

Robotti & Company Sues Warburg Pincus and JLL Partners in Connection with Highly Dilutive Offer for Builders FirstSource, Inc.

Complaint Alleges JLL Partners and Warburg Pincus LLC Seek Self-Enrichment at the Expense of Minority Shareholders

WILMINGTON, Del., Sept. 24 /PRNewswire/ -- Robotti & Company, LLC and its affiliates (the "Robotti Companies") have been appointed to lead an investor lawsuit filed in response to a recapitalization plan for Builders FirstSource, Inc. proposed by JLL Partners Equity IX, LP and Warburg Pincus Private Equity IX, L.P. The proposed plan by JLL and Warburg would dilute the interests of all shareholders by issuing over 95 million shares of new stock at just \$2.00 per share, substantially devaluing the remaining outstanding shares of common stock held by public investors. The Robotti Companies own or control over 1.2 million shares of Builders FirstSource, or almost 7% of the outstanding stock held by the non-controlling public.

"We believe that this highly dilutive plan offered by the two largest stakeholders is not in the best interest of Builders FirstSource or its outside stockholders," said Robert E. Robotti, president of Robotti Company Advisors, managing member of Ravenswood Management Company, LLC. "This is a low ball deal proposed by JLL and Warburg to further increase the proportion of equity they own in the company at the expense of outside minority shareholders."

According to the complaint, filed with the Court of Chancery in Delaware, the Robotti Companies allege that JLL Partners and Warburg Pincus purchased almost 35% of Builders FirstSource's outstanding debt at highly discounted rates, and now are attempting to use this leverage to force Builders FirstSource to agree to a recapitalization plan that not only will provide them a windfall profit on their debt purchases, but also will increase their equity stake in the company while diluting the non-controlling stockholders.

"This is an opportunistic play, and has needlessly crushed the value of Builders FirstSource's outstanding stock," Mr. Robotti explained, questioning the need for any recapitalization plan at all. "Indeed, a little over a month before JLL and Warburg announced their drastic recapitalization proposal, Builders FirstSource's CEO said that the company had 'adequate liquidity' to execute its business plans, with over \$112 million in cash on hand," continued Mr. Robotti, quoting statements made by Builders FirstSource CEO Floyd F. Sherman in connection with the release of the company's second quarter results on July 23, 2009.

JLL and Warburg currently own approximately 50 percent of the outstanding common stock of Builders FirstSource and have six of their own employees appointed to the company's ten member Board of Directors. Immediately following the announcement of the proposal on September 1, 2009, share prices in Builders FirstSource fell drastically from \$7.69 per share to \$4.27 per share, a loss of over 46%.

The Robotti Companies have retained leading securities litigation and corporate governance law firm Grant & Eisenhofer, P.A. to represent them.

Note: Robotti & Company is a diversified financial services boutique that has been in the securities business since 1983. The company prides itself on its disciplined bottom-up

research orientation. Registered investment adviser Robotti & Company Advisors, LLC, offers personalized investment management targeted to the client's long-term equity investment needs. Robotti & Company, LLC, specializes in applying research methodology in identifying undervalued securities as well as providing clients with first rate trading desk execution capabilities. Bob Robotti is principal of the company and is affiliated with the general partner and managing member of several investment partnerships.

Grant & Eisenhofer is nationally recognized as a leading representative of public and private institutional investors who have been damaged by corporate fraud, greed and mismanagement. The firm has recovered more than \$12 billion for investors in the last five years. G&E has been lead counsel in some of the largest securities class actions in history and served as lead counsel in the case with the largest recovery in the history of the Delaware Court of Chancery. G&E has been selected among The National Law Journal's "Plaintiffs' Hot List" for the past four years, and is a member of its Hall of Fame. Risk Metrics named Grant & Eisenhofer the Number 1 law firm in average shareholder recoveries in securities class actions in 2007 and 2008. For more information, visit

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