive team and have assembled a strong Board with significant sector and operational experience, and a clear strategy for growth. Forterra has a robust and resilient business model, a proven track record, a well-invested and efficient manufacturing base, and well-balanced exposure between the new build and RMI residential markets. I am delighted to be chairing Forterra as we embark on the next stage of our development as a public company and look forward with confidence to creating value for our shareholders."

Overview of the Business

Forterra is a leading producer of manufactured masonry products. The Group's core clay bricks and concrete blocks are primarily sold into the new build housing and residential RMI markets. The Group also produces a complementary range of bespoke building products, the most significant being engineered precast concrete flooring solutions. The Directors estimate that the UK residential new build and residential RMI markets account for approximately 95% of 2015 Group revenue, with the remaining 5% of 2015 Group revenue attributed to the UK commercial construction market.

Within its clay bricks product group, the Group focuses on the efficient manufacture of high volume, standardised extruded and soft mud bricks, primarily for the new build housing market. The Group is also the sole manufacturer of the iconic Fletton brick sold under the London Brick® brand. Fletton bricks were used in the original construction of nearly a quarter of England's existing housing stock and Fletton brick sales are today targeted at the residential RMI market to match existing brickwork. Within its concrete blocks product group, Forterra is one of Great Britain's leading producers of both aircrete and aggregate blocks and owns the Thermalite® brand, one of the principal aircrete brands manufactured and sold in the UK.

Market opportunity

The Group primarily supplies products to the UK housing industry. After an extended period of subdued house building activity since the 2008 economic downturn, the UK has a significant structural undersupply of housing. The UK Government has responded by introducing a series of policy initiatives to stimulate the UK housing market. A recovery in house building activity has been under way since 2013 and the UK house building market is now experiencing a period of steady expansion, although activity levels remain significantly below historic levels. With the UK population forecast to grow significantly in the coming years, the structural undersupply of housing is expected to continue to grow, underpinning future demand for new housing and, therefore, building products.

Bricks and blocks are core components of UK housing construction and the Directors believe that demand for the Group's products is expected to rise as housing construction increases. Over the last decade, the Group has positioned itself to capitalise on the attractive dynamics of the consolidated UK brick industry which is characterised by capacity constraints and high barriers to entry. Following the financial crisis, the main UK industry participants, including Forterra, rationalised their manufacturing facilities resulting in a c 20% reduction in domestic production capacity to approximately 2 billion bricks per annum from approximately 2.6 billion per annum in 2007. This rationalisation of inefficient legacy production capacity resulted in improved brick prices as demand for bricks recovered and the industry began to operate closer to full capacity. The Directors believe that industry average production costs have also been reduced through the closure of old facilities, benefiting profit margins.

Operational strengths of Forterra

Leading UK manufactured masonry producer with strong positions across all core product categories

The Group is a UK leader in manufactured masonry products, being the only UK producer which has strong market positions and industry recognised brands in both clay bricks and concrete blocks. The Group:

- offers the broadest range of manufactured masonry products in the UK among its key competitors[6]
- is Great Britain's second largest brick manufacturer by annual production capacity, with a market share in Great Britain of c 29%[7] calculated by annual production capacity of the Group's key competitors
- is the sole manufacturer of the iconic and original Fletton brick sold under the London Brick® brand, which commands a premium price and is used exclusively in the residential RMI market in the UK, particularly in the South of England, having been used in the original construction of c 23% of England's existing housing stock
- is Great Britain's second largest aircrete block manufacturer by annual production capacity, with a market share in Great Britain of c 35%[8] calculated by annual production capacity of the Group's key competitors
- is the leading manufacturer of aggregate blocks by annual production capacity with a market share of c 34%[9] in the South East and East of England calculated by annual production capacity of the Group's key competitors in that region

Broadest range of complementary manufactured masonry products generates operational and commercial benefits

- The Directors believe that the Group derives significant synergies from its unique but complementary product offerings, creating benefits across the Group's value chain
- As the only UK manufacturer with strong market positions in both clay bricks and concrete blocks and offering the broadest range of manufactured masonry products among its key competitors[6], the Group has significant opportunities to cross-sell its brick and block products, as well as its portfolio of bespoke construction products, to both existing and new customers
- In addition, as many of England's builders' merchants stock the Group's Fletton bricks, the Group is well positioned to cross-sell its other products to those builders' merchants and their end user customers

Well-invested, efficient manufacturing asset base

- Prior to the financial crisis, the Group decided to invest in larger and more efficient facilities. The Group has subsequently closed 22 old and smaller facilities.
- In 2009, the Group opened its £55m state-of-the-art soft mud brick manufacturing facility at Measham, the largest, most modern and fully automated soft mud brick manufacturing facility in the UK, reducing the cost of brick production by approximately 40% (in comparison to three older facilities that it replaced).
- From 2014 through to January 2016, the Group invested approximately £8m in implementing efficiency initiatives at the Group's manufacturing facilities at Measham and Accrington (bricks), Hams Hall (aircrete) and Hoveringham (precast concrete). In addition to costs savings, these initiatives increased the Group's annual brick production capacity by approximately 19 million, to approximately 570 million bricks, and the Group's annual aircrete block production capacity by approximately 33,000 m^3, to approximately 825,000 m^3.
- As a result of these and other initiatives, the Group is well positioned to take advantage of the strong market fundamentals driving demand for brick and block construction products in the UK without the need to incur substantial additional capital investment in its manufacturing facilities in the short-term.

Track record of increasing efficiency and achieving best-in-class cost leadership

- The Group focuses on continuous identification of manufacturing efficiency opportunities.
- As a result of closing smaller facilities and investing in larger, modern facilities, as well as the implementation of other efficiency initiatives, the Group's average annual brick production capacity per facility increased between 2007 and 2015 from approximately 53 million to approximately 61 million, which the Directors estimate is c 41% and c 17% higher than the respective average annual brick production capacity per facility of two of the Group's key competitors[10].
- Since 2013, the Group has invested in the installation of production monitoring equipment and introduced other key lean manufacturing principles at each of its significant manufacturing facilities.
- The Group has significantly improved productivity. As a consequence of the investments the Group has made, and the streamlining of manufacturing operations, bricks produced per man hour have increased by 79% since 2007.
- The Group has also streamlined its product ranges, which together with the introduction of production monitoring equipment at its significant manufacturing facilities, has reduced manufacturing downtime and increased utilisation capacity, operational productivity and product quality.
- These and other efficiency initiatives have transformed the Group into a leaner, more efficient and more flexible manufacturer with significant financial benefits. In 2015, the Group's EBITDA margin was 24%, having increased from 10% in 2013.

Flexibility to respond rapidly to increased market demand in the future

- Since the beginning of 2015, the Group has brought back into production previously mothballed capacity amounting to 50 million bricks per annum and invested to increase capacity at Measham by an additional 19 million bricks per annum. In addition, the Group has taken a decision to increase inventory levels to ensure its ability to meet its customers' requirements. The Directors believe that the Group is now in a strong position to meet growth in brick demand in the UK.

- In the short term, Forterra has the potential to increase its extruded brick annual production capacity by an estimated 25 million bricks by investing c £9m in improvements to the gas supply, kilns and dryers at its facilities at Claughton, Desford and Accrington, respectively. The Directors believe that these small and low risk capital investment projects would increase the Group's annual brick production capacity to approximately 595 million. This increase is additional to the recent capacity expansion at Measham which was completed in January of this year.
- The Group has the required permissions to develop a new 100 million per annum extruded brick facility at Swillington on the site of one of the Group's former brick facilities which was closed in 2008. This facility would be similar in size, efficiency and capacity to the Group's existing Measham facility. The Group is highly disciplined in terms of capital investment, and, as the Group has production capacity and inventories sufficient to meet near term forecast market growth, a decision to go ahead with the development of Swillington is unlikely to be taken before the end of 2017 without a material and sustained increase in brick demand.
- The Group also has the necessary permissions to operate a 45 million per annum brick plant at Clockhouse in Surrey and, with appropriate permission variations, could redevelop the site into a modern, highly efficient and low cost soft mud brick manufacturing facility. While this site represents a valuable strategic asset, an investment decision on the development of this facility is unlikely before 2020.

Headline Financial Information

Forterra has delivered strong revenue growth in recent years with Group revenue increasing by 13% CAGR between 2013 and 2015. In particular, the Group has seen average revenue growth in its core bricks and blocks segment of 16% per annum between 2013 and 2015. In the same period, Group EBITDA[3] has increased at a CAGR of 78%, with Group EBITDA margins increasing to 24% in 2015, and EBITDA margins in the Group's bricks and blocks reporting segment increasing to 29%. Group cash conversion[5] has also been strong, averaging 86% of EBITDA between 2013 and 2015.

£m	**FY13**	**FY14**	**FY15**	**FY13-15 CAGR**
Revenue	226	268	290	*13%*
EBITDA[4]	22	55	71	*78%*
EBITDA margin (%)	*10%*	*20%*	*24%*	
EBITDA - Capex	19	49	58	*76%*
Cash conversion[5] (%)	*84%*	*90%*	*82%*	

Revenue growth in 2016 is expected to derive from the positive outlook for UK housing, the winding down of customer destocking and continuing reduction in imports which were a feature of 2014 and 2015 due to short term capacity constraints in UK domestic production. Housing completions are expected to continue to grow steadily which, in turn, are expected to result in growing demand for the Group's manufactured masonry products. In addition, with the return to production of previously mothballed domestic production capacity, the Group expects to see the volume of brick imports into the UK from continental Europe progressively decline from the unusually high levels of 2014 and 2015 and move towards long term historic levels.

Incremental manufacturing capacity and efficiency projects were successfully delivered to plan over the winter 2015/2016 and Forterra is now competitively well-positioned in the market with available brick manufacturing capacity and inventory on hand to meet customer requirements.

Capital Structure and Dividend Policy

Forterra is targeting initial net leverage of c 2.2x LTM[11] December 2015 EBITDA. The Company has arranged with a syndicate of banks to put in place upon listing a new committed £150m 5-year amortising term loan and a £30m revolving credit facility on competitive terms. Net debt at listing is anticipated to be c £155m. The Group does not operate a defined benefit pension scheme and has no legacy pension liabilities.

With the Company's cash conversion[5] and expected growth in EBITDA, the Directors anticipate the Company deleveraging relatively rapidly following Admission. In the medium term, the Directors intend that the Company should maintain a prudent but efficient balance sheet structure of below 1.5x LTM EBITDA.

The Directors intend to adopt a progressive dividend policy with an initial payout ratio of 40% of adjusted 2016 net income payable pro rata from Admission. The Directors intend that the Company will pay an interim dividend and a final dividend in respect of each financial year in the approximate proportions of one-third and two-thirds, respectively, of the total annual dividend. The first dividend to be paid by the Company is intended to be an interim dividend, to be announced with the Company's interim results in September 2016 and paid in October 2016.

Overview of the Offer

Forterra intends to apply for admission of the Ordinary Shares to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities.

The Offer will comprise an offer of Ordinary Shares: (i) to institutional investors in the UK and elsewhere outside of the US in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") and in accordance with locally applicable laws and regulations, and (ii) in the US only to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act) in reliance on Rule 144A of the US Securities Act or another exemption from registration under the US Securities Act.

The Offer will comprise a sale by LSF9 Concrete UK Ltd (the "**Selling Shareholder**"), an affiliate of Lone Star Fund IX (U.S.), L.P. (together with its affiliates, "**Lone Star**"), of part of its existing holding of Ordinary Shares. The Company is currently a wholly owned subsidiary of the Selling Shareholder.

It is expected that the Selling Shareholder will make available an over-allotment option of up to 15% of the total offer size.

Immediately following Admission, the Company expects to have a free float of at least 25% of the issued share capital of the Company.

Each of the Company, the Directors and the Selling Shareholder will agree to customary lock-up arrangements in respect of their holding of Ordinary Shares for a specified period of time following Admission.

It is expected that, following Admission, the Company will be eligible for inclusion in the FTSE UK index series.

In relation to the Offer and Admission, Credit Suisse Securities (Europe) Limited ("**Credit Suisse**") and Deutsche Bank AG, London Branch ("**Deutsche Bank**") are acting as Joint Global Co-ordinators and Joint Bookrunners, Citigroup Global Markets Limited ("**Citigroup**") is acting as Joint Bookrunner. Deutsche Bank is acting as Sponsor.

Full details of the Offer will be included in the Prospectus expected to be published in due course.

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ADDITIONAL BACKGROUND TO THE GROUP

Forterra's Business

Forterra is a UK leader in manufactured masonry products, with a unique combination of strong market shares in clay bricks and concrete blocks. The Group's manufactured masonry products are standardised and usually produced in high volumes. The Group's brick and block products are complemented by a well-rounded portfolio of bespoke construction products, which are primarily specified made-to-measure or customised products. The Group has industry recognised brands and its trusted range of clay and concrete products are used extensively within the construction industry.

Bricks: the Group is the second largest manufacturer of clay bricks in Great Britain, with a market share of approximately 29%[7] calculated by annual production capacity of the Group's key competitors. The Group is also the only manufacturer of the iconic and original Fletton brick sold under the London Brick® brand. The Group operates nine brick manufacturing facilities in the UK with a total production capacity of approximately 570 million bricks per annum. Clay is the main raw material for brick production. The Directors estimate that the Group has in excess of approximately 49 million tonnes of clay reserves across 12 quarries in the United Kingdom, which the Directors believe is equivalent to approximately 30 years of brick production based on its existing production capacity. Furthermore, the Directors estimate that the Group has a further 36 million tonnes of clay resources which do not currently have planning permission for extraction.

Blocks: the Group is the second largest manufacturer of aircrete blocks in Great Britain, with a market share of approximately 35%[8] calculated by annual production capacity of the Group's key competitors. The Group also manufactures aggregate blocks, where the Group enjoys strong sales in the South East and East of England, with a market share in this region of approximately 34%[9] calculated by annual production capacity of the Group's key competitors in that region. The Group operates four block manufacturing facilities in the UK, with a total annual production capacity of approximately 825,000 m^3 of aircrete blocks and approximately 275,000 m^3 of aggregate blocks.

Bespoke Products: the Group's bespoke products range comprises precast concrete, concrete block paving, chimney and roofing solutions and structural external wall insulation, each of which is primarily specified made-to-measure or customised to meet the customer's specific needs. The precast concrete flooring products are complemented by the Group's full design and nationwide installation services, while certain other bespoke products, including concrete block paving and chimney flues, are complemented by the Group's specification and design service. The bespoke products business operates from five manufacturing facilities in the UK.

History of the Group

The Group was formerly Hanson's UK building products division, which dates back to the early 1960's. This business established a significant UK presence through a number of acquisitions, including The Butterley Company Ltd in 1968, London Brick PLC in 1984, Marshalls Flooring in 2002, Marshalls Clay Products Ltd and Thermalite Ltd in 2005, Red Bank Manufacturing Company Ltd and Formpave Holdings Ltd in 2006, and Structherm Holdings Ltd in 2007.

In September 2007, Hanson PLC was acquired by HeidelbergCement Group and in March 2015 the HeidelbergCement Group sold the Group and Hanson's North American building products business to Lone Star. In October 2015, the Group was rebranded under the name Forterra.

Strategy

The Directors believe the Group is well positioned to take advantage of the attractive market fundamentals in the short to medium term by utilising its existing, well-invested manufacturing facilities, available production capacity, and available inventories. Over the medium term, the Directors believe there are multiple levers to drive future growth.

The five pillars of Forterra's future strategy are:

Pursue manufacturing excellence

The Group intends to build on its cost leadership through manufacturing facility optimisation programmes and further process technology investments. The Group adopts a continuous improvement approach and, notwithstanding the many improvements already made to the Group's manufacturing facilities, the Directors believe there are many further opportunities to enhance the efficiency and flexibility of Forterra's manufacturing base.

Operational efficiency

Forterra also adopts a policy of continuous improvement in relation to key areas of operations including:

- Product design optimisation to reduce resource usage
- Energy efficiency
- Recycling
- Supply chain management and enhanced procurement savings
- Distribution and transportation optimisation

The Directors believe there are multiple opportunities to further improve the Group's operational efficiency and cost leadership. The Group also has rigorous health and safety, and sustainability policies.

Align capacity to market conditions

Forterra has identified a number of short term opportunities to increase production capacity beyond the expansion at Measham. The immediate focus is on implementing low cost, high return projects which build on the Group's existing manufacturing assets. These incremental projects are expected to deliver high returns on investment and significant operational leverage with modest project risk. The Group will continue to explore further such low risk incremental opportunities to increase production capacity and improve operating efficiency.

In addition, the Group has two sizeable expansion opportunities at its sites at Swillington and Clockhouse. The Group has a disciplined approach to capital investment. As the Group has production capacity and inventories sufficient to meet near term forecast market growth, a decision to go ahead with the development of Swillington is unlikely to be taken before the end of 2017 without a material and sustained increase in brick demand. A decision to develop the site at Clockhouse is unlikely before 2020.

Product and service innovation and enhancement

The Group actively works to anticipate developing customer needs and has a successful history of introducing innovative new products and services. Forterra has a dedicated design and development team and a new product testing laboratory at Measham.

Recent product introductions include prefabricated walling, flood defence systems and the ThermaPave renewable ground source energy system. Forterra is also exploring partnering with customers to investigate further offsite and prefabricated masonry opportunities.

The Group continually looks to improve its customer service proposition. The Group operates its own fleet of 125 delivery vehicles which optimizes its ability to deliver products to customers when and where they are needed. The Group also has one of the broadest product ranges among its key competitors[6], enabling the Group to cross-sell multiple manufactured masonry products and solutions into individual customers, to the mutual benefit of both parties.

Product range enhancement

The Group derives significant operational and commercial benefits from offering its customers a range of complementary building products. Over time, the Company will look at selective additions, either organic or inorganic, to further extend the Company's range of products. The Company will particularly look at products addressing the residential new build or RMI construction markets, those which would allow the Group to leverage its existing relationships or distribution channels, or which enable the Group to consolidate fragmented product markets.

Board of Directors and Senior Management

The Group is led by a high quality and experienced management team that collectively has nearly 200 years' experience in industry, including the UK building products industry and industries which utilise modern manufacturing techniques. The management team has experience of streamlining industrial businesses through the downturn. With a strong culture focused on manufacturing efficiency and customer service excellence, the Directors believe the management team will successfully execute the Group's strategy going forward. Key individual members of the Board and the senior executive management team are:

Board of Directors

Paul Lester CBE (Independent Non-Executive Chairman)

Paul was appointed as a consultant to the Board of Forterra Building Products Limited in August 2015 and will, upon Admission, be appointed as Independent Non-Executive Chairman of the Company and chair of the Remuneration Committee. Paul has over 30 years of experience at the senior management or director level of businesses. He was appointed to the Board of Essentra PLC, a FTSE 250 company, in December 2015 and will be appointed as Non-Executive Chairman with effect from April 2016. Paul also currently serves as Non-Executive Chairman of Knight Square Holdings Limited, Greenergy International Ltd and the John Laing Infrastructure Fund, a FTSE 250 company, having led the initial public offering of the fund in 2010. Previously, Paul was Chairman of Survitec plc, Chief Executive of support services company VT Group Plc, Group Managing Director of Balfour Beatty Plc and Non-Executive Director of Invensys Plc. Paul has held numerous board and senior management positions at other engineering and support service companies. Paul holds a Bachelor of Science with honours degree in Mechanical Engineering and a diploma in Management Studies from Nottingham Trent University. Paul is a chartered engineer, is a Fellow of the Institution of Mechanical Engineers and is a member of Her Majesty's Major Projects Review Group. Paul was awarded a CBE in 2008.

Stephen Harrison (Chief Executive Officer)

Stephen joined Hanson PLC in October 2002 and has held a variety of senior management roles within the HeidelbergCement Group, including at Hanson Building Products Limited, since that time. Stephen was appointed Managing Director of Hanson Building Products Limited in August 2012 and will, upon Admission, be the Chief Executive Officer of the Company. Stephen is a Principal of the Construction Products Association, is a Director of the Brick Development Association, is a Director of the Aircrete Products Association, and holds a Bachelor of Arts with honours degree in Economics from Kingston University, London, and a Masters of Business Administration degree from Cranfield School of Management.

Shatish Dasani (Chief Financial Officer)

Shatish was appointed Chief Financial Officer of the Group in December 2015 and will, upon Admission, be appointed Chief Financial Officer of the Company. Shatish started his career with KPMG as a chartered accountant and thereafter was an executive consultant within KPMG's management consulting business. Between 1990 and 1997 Shatish was Group Chief Accountant of Blue Circle Industries Plc (now part of Lafarge) in London and thereafter Chief Financial Officer of Blue Circle South America, based in Chile. In 2003, Shatish became Group Financial Controller at De La Rue plc and in 2005 was appointed as an alternate Non-Executive Director at Camelot Group Plc. Thereafter, in 2008, Shatish was appointed Chief Financial Officer at TT Electronics plc and has recently held the role of public member at Network Rail. Shatish holds a double first class Bachelor of Arts with honours degree in Mathematics from Oxford University and a Masters of Business Administration from London Business School.

Justin Atkinson (Senior Independent Non-Executive Director)

Justin will, upon Admission, be appointed Senior Independent Non-Executive Director of the Company and chair of the Audit Committee. Justin has over 20 years of experience at the senior management or director level of businesses, including those in engineering and all types of construction, including residential and commercial markets. He currently serves as a Senior Independent Non-Executive Director and member of the risk management and audit committee, remuneration committee, safety, health and environment committee and nomination committee of Kier Group plc and is a member of the audit committee of the National Trust. Between 1990 and 2015, Justin held various roles within the Keller Group plc, and became Chief Financial Officer in 2003 and Chief Executive Officer in 2004 until 2015. Previously, Justin was a financial manager at Reuters PLC and trained as a chartered accountant at Deloitte Haskins & Sells (Scotland) (now part of PWC). Justin is a qualified chartered accountant, holds a Bachelor degree in Accountancy from Glasgow University and an advanced management qualification from INSEAD.

Divya Seshamani (Independent Non-Executive Director)

Divya will, upon Admission, be appointed as an Independent Non-Executive Director of the Company and chair of the Risk Committee. Divya has over 16 years of experience at the senior management or director level of businesses, including those in investment, infrastructure, energy, sustainability and manufacturing. Divya is currently Managing Partner at TPG Capital LLP and Managing Partner of Greensphere Capital. Previously, Divya was an independent Non-Executive Director at Marine Current Turbines Limited between 2010 and 2012, a Council Member of the Royal Institute of International Affairs (Chatham House) between 2006 and 2012 and worked in the global infrastructure group at the Government of Singapore Investment Corporation between 2006 and 2011. Divya has also held principal roles at Unilever Ventures and the Parthenon Group. Divya holds a Bachelor of Arts degree in Politics, Philosophy and Economics from Oxford University and a Masters of Business Administration from Harvard University.

Bradley Boggess (Non-Executive Director)

Brad was appointed as a Non-Executive Director of the Company in March 2016. Brad has been appointed as a representative of the Selling Shareholder pursuant to the terms of the relationship agreement to be entered into between the Company and the Selling Shareholder. Brad has over 21 years of experience at the senior management or director level of businesses, including those in investment, retail, financial services and manufacturing. Brad is currently Chairman of the board of Southeastern Grocers, a US$11bn food retailer and is on the board of directors of Home Properties, a large multi-family real estate company. Until recently, Brad also served as Chairman of the board of Continental Building Products, Inc. a NYSE listed entity. Brad is the Managing Director and Chief Administrative Officer of Hudson Advisors L.P., an affiliate of Lone Star, where he has responsibility for information services, human resources, global administration and corporate governance. Formerly Brad was on the board of directors of DFC Global Corp., Del Frisco's Restaurant Group, Caliber Home Loans and Sterling Holdings Ltd. Brad was an Armor Officer in The United States Army and holds a Bachelor of Science degree in Management from Tulane University in New Orleans, Louisiana.

Richard "Chip" Cammerer (Non-Executive Director)

Chip was appointed as a Non-Executive Director of the Company in March 2016. Chip has been appointed as a representative of the Selling Shareholder pursuant to the terms of the relationship agreement to be entered into between the Company and the Selling Shareholder. Chip has over 20 years of experience within the commercial and investment banking industry, advising corporate clients and boards on a range of strategic and financial transactions. Chip is currently Managing Director of Hudson Americas, L.P., an affiliate of Lone Star. Between 2014 and 2016 he was Managing Director in the industry team at RBC Capital Markets in New York. Between 2006 and 2014, Chip held various roles within Citigroup Global Markets Inc.'s investment banking arm in New York, being promoted to Managing Director of the industry team in 2010. Previously, Chip held roles in Deutsche Bank Securities Inc.'s investment banking arm in New York, Banc of America Securities LLC and Bank of America, N.A. Chip currently resides on the board of directors of Southeastern Grocers, a US$11bn food retailer. Chip holds a bachelor degree in Business Administration (Finance) from Southern Methodist University and a Masters of Business Administration from Vanderbilt University with a dual concentration in Finance and Accounting.

Senior Management

Ben Guyatt (Company Secretary and Finance Director)

Ben was appointed Company Secretary in January 2016 and has been Finance Director of Forterra Building Products Limited since January 2014. Ben joined Hanson PLC in 2006, and has held a variety of senior finance and strategy roles within the UK business of the HeidelbergCement Group since that time. Ben is a qualified Chartered Accountant and holds a Bachelor of Arts with honours degree in Accounting and Finance from the University of the West of England.

Matthew Clay (Managing Director, Bespoke Products)

Matthew joined Hanson PLC in 2004 as European IT Director and was appointed as Managing Director of Bespoke Products of Hanson Building Products Limited in February 2011. Prior to joining the Group, Matthew held senior IT roles at MITIE Group PLC and FirstGroup PLC. Matthew holds a Bachelor of Science with honours degree in Physical Electronic Engineering with Professional Studies from Lancaster University, is a chartered engineer and member of the Institute of Engineering and Technology, and is Vice President and Director of the British Precast Concrete Federation.

Adam Smith (Commercial Director)

Adam joined the Group in March 2016 as Commercial Director. Prior to that, Adam was National Sales Director at Jewson, Sales and Marketing Director at Tata Steel and held the role of Managing Director, as well as various other senior management positions, at Corus Colorsteels. Adam holds a Masters of Business Administration from Warwick Business School and a Bachelor of Science with honours degree in Physics from Manchester University.

George Stewart (Operations Director)

George joined the Group in 2013 as Operations Director. Prior to that, George was UK Industrial Director for Monier Redland UK Limited, and held a number of senior operations roles, including with Nestle UK, Smith and Nephew Medical and Motorola UK. George holds a Bachelor of Science with honours degree in Chemical and Process Engineering from the Heriot-Watt University, Edinburgh.

Notes:

[1] Before intercompany eliminations.
[2] All financial information represents the historical financial information of Forterra Building Products Limited and its subsidiary undertakings.
[3] See footnotes 7, 8 and 9.
[4] EBITDA (represents earnings before interest, tax, depreciation and amortisation) is stated before exceptional items throughout this announcement. Exceptional items for 2013, 2014 and 2015 include one-off or non-trading items, such as profit/loss on disposals of fixed assets (surplus plant and equipment), pension deficit reduction payments relating to the allocated defined benefit pension costs for which the Group is not liable going forward, transaction costs relating to the separation of the Group from the HeidelbergCement Group, restructuring expenses incurred in connection with programmes to reduce costs and improve operating efficiencies and impairment expense/credit.
[5] Cash conversion is calculated as (EBITDA – Capex) divided by EBITDA.
[6] The Group's range of manufactured masonry products has been compared to the range of manufactured masonry products of the Group's five key competitors in bricks and blocks, being Ibstock, H+H, Michelmersh, Tarmac and Wienerberger.
[7] The Group's market share and market position in Great Britain are based on the Group's existing brick production capacity compared to the Directors' estimates of brick production capacity of the Group's key competitors in Great Britain in 2015, being Ibstock, Michelmersh and Wienerberger. The calculation does not account for other smaller competitors of the Group in Great Britain, which the Directors believe have a significantly smaller production capacity. The Group's brick production capacity includes manufacturing of the Group's Fletton bricks, extruded bricks (which include the Group's special shaped bricks) and soft mud bricks. Ibstock's, Michelmersh's and Wienerberger's brick production capacity in Great Britain includes the manufacture of its extruded bricks (including special shaped bricks) and soft mud bricks.
[8] The Group's market share and market position in Great Britain are based on estimates of annual production capacity of the Group and its key aircrete block competitors in Great Britain in 2015, being H+H, Tarmac and Thomas Armstrong, prepared by BDS Marketing Research Ltd. The calculation does not account for other smaller competitors of the Group in Great Britain, which the Directors believe have a significantly smaller production capacity.
[9] The Group's market share and market position in the South East and East of England are based on estimates of annual production capacity of the Group and its key aggregate block competitors in the South East and East of England in 2015, being CEMEX, Lignacite and Tarmac, prepared by BDS Marketing Research Ltd. The calculation does not account for other smaller competitors of the Group in the South East and East of England, which the Directors believe have a significantly smaller production capacity.
[10] Average production capacity of each company calculated as the Directors' estimates of total production capacity of that company in 2015 divided by the total number of brick facilities held by such company in the UK.
[11] LTM means last twelve months.

DISCLAIMERS

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by Deutsche Bank AG, London Branch solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000, as amended.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

Neither this announcement, the publication in which it is contained nor any copy of it may be made or transmitted into the United States of America (including its territories or possessions, any state of the United States of America and the District of Columbia) (the "**United States**"). The securities referred to herein have not been and will not be registered under the applicable securities laws of the United States and, subject to certain exceptions, may not be offered or sold within the United States. There will be no public offering of such securities in the United States.

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This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, the securities referred to herein to any person in any jurisdiction, including the United States, Australia, Canada, Japan or South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

This announcement is only addressed to and directed at persons in member states of the European Economic Area ("**EEA**") who are qualified investors ("**Qualified Investors**") within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71 /EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State of the EEA) and any implementing measure in each relevant member state of the EEA (the "**Prospectus Directive**"). Any investment or investment activity to which this announcement relates is available only to and will only be engaged in with such persons.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance.

The Company, the Selling Shareholder and each of Deutsche Bank, Credit Suisse and Citigroup and their respective affiliates (together, the "**Banks**") and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Any purchase of Ordinary Shares in the proposed Offer should be made solely on the basis of the information contained in the final Prospectus. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change. This announcement has not been approved by any competent regulatory authority.

The Offer timetable, including the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that Admission will occur and you should not base your financial decisions on the Company's intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all or part of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offer. The value of

Ordinary Shares can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Offer for the person concerned. Past performance cannot be relied upon as a guide to future performance.

Credit Suisse and Citigroup are authorised by the Prudential Regulation Authority (the "**PRA**") and regulated by the FCA and the PRA in the United Kingdom. Deutsche Bank AG is regulated by Germany's Federal Financial Supervisory Authority, BaFin, and is also authorised by the PRA, but may only be subject to limited regulation by the FCA and the PRA and is acting through its London branch. Each Bank is acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person as their respective clients in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offer, each of the Banks and any of their respective affiliates, acting as investors for their own accounts, may purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Ordinary Shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of the Banks and any of their affiliates acting as investors for their own accounts. In addition, certain of the Banks or their affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Ordinary Shares. None of the Banks intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Banks or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of, the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offer, Deutsche Bank as "Stabilising Manager", or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect other transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the price at which each Share is to be issued or sold under the Offer (the "**Offer Price**"). Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 15% of the total number of Ordinary Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Ordinary Shares effected by it during the stabilising period, the Selling Shareholder will grant the Stabilising Manager an over-allotment option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Ordinary Shares up to a maximum of 15% of the total number of Ordinary Shares comprised in the Offer (the "**Over-allotment Shares**") at the Offer Price. The over-allotment option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the over-allotment option will rank pari passu in all respects with the Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares, will be purchased on the same terms and conditions as the Ordinary Shares being issued or sold in the Offer and will form a single class for all purposes with the other Ordinary Shares.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.