

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

BlueLinx Holdings Inc.

CIK: **1301787** | IRS No.: **000000000** | State of Incorporation: **DE** | Fiscal Year End: **0101**
Type: **8-K** | Act: **34** | File No.: **001-32383** | Film No.: **05675075**
SIC: **5031** Lumber, plywood, millwork & wood panels

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Business Address

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 10, 2005

BLUELINX HOLDINGS INC.

(Exact name of registrant specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

001-32383
(Commission
File Number)

77-0627356
(I.R.S. Employer
Identification No.)

4300 Wildwood Parkway, Atlanta, Georgia
(Address of principal executive offices)

30339
(Zip Code)

Registrant's telephone number, including area code: (770) 953-7000

Not applicable
(Former name or former address, if changed since last report.)

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 conditions:

- 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))

Item 2.02 Results of Operations and Financial Condition

On March 10, 2005, BlueLinx Holdings Inc. (“BlueLinx”) issued a press release announcing its unaudited financial results for the fourth quarter and fiscal year ended January 1, 2005. A copy of BlueLinx’ s press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

On March 10, 2005, as previously announced, BlueLinx held a teleconference and audio webcast to discuss its fourth quarter 2004 and unaudited year-end financial results. The webcast will be archived for three months and can be accessed via BlueLinx’ s website at www.BlueLinxCo.com. Additionally, BlueLinx has posted slides at its website, under the investor relations page, which were referenced during the audio webcast. These slides are furnished as Exhibit 99.2 hereto. All information on the slides and in the webcast is presented as of March 10, 2005, and BlueLinx does not assume any obligation to update such information in the future.

To supplement GAAP financial statements in the press release and webcast slides, BlueLinx uses non-GAAP, or pro forma measures of operating results. This non-GAAP, or pro forma financial information is provided as additional information for investors and is not in accordance with or an alternative to GAAP. These adjusted results exclude certain costs, expenses, gains and losses, and we believe their exclusion can enhance an overall understanding of the Company’ s past financial performance and also the Company’ s prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of the operating performance of the Company as opposed to GAAP results, which may include non-recurring, infrequent or other non-cash charges that are not material to the ongoing performance of the Company’ s business. Company management uses these non-GAAP and pro forma results as a basis for planning and forecasting core business activity in future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net earnings, diluted earnings per share or net cash provided by (used in) operating activities prepared in accordance with generally accepted accounting principles in the United States.

The information included in this Item 2.02, as well as Exhibits 99.1 and 99.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press release, dated March 10, 2005, reporting unaudited financial results for the fourth quarter and fiscal year ended January 1, 2005

99.2 Webcast conference call slides used during webcast conference call on March 10, 2005

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.

BLUELINX HOLDINGS INC.

By: /s/ Charles H. McElrea

Charles H. McElrea
Chief Executive Officer

Dated: March 11, 2005

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Name</u>
99.1	Press release, dated March 10, 2005, reporting unaudited financial results for the fourth quarter and fiscal year ended January 1, 2005
99.2	Webcast conference call slides used during webcast conference call on March 10, 2005

(BLUELINX LOGO)

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FOR IMMEDIATE RELEASE

BLUELINX ANNOUNCES FOURTH QUARTER RESULTS

ATLANTA, GA, March 10, 2005 - BlueLinx Holdings Inc. (NYSE: BXC), a leading distributor of building products in North America, today reported unaudited financial results for the fourth quarter and full year ended January 1, 2005.

As Reported Results

As reported sales for the quarter ended January 1, 2005 were \$1.2 billion, up 3.4% from last year's fourth quarter. Unit volume increased 9.4% over the prior year fourth quarter. Gross profit for the fourth quarter decreased to \$101.4 million from \$118.7 million in the prior-year period due to a significant decline in prices for structural products. Operating income was \$4.8 million versus \$16.8 million in the fourth quarter of 2003, reflecting lower gross profit partially offset by lower operating expenses. This reduction in operating expenses was primarily the result of lower sales commissions and reduced incentive compensation related to lower gross margins and reduced operating results for the quarter ended January 1, 2005. Net loss applicable to common stockholders for the quarter was \$(7.1) million compared to net income of \$10.1 million last year. The Company's net income of \$10.1 million for the fourth quarter of 2003 was achieved as a division of Georgia-Pacific Corporation and did not include interest expense, preferred stock dividends and certain corporate overhead expenses that are included in the results for the quarter ended January 1, 2005 (see attached pro forma statements and discussion below for a more comparable prior period comparison). The net loss applicable to common stockholders for the quarter ended January 1, 2005 includes the write-off of debt issuance costs of \$2.9 million pre-tax, or \$1.8 million after tax, associated with the \$100 million term loan paid off with proceeds from the Company's initial public offering of its common stock, on December 14, 2004.

For the year ended January 1, 2005, as reported revenue rose 30.1% to \$5.6 billion from \$4.3 billion. Unit volume increased 8.2% versus the prior year. Gross profit rose to \$560.4 million in fiscal 2004 from \$457.5 million in 2003. Operating income was \$156.6 million for fiscal 2004 versus \$91.4 million in the prior-year period. Net income for the year was \$76.3 million versus \$56.2 million in fiscal 2003.

On a per-share basis, the as reported loss applicable to common stockholders for the quarter ended January 1, 2005 was \$(0.34). Earnings per share for fiscal 2004 and for the prior-year periods is not available as a result of the business operating for much of that period as a division of Georgia-Pacific.

EPS Reconciliation

Pro forma net loss for the quarter ended January 1, 2005, as discussed more fully below, was \$(2.7) million, or \$(0.09) per share. A table presenting the reconciliation of earnings per share from an as reported basis to pro forma basis is attached to this release.

Basis of Presentation

This release provides unaudited financial statements for the fourth quarter of 2004, a 13-week period ended January 1, 2005 and the fourth quarter of 2003, a 14-week period ended January 3, 2004, on an as reported basis. In addition, this release provides the statement of operations for both periods on a pro forma basis.

This release also provides unaudited financial statements for fiscal 2004, a 52-week period ended January 1, 2005, and fiscal 2003, a 53-week period ended January 3, 2004 on an as reported basis, as well as a statement of operations for both periods on a pro forma basis.

“As reported” is defined as the presentation of financial statements in conformity with generally accepted accounting principles in the U.S. (GAAP) for the quarters ended January 1, 2005 and January 3, 2004, and for the 53-week period ended January 3, 2004. For the 52-week period ended January 1, 2005, “as reported” refers to the GAAP results for the pre-acquisition period from January 4, 2004 to May 7, 2004 and for the “from inception” period, from March 8, 2004 to January 1, 2005, presented, for purposes of clarity, on a combined basis. Attached to this release are reconciliation schedules showing the GAAP financial statements for the pre-acquisition period and the from inception period, separately, and then on a combined basis.

Pro forma results reflect the May 7, 2004 acquisition by the Company of the real estate and operating assets of the building products distribution division of Georgia-Pacific Corporation and the Company’s subsequent initial public offering on December 14, 2004 and related refinancing as if they had all occurred on December 29, 2002. Detailed reconciliations of all pro forma adjustments to as reported results are included in a presentation, to be read in conjunction with this release, which can be found on the BlueLinx web site at www.BlueLinxCo.com.

For purposes of discussion and analysis, this release examines results for the quarter and the full year compared to prior-year periods on a pro forma basis. Earnings per share is calculated using 30.2 million shares, including the 685,000 shares issued pursuant to the exercise of the underwriters’ over-allotment option.

Pro Forma Quarterly Results

For the quarter ended January 1, 2005, sales were \$1.2 billion, up 3.4% from last year’s fourth quarter. This increase was driven by 9.4% growth in unit volume, partially offset by the impact of the one-week shorter reporting period in the fourth quarter of fiscal 2004 versus fiscal 2003.

Gross profit for the fourth quarter was \$101.4 million compared to \$121.1 million in the prior year period. The decline in gross profit is primarily due to the significant decline in structural product prices. From the end of the third quarter to their fourth quarter lows, prices for oriented strand board declined by 31%, plywood declined by 38%, and lumber fell by 18%. Prices then staged a moderate recovery from Thanksgiving week through year-end, but on thin holiday volume and, therefore, provided limited favorable impact on fourth quarter gross margins. Operating income for the quarter was \$4.8 million, versus \$16.4 million in the fourth quarter of 2003, reflecting the decline in gross profit, partially offset by a reduction in operating expenses of \$8.1 million. The reduction in expenses was primarily the result of lower sales commissions and reduced incentive compensation expense related to lower gross margins and reduced operating results, as well as the shorter 2004 fiscal period. Net loss for the quarter was \$(2.7) million, or \$(0.09) per share, compared to net income of \$4.9 million, or \$0.16 per share, last year.

Pro Forma Fiscal Year Results

For the year ended January 1, 2005, revenue rose 30.1% or \$1.3 billion to \$5.6 billion from \$4.3 billion in the comparable period last year. This growth was driven by an 8.2% rise in unit volume and significantly higher product prices.

Gross profit increased 24.4% to \$563.8 million from \$453.2 million in 2003, primarily reflecting higher sales revenue, partially offset by a 0.5 percentage point decline in the Company's gross profit margin, from 10.6% in 2003 to 10.1% in 2004. Operating income was \$163.5 million for fiscal 2004 versus \$77.6 million in the prior-year period, reflecting the gross profit increase partially offset by higher operating expenses primarily associated with additional unit volume. Net income for the year increased to \$74.6 million, or \$2.47 per share, from \$26.9 million, or \$0.89 per share.

Balance Sheet

Cash and cash equivalents stood at \$15.6 million as of January 1, 2005. Including amounts maturing within one year, the Company's long-term debt stood at \$652.1 million and consisted of a mortgage note in the amount of \$165.0 million, and a revolving credit facility balance of \$487.1 million. Accounts receivable increased by \$70.8 million, to \$363.7 million, reflecting increased sales revenue per week in December 2004 versus December 2003. Inventories rose by \$194.1 million, to \$500.2 million, primarily reflecting higher sales in the current period and the decision by BlueLinx to change to a FIFO from LIFO basis for inventory accounting following the separation from Georgia-Pacific, which caused inventories to increase by \$32.0 million. Additionally, the inventory balance was impacted by a build-up in internationally-sourced products, which resulted from a decline in demand for such products in the second half of 2004. Year-end inventory levels were higher than normal, which resulted in a higher draw-down on the Company's revolving credit facility. Accounts payable increased by \$160.1 million, to \$270.3 million, reflecting increased business volume and the Company's separation from Georgia-Pacific.

In commenting on these results, Chuck McElrea, chief executive officer, stated "BlueLinx had an outstanding 2004. Generating strong earnings while being sold by our former parent and then becoming a public company is testament to our ability to execute our growth strategies." Mr. McElrea continued, "Our fourth quarter results indicate the seasonal nature of our business and industry. Despite the slowdown in growth of our end-use markets to 1.8%, we successfully grew our unit volumes by 9.4%. These market share gains reflect our focus on targeted accounts, under-represented market segments, and solutions-based selling. In 2005, we expect to continue executing these growth strategies."

Initial Public Offering

On December 14, 2004, BlueLinx consummated an initial public offering of 9.5 million shares of its common stock, par value \$0.01 per share, at an offering price of \$13.50 per share. The Company received net proceeds of approximately \$124.1 million, including the sale, on January 5, 2005, of an additional 685,000 common shares following the exercise of the underwriters' over-allotment option. The proceeds were used to redeem all remaining outstanding shares of BlueLinx series A preferred stock and pay down our term loan in the amount of \$100 million.

Dividend

The BlueLinx Board of Directors has declared a \$0.125 dividend on its common shares for the quarter ended January 1, 2005, payable on March 31, 2005 to shareholders of record on March 20, 2005.

Conference Call

BlueLinx will host a conference call today at 10:00 a.m. Eastern Time accompanied by a supporting slide presentation. Investors may listen to the conference call and download the presentation by going to the Investor Relations page of the BlueLinx web site, at www.BlueLinxCo.com. Investors will also be able to access an

encore recording of the conference call for one week by calling 706-645-9291, Conference ID# 3988246. The recording will be available two hours after the conference call has concluded. Investors may, alternatively, access a recording of this call on the BlueLinx web site - where a replay of the webcast will be available for 90 days.

About BlueLinx Holdings Inc.

Headquartered in Atlanta, Georgia, BlueLinx Holdings Inc., operating through its wholly owned subsidiary BlueLinx Corporation, is a leading distributor of building products in North America. Employing more than

3,400 people in North America, BlueLinx offers 10,000 products from over 750 suppliers to service more than 11,700 customers nationwide, including dealers, industrial manufacturers, manufactured housing producers and home improvement retailers. The Company operates its distribution business from sales centers in Atlanta and Denver, and its network of more than 60 warehouses. Additional information about BlueLinx can be found on its web site at www.BlueLinxCo.com.

Forward-looking Statements

This press release includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All of these forward-looking statements are based on estimates and assumptions made by our management that, although believed by BlueLinx to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of its control, that may cause its business, strategy or actual results to differ materially from the forward-looking statements. These risks and uncertainties may include, among other things: changes in the supply and/or demand for products which we distribute; the activities of competitors; changes in significant operating expenses; changes in the availability of capital; the ability to identify acquisition opportunities and effectively and cost-efficiently integrate acquisitions; general economic and business conditions in the United States; acts of war or terrorist activities; variations in the performance of the financial markets; and other factors described in the “Risk Factors” section in the Company’s prospectus filed with the SEC on December 15, 2004 (File No. 333-118750), and in its periodic reports filed with the SEC from time to time. Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements. BlueLinx undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law.

- Tables to Follow -

BlueLinx Holdings Inc.As Reported Statements of Operations
in thousands, except per share data

	Quarters Ended		Years Ended	
	BlueLinx January 1, 2005	Pre-acquisition Period January 3, 2004	BlueLinx (Combined) January 1, 2005	Pre-acquisition Period January 3, 2004
Statement of Operations Data:				
Net sales	\$ 1,207,627	\$ 1,168,250	\$ 5,558,154	\$ 4,271,842
Cost of sales	1,106,203	1,049,579	4,997,713	3,814,375
Gross profit	101,424	118,671	560,441	457,467
Operating expenses:				
Selling, general, and administrative expenses	92,692	97,102	387,494	346,585
Depreciation and amortization	3,895	4,781	16,307	19,476
Total operating expenses	96,587	101,883	403,801	366,061
Operating income (loss)	4,837	16,788	156,640	91,406
Other expenses (income):				
Interest expense	11,057	–	28,765	–
Write-off debt issue costs	2,871	–	2,871	–
Other expense (income), net	(482)	73	98	376
Income (loss) before provision (benefit) for income taxes	(8,609)	16,715	124,906	91,030
Provision (benefit) for income taxes	(2,803)	6,579	48,563	34,877
Net income (loss)	<u><u>\$ (5,806)</u></u>	<u><u>\$ 10,136</u></u>	<u><u>\$ 76,343</u></u>	<u><u>\$ 56,153</u></u>
Less: preferred stock dividends	1,255	–		
Net income (loss) applicable to common stockholders	<u><u>\$ (7,061)</u></u>			
Basic and diluted weighted average number of common shares outstanding	<u><u>20,507</u></u>			
Basic and diluted net income (loss) per share applicable to common stock	<u><u>\$ (0.34)</u></u>			

BlueLinx Holdings Inc.As Reported Statements of Cash Flows
in thousands

	Quarters Ended		Years Ended	
	BlueLinx January 1, 2005	Pre-acquisition Period January 3, 2004	BlueLinx (Combined) January 1, 2005	Pre-acquisition Period January 3, 2004
Cash flows from operating activities:				
Net income (loss)	\$ (5,806)	\$ 10,137	\$ 76,343	\$ 56,153
Adjustments to reconcile net income (loss) to cash provided by operations:				
Depreciation and amortization	3,895	4,781	16,307	19,476
Amortization of debt issue costs	1,108	–	2,323	–
Write-off of debt issue costs for term loan	2,871	–	2,871	–
Deferred income tax benefit	(554)	958	3,801	4,598
Changes in assets and liabilities:				
Receivables	157,747	105,999	(70,821)	(53,654)
Inventories	2,476	24,801	(158,769)	3,391
Accounts payable	(60,591)	(52,806)	160,078	17,683
Changes in other working capital	(18,813)	11,810	(10,692)	11,078
Other	2,272	2,907	1,823	850
Net cash provided by operating activities	<u>\$ 84,605</u>	<u>\$ 108,587</u>	<u>\$ 23,264</u>	<u>\$ 59,575</u>
Cash flows from investing activities:				
Acquisition of real estate and operating assets of division	(47,023)	–	(823,330)	–
Property, plant, and equipment investments	(8,082)	(2,510)	(11,137)	(5,404)
Proceeds from sale of assets	72	118	349	1,342
Cash used for investing activities	<u>\$(55,033)</u>	<u>\$ (2,392)</u>	<u>\$(834,118)</u>	<u>\$ (4,062)</u>
Cash flows from financing activities:				
Net transactions with Georgia-Pacific Corporation	–	(112,845)	88,352	(62,728)
Preferred stock, net	(100,226)	–	(5,226)	–
Issuance of common stock, net	115,513	–	120,513	–
Net increase in revolving credit facility	13,596	–	487,103	–
Other long-term debt, net	(35,000)	–	165,000	–
Fees paid to issue debt	(5,898)	–	(21,236)	–
Increase (decrease) in bank overdrafts	(25,090)	6,813	(8,586)	7,566
Net cash provided by (used in) financing activities	<u>\$(37,105)</u>	<u>\$ (106,032)</u>	<u>\$ 825,920</u>	<u>\$ (55,162)</u>
Increase (decrease) in cash	(7,533)	163	15,066	351
Balance, beginning of period	23,105	–	506	155
Balance, end of period	<u>\$ 15,572</u>	<u>\$ 163</u>	<u>\$ 15,572</u>	<u>\$ 506</u>
Supplemental Cash Flow Information				
Income taxes paid for the period	<u>\$ 8,207</u>	<u>\$ 6,196</u>	<u>\$ 45,387</u>	<u>\$ 30,279</u>
Interest paid during the period	<u>\$ 12,146</u>	<u>\$ –</u>	<u>\$ 25,351</u>	<u>\$ –</u>

BlueLinx Holdings Inc.
As Reported Balance Sheets
in thousands

	<u>BlueLinx</u> <u>January 1,</u> <u>2005</u>	<u>Pre-acquisition Period</u> <u>January 3,</u> <u>2004</u>
Assets:		
Cash	\$ 15,572	\$ 506
Receivables	363,688	292,867
Inventories:		
Finished goods	500,231	338,138
UFO reserve	-	(31,979)
	<u>500,231</u>	<u>306,159</u>
Deferred income tax assets, current	6,122	1,446
Other current assets	34,203	14,572
	<u>919,816</u>	<u>615,550</u>
Property, plant, and equipment:		
Land and land improvements	55,573	116,556
Buildings	93,133	193,590
Machinery and equipment	41,063	191,878
Construction in progress	5,089	18
Property, plant, and equipment, at cost	<u>194,858</u>	<u>502,042</u>
Accumulated depreciation	(7,880)	(300,951)
Property, plant, and equipment, net	<u>186,978</u>	<u>201,091</u>
Other non-current assets	30,268	3
	<u>1,137,062</u>	<u>816,644</u>
Total assets		
Liabilities :		
Current liabilities:		
Accounts payable	270,271	110,193
Bank overdrafts	32,033	40,619
Accrued compensation	18,292	15,963
Current maturities of long-term debt	94,103	-
Other current liabilities	13,142	6,103
	<u>427,841</u>	<u>172,878</u>
Total current liabilities		
Noncurrent liabilities:		
Long-term debt	558,000	-
Deferred income taxes	740	3,792
Other long-term liabilities	8,989	2,901
	<u>995,570</u>	<u>179,571</u>
Total liabilities		

BlueLinx Holdings Inc.
Pro Forma Statements of Operations
in thousands, except per share data

	Proforma			
	Quarters Ended		Years Ended	
	January 1, 2005	January 3, 2004	January 1, 2005	January 3, 2004
Statement of Operations Data:				
Net sales	\$ 1,207,627	\$ 1,168,250	\$ 5,558,154	\$ 4,271,842
Cost of sales	1,106,203	1,047,116	4,994,386	3,818,676
Gross profit	<u>101,424</u>	<u>121,134</u>	<u>563,768</u>	<u>453,166</u>
Operating expenses:				
Selling, general, and administrative expenses	92,692	100,593	384,781	359,904
Depreciation and amortization	3,895	4,130	15,487	15,638
Total operating expenses	<u>96,587</u>	<u>104,723</u>	<u>400,268</u>	<u>375,542</u>
Operating income (loss)	4,837	16,411	163,500	77,624
Other expenses (income):				
Interest expense	9,924	8,146	37,679	31,895
Write-off of debt issue costs	-	-	-	-
Other expense (income), net	<u>(482)</u>	<u>73</u>	<u>98</u>	<u>376</u>
Income before provision (benefit) for income taxes	(4,605)	8,192	125,723	45,353
Provision (benefit) for income taxes	<u>(1,874)</u>	<u>3,333</u>	<u>51,170</u>	<u>18,459</u>
Net income (loss)	<u>\$(2,731)</u>	<u>\$ 4,859</u>	<u>\$ 74,553</u>	<u>\$ 26,894</u>
Less: preferred stock dividends	-	-	-	-
Net income (loss) applicable to common stockholders	<u>\$(2,731)</u>	<u>\$ 4,859</u>	<u>\$ 74,553</u>	<u>\$ 26,894</u>
Basic weighted average number of common shares outstanding	<u>30,185</u>	<u>30,185</u>	<u>30,185</u>	<u>30,185</u>
Basic net income (loss) per share applicable to common stock	<u>\$(0.09)</u>	<u>0.16</u>	<u>\$ 2.47</u>	<u>\$ 0.89</u>
Diluted weighted average number of common shares outstanding	<u>30,185</u>	<u>30,185</u>	<u>30,185</u>	<u>30,185</u>
Diluted net income (loss) per share applicable to common stock	<u>\$(0.09)</u>	<u>0.16</u>	<u>\$ 2.47</u>	<u>\$ 0.89</u>

BlueLinx Holdings Inc.
 Statements of Operations
 As Reported Reconciliation
 in thousands, except per share data

	<u>BlueLinx</u> <u>Period from</u> <u>Inception</u> <u>(March 8, 2004)</u> <u>to</u> <u>January 1, 2005</u>	<u>Pre-acquisition Period</u> <u>Period from</u> <u>January 4, 2004</u> <u>to</u> <u>May 7, 2004</u>	<u>Combined</u> <u>Year Ended</u> <u>January 1,</u> <u>2005</u>
Net sales	\$ 3,672,820	\$ 1,885,334	\$ 5,558,154
Cost of sales	3,339,590	1,658,123	4,997,713
Gross profit	<u>333,230</u>	<u>227,211</u>	<u>560,441</u>
Operating expenses:			
Selling, general, and administrative	248,291	139,203	387,494
Depreciation and amortization	10,132	6,175	16,307
Total operating expenses	<u>258,423</u>	<u>145,378</u>	<u>403,801</u>
Operating income	74,807	81,833	156,640
Non-operating expenses (income):			
Interest expense	28,765	-	28,765
Write-off of debt issue costs	2,871	-	2,871
Other expense (income), net	(516)	614	98
Income before income taxes	43,687	81,219	124,906
Provision for income taxes	<u>17,781</u>	<u>30,782</u>	<u>48,563</u>
Net income	<u>\$ 25,906</u>	<u>\$ 50,437</u>	<u>\$ 76,343</u>
Less: Preferred stock dividends	5,226		
Net income (loss) applicable to common stockholders	<u>\$ 20,680</u>		
Basic weighted average number of common shares outstanding	<u>19,006</u>		
Basic net income (loss) per share applicable to common stock	<u>\$ 1.09</u>		
Diluted weighted average number of common shares outstanding	<u>20,296</u>		
Diluted net income (loss) per share applicable to common stock	<u>\$ 1.02</u>		

BlueLinx Holdings Inc.
Statements of Cash Flows
As Reported Reconciliation
in thousands

	<u>BlueLinx</u> Period from Inception (March 8, 2004) to January 1, 2005	<u>Pre-acquisition Period</u> Period from January 4, 2004 to May 7, 2004	<u>Combined</u> Year Ended January 1, 2005
Cash flows from operating activities:			
Net Income	\$ 25,906	\$ 50,437	\$ 76,343
Adjustments to reconcile revenues in excess of direct expenses to cash provided by operations:			
Depreciation and amortization	10,132	6,175	16,307
Amortization of debt issue costs	2,323	-	2,323
Write-off of debt issue costs for term loan	2,871	-	2,871
Deferred income tax provision (benefit)	(5,382)	9,183	3,801
Changes in assets and liabilities:			
Receivables	221,529	(292,350)	(70,821)
Inventories	(13,080)	(145,689)	(158,769)
Accounts payable	(97,694)	257,772	160,078
Changes in other working capital	(13,156)	2,464	(10,692)
Other	3,797	(1,974)	1,823
Net cash provided by (used in) operating activities	<u>\$ 137,246</u>	<u>\$ (113,982)</u>	<u>\$ 23,264</u>
Cash flows from investing activities:			
Acquisition of operating assets of division	(823,330)	-	(823,330)
Property, plant, and equipment investments	(9,759)	(1,378)	(11,137)
Proceeds from sale of assets	97	252	349
Net cash used in investing activities	<u>\$ (832,992)</u>	<u>\$ (1,126)</u>	<u>\$ (834,118)</u>
Cash flows from financing activities:			
Net transactions with Georgia-Pacific Corporation	-	88,352	88,352
Preferred stock, net	(5,226)	-	(5,226)
Issuance of common stock, net	120,513	-	120,513
Net increase in revolving credit facility	487,103	-	487,103
Other long-term debt, net	165,000	-	165,000
Fees paid to issue debt	(21,236)	-	(21,236)
Increase (decrease) in bank overdrafts	(34,836)	26,250	(8,586)
Net cash provided by financing activities	<u>\$ 711,318</u>	<u>\$ 114,602</u>	<u>\$ 825,920</u>
Increase (decrease) in cash	15,572	(506)	15,066
Balance, beginning of period	-	506	506
Balance, end of period	<u>\$ 15,572</u>	<u>\$ -</u>	<u>\$ 15,572</u>
Supplemental Cash Flow Information			
Income taxes paid for the period	<u>\$ 23,446</u>	<u>\$ 21,941</u>	<u>\$ 45,387</u>
Interest paid during the period	<u>\$ 25,351</u>	<u>\$ -</u>	<u>\$ 25,351</u>

BlueLinx Holdings Inc.Diluted Net Income (Loss) Per Share
As Reported/Pro Forma Reconciliation

	<u>Quarter Ended</u> January 1, 2005	<u>Notes</u>
As Reported	\$ (0.34)	Reflects 4th quarter diluted shares outstanding of 20,507,000
Adjustments for:		
Current number of shares outstanding	<u>0.11</u>	Reflects current 30,185,000 shares outstanding
	(0.23)	
Change in interest expense	0.02	Reflects lower cost of debt following the IPO and mortgage transactions
Write off of debt issue cost	0.06	Reflects write off of debt issue cost associated with the repaid term loan
Change in effective tax rate	0.02	Primarily reflects fourth quarter adjustments for non deductible expenses
Elimination of preferred stock dividend	<u>0.04</u>	Reflects preferred stock redeemed as part of IPO
Pro Forma	<u>(0.09)</u>	



**BlueLinx Fourth Quarter
Fiscal Year 2004
Financial Review**

David Morris, CFO & Treasurer

Safe Harbor Statement and Use of Non-GAAP and Pro Forma Information

Forward-Looking Statement Safe Harbor - This presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All of these forward-looking statements are based on estimates and assumptions made by our management that, although believed by BlueLinx to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of its control, that may cause its business, strategy or actual results to differ materially from the forward-looking statements. These risks and uncertainties may include, among other things: changes in the supply and/or demand for products which we distribute; the activities of competitors; changes in significant operating expenses; changes in the availability of capital; the ability to identify acquisition opportunities and effectively and cost-efficiently integrate acquisitions; general economic and business conditions in the United States; acts of war or terrorist activities; variations in the performance of the financial markets; and other factors described in the "Risk Factors" section in the Company's prospectus filed with the SEC on December 15, 2004 (File No. 333-118750), and in its periodic reports filed with the SEC from time to time. In addition, the statements in this presentation are made as of March 10, 2005. The Company expects that subsequent events or developments will cause its views to change. The Company undertakes no obligation to update any of the forward-looking statements made herein, whether as a result of new information, future events, changes in expectation or otherwise. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to March 10, 2005.

Use of Non-GAAP and Pro Forma Financial Information - To supplement GAAP financial statements, the Company uses non-GAAP, or pro forma measures of operating results. This non-GAAP, or pro forma financial information is provided as additional information for investors and is not in accordance with or an alternative to GAAP. These adjusted results exclude certain costs, expenses, gains and losses, and we believe their exclusion can enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of the operating performance of the Company as opposed to GAAP results, which may include non-recurring, infrequent or other non-cash charges that are not material to the ongoing performance of the Company's business. Company management uses these non-GAAP and pro forma results as a basis for planning and forecasting core business activity in future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net earnings, diluted earnings per share or net cash provided by (used in) operating activities prepared in accordance with generally accepted accounting principles in the United States.

BlueLinx Holdings Inc. End-Use Market Trends

Blu

	<u>Weight</u>	<u>4Q04</u>	<u>4Q03</u>	<u>F2004</u>
Actual Housing Starts (thousands)	50%	454	471	1,950
<i>Percentage change</i>		(3.6%)	16.9%	5.5%
Actual Mobile Homes (thousands)	8%	33	31	130
<i>Percentage change</i>		6.5%	(16.2%)	(0.2%)
Industrial Production (index)	22%	1.17	1.12	1.16
<i>Percentage change</i>		3.6%	1.3%	4.2%
Repair and Remodel (\$ billion)*	15%	168	146	168
<i>Percentage change</i>		14.9%	(9.1%)	6.7%
Non Residential Construction (\$ billion)*	5%	33	33	141
<i>Percentage change</i>		0.3%	0.9%	0.2%
Weighted End-Use Change	100%	1.8%	6.1%	4.7%

Source: Data from Resource Information Systems, Inc. ("RISI") and weighting reflects management estimates.

* Constant 2000 dollar basis

BlueLinx Holdings Inc.
Unit Volume Growth vs. End-Use Market Growth

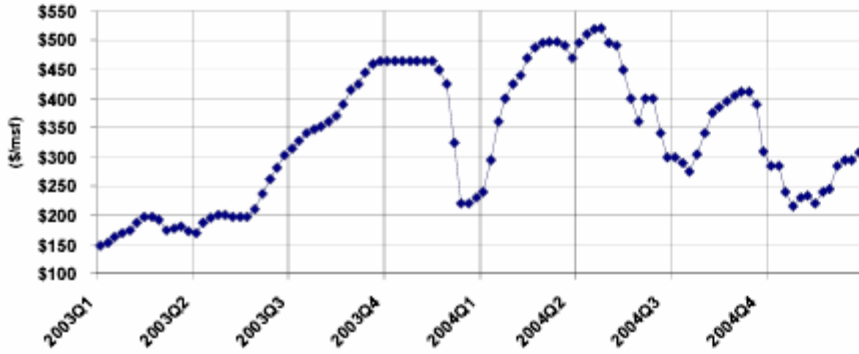
Blu

	<u>4Q04</u>	<u>F2004</u>
BlueLinx Unit Volume Growth	9.4%	8.2%
Weighted End-Use Market Growth	1.8%	4.7%
BlueLinx versus End-Use Market Growth	7.6%	3.5%

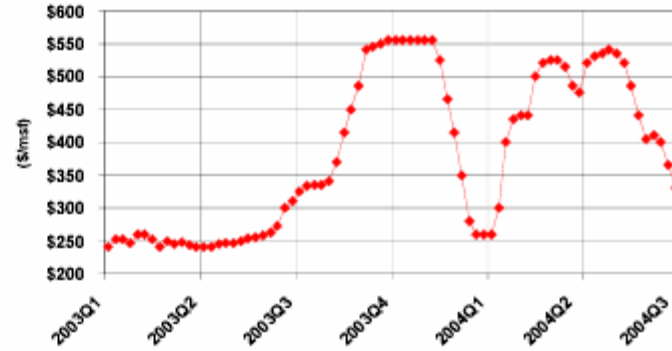
BlueLinx Holdings Inc.

Recent Price Trends

Oriented Strand Board Price Trend 2003-2004
Oriented Strand Board 7/16" North Central Zone



Plywood Price Trend 2003-2004
Southern Sheathing 15/32" 4 Ply, West Zone



Lumber Price Trend 2003-2004
Western SPF 2x4 #2 & Btr



Source: Data from Random Lengths Publications, Inc.

BlueLinx Holdings Inc.

Pro Forma Quarterly Revenue Review

Blu

\$ millions
(unaudited)

	<u>4Q04</u> [*]	<u>4Q03</u> [*]	<u>Increase/ (Decrease)</u>	<u>Perce</u>
Sales by Category				
Structural Products	\$ 663	\$ 693	\$ (30)	(4.3
Specialty Products	566	499	67	13.
Unallocated Allowances and Adjustments	<u>(21)</u>	<u>(24)</u>	<u>3</u>	<u>(11.1</u>
Total Sales	\$ 1,208	\$ 1,168	\$ 40	3.
Variance Analysis				
Unit Volume			111	9.
Price			14	1.
Calendar Adjustment/Other			<u>(85)</u>	<u>(7.2</u>
Total Variance			<u>\$ 40</u>	<u>3.</u>

* See pro forma reconciliation and related footnotes on pages 15-24 of this presentation.

**Unallocated Allowances and Adjustments consists of cash and competitive discounts, Canadian conversion, carve-out adjustments, service revenue and other miscellaneous items.

BlueLinx Holdings Inc. Pro Forma Quarterly Gross Profit

Blu

*\$ millions
(unaudited)*

	<u>4Q04[*]</u>	<u>4Q03[*]</u>	<u>Increase/ (Decrease)</u>	<u>Percent</u>
Sales	\$ 1,208	\$ 1,168	\$ 40	3.4%
Cost of Sales	<u>1,106</u>	<u>1,047</u>	<u>59</u>	<u>5.7%</u>
Gross Profit	<u>\$ 101</u>	<u>\$ 121</u>	<u>\$ (20)</u>	<u>(16.2%)</u>
Gross Margin	8.4%	10.4%	(2.0%)	

* See pro forma reconciliation and related footnotes on pages 15-24 of this presentation.

BlueLinx Holdings Inc.

Pro Forma Quarterly Operating Income

Blu

\$ millions
(unaudited)

	<u>4Q04</u> [*]	<u>4Q03</u> [*]	<u>Increase/ (Decrease)</u>	<u>Percent</u>
Gross Profit	\$ 101.4	\$ 121.1	\$ (19.7)	(16.3%)
Operating Expenses				
SG&A	92.7	100.6	(7.9)	(7.9%)
D&A	<u>3.9</u>	<u>4.1</u>	<u>(0.2)</u>	<u>(5.7%)</u>
Total Operating Expenses	96.6	104.7	(8.1)	(7.8%)
Operating Income	\$ 4.8	\$ 16.4	\$ (11.6)	(70.5%)

* See pro forma reconciliation and related footnotes on pages 15-24 of this presentation.

BlueLinx Holdings Inc.
Pro Forma Quarterly Net Income

Blu

\$ millions
(unaudited)

	<u>4Q04[*]</u>	<u>4Q03[*]</u>	<u>Increase/ (Decrease)</u>	<u>Percent</u>
Operating Income	\$ 4.8	\$ 16.4	\$ (11.6)	(70.5%)
Interest Expense	9.9	8.1	1.8	21.8%
Other Expense/(Income)	<u>(0.5)</u>	<u>0.1</u>	<u>(0.6)</u>	<u>NM</u>
Income before Tax	\$ (4.6)	\$ 8.2	\$ (12.8)	
Tax Expense/(Benefit)	(1.9)	3.3	(5.2)	
Net Income	<u>\$ (2.7)</u>	<u>\$ 4.9</u>	<u>\$ (7.6)</u>	
Basic Earnings per Share	\$ (0.09)	\$ 0.16	\$ (0.25)	

* See pro forma reconciliation and related footnotes on pages 15-24 of this presentation.

BlueLinx Holdings Inc.

Pro Forma Full Year Revenue Review

Blu

\$ millions
(unaudited)

	<u>F2004</u> [*]	<u>F2003</u> [*]	Increase/ (Decrease)	<u>Percent</u>
Sales by Category				
Structural Products	\$ 3,225	\$ 2,401	\$ 825	34.3
Specialty Products	2,391	1,924	467	24.3
Unallocated Allowances and Adjustments	<u>(58)</u>	<u>(53)</u>	<u>(6)</u>	<u>10.6</u>
Total Sales	\$ 5,558	\$ 4,272	\$ 1,286	30.1
Variance Analysis				
Unit Volume			351	8.2
Price			995	23.0
Calendar Adjustment/Other			<u>(60)</u>	<u>(1.1)</u>
Total Variance			<u>\$ 1,286</u>	<u>30.1</u>

* See pro forma reconciliation and related footnotes on pages 15-24 of this presentation.

**Unallocated Allowances and Adjustments consists of cash and competitive discounts, Canadian conversion, carve-out adjustments, service revenue and other miscellaneous items.

BlueLinx Holdings Inc.
Pro Forma Full Year Gross Profit

Blu

\$ millions
(unaudited)

	<u>F2004[*]</u>	<u>F2003[*]</u>	<u>Increase/ (Decrease)</u>	<u>Percent</u>
Sales	\$ 5,558	\$ 4,272	\$ 1,286	30.1%
Cost of Sales	<u>4,994</u>	<u>3,819</u>	<u>\$ 1,176</u>	<u>30.8%</u>
Gross Profit	<u>\$ 564</u>	<u>\$ 453</u>	<u>\$ 111</u>	<u>24.4%</u>
Gross Margin	10.1%	10.6%	(0.5%)	

** See pro forma reconciliation and related footnotes on pages 15-24 of this presentation.*

BlueLinx Holdings Inc.
Pro Forma Full Year Operating Income

Blu

\$ millions
(unaudited)

	<u>F2004</u> [*]	<u>F2003</u> [*]	Increase/ (Decrease)	<u>Percent</u>
Gross Profit	\$ 563.8	\$ 453.2	\$ 110.6	24.4%
Operating Expenses				
SG&A	384.8	359.9	24.9	6.9%
D&A	<u>15.5</u>	<u>15.6</u>	<u>(0.2)</u>	<u>(1.0%)</u>
Total Operating Expenses	400.3	375.5	24.7	6.6%
Operating Income	\$ 163.5	\$ 77.6	\$ 85.9	110.6%

** See pro forma reconciliation and related footnotes on pages 15-24 of this presentation.*

BlueLinx Holdings Inc.
Pro Forma Full Year Net Income

Blu

\$ millions
(unaudited)

	<u>F2004</u> *	<u>F2003</u> *	<u>Increase/ (Decrease)</u>	<u>Percent</u>
Operating Income	\$ 163.5	\$ 77.6	\$ 85.9	110.6%
Interest Expense	37.7	31.9	5.8	18.1%
Other Expense/(Income)	<u>0.1</u>	<u>0.4</u>	<u>(0.3)</u>	<u>NM</u>
Income before Tax	\$ 125.7	\$ 45.4	\$ 80.4	
Tax Expense/(Benefit)	51.2	18.5	32.7	
Net Income	<u>\$ 74.6</u>	<u>\$ 26.9</u>	<u>\$ 47.7</u>	
Basic Earnings per Share	\$ 2.47	\$ 0.89	\$ 1.58	

* See pro forma reconciliation and related footnotes on pages 15-24 of this presentation.

BlueLinx Holdings Inc.

Unaudited Year End Balance Sheets

Blu

\$ thousands

	BlueLinx	Pre-acquisition Period
	January 1, 2005	January 3, 2004
Assets:		
Cash	\$ 15,572	\$ 506
Receivables	363,688	292,867
Inventories:		
Finished goods	500,231	338,138
LIFO reserve	-	(31,979)
	<u>500,231</u>	<u>306,159</u>
Other current assets	40,325	16,018
Total current assets	<u>919,816</u>	<u>615,550</u>
Property, plant, and equipment, net	186,978	201,091
Other non-current assets	30,268	3
Total assets	<u>\$ 1,137,062</u>	<u>\$ 816,644</u>
Liabilities :		
Current liabilities:		
Accounts payable	270,271	110,193
Bank overdrafts	32,033	40,619
Current maturities of long-term debt	94,103	-
Other current liabilities	31,434	22,066
Total current liabilities	<u>\$ 427,841</u>	<u>\$ 172,878</u>
Noncurrent liabilities:		
Long-term debt	558,000	-
Other long-term liabilities	9,729	6,693
Total liabilities	<u>\$ 995,570</u>	<u>\$ 179,571</u>
Total shareholder's equity and parent's investment:	<u>\$ 141,492</u>	<u>\$ 637,073</u>
Total liabilities and equity	<u>\$ 1,137,062</u>	<u>\$ 816,644</u>

BlueLinx Holdings Inc.

Unaudited Statement of Cash Flows

Blu

\$ thousands

	Quarters Ended		Years Ended	
	BlueLinx	Pre-acquisition Period	BlueLinx (Combined)	Pre-acquisition Period
	January 1, 2005	January 3, 2004	January 1, 2005	January 3, 2004
Cash flows from operating activities:				
Net income (loss)	\$ (5,806)	\$ 10,137	\$ 76,343	\$ -
Adjustments to reconcile net income (loss) to cash provided by operations:				
Depreciation and amortization	5,003	4,781	18,630	-
Write-off of debt issue costs for term loan	2,871	-	2,871	-
Deferred income tax benefit	(554)	958	3,801	-
Changes in assets and liabilities:				
Receivables	157,747	105,999	(70,821)	-
Inventories	2,476	24,801	(158,769)	-
Accounts payable	(60,591)	(52,806)	160,078	-
Changes in other working capital	(18,813)	11,810	(10,692)	-
Other	2,272	2,907	1,823	-
Net cash provided by operating activities	\$ 84,605	\$ 108,587	\$ 23,264	\$ -
Cash flows from investing activities:				
Acquisition of real estate and operating assets of division	(47,023)	-	(823,330)	-
Other investing activities	(8,010)	(2,392)	(10,788)	-
Cash used for investing activities	\$ (55,033)	\$ (2,392)	\$ (834,118)	\$ -
Net cash provided by (used in) financing activities	\$ (37,105)	\$ (106,032)	\$ 825,920	\$ -
Increase (decrease) in cash	(7,533)	163	15,066	-
Balance, beginning of period	23,105	-	506	-
Balance, end of period	\$ 15,572	\$ 163	\$ 15,572	\$ -

Appendix

Pro Forma Reconciliation Slides

BlueLinx Holdings Inc.

Pro Forma Q404 Reconciliation

Blue

<i>\$ thousands (unaudited)</i>	Three Months Ended January 1, 2005	Pro Forma Adjustments	Pro Forma Refinancing	Pro Forma Offering Adjustments	Pro Forma Consolidated
Net sales.	\$ 1,207,627	-	-	-	\$ 1,207,627
Cost of sales.	1,106,203	-	1	-	1,106,203
Gross profit.	<u>101,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,424</u>
Operating expenses:					
Selling, general, and administrative.	92,692	-	2	-	92,692
		-	9	-	-
Depreciation and amortization.	3,895	-	3	-	3,895
		-	4	-	-
Total operating expenses	<u>96,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,587</u>
Operating income.	4,837	-	-	-	4,837
Non-operating expense (income):					
Interest expense.	11,057	1,599	5	(320)	12,332
Write-off of debt issue costs.	2,871	-	-	(2,871)	-
Other expense (income), net.	(482)	-	-	-	(482)
Income before income taxes.	<u>(8,609)</u>	<u>(1,599)</u>	<u>320</u>	<u>5,283</u>	<u>(4,605)</u>
Provision for income taxes.	<u>(2,803)</u>	<u>(1,351)</u>	<u>6</u>	<u>130</u>	<u>(4,178)</u>
Net income.	<u>\$ (5,806)</u>	<u>\$ (248)</u>	<u>190</u>	<u>3,133</u>	<u>\$ (2,731)</u>
Less: Preferred stock dividends	1,255	1,564	(1,674)	(1,145)	1,030
Net income (loss) applicable to common stockholders.	<u>(7,061)</u>	<u>\$ (1,812)</u>	<u>1,864</u>	<u>4,278</u>	<u>\$ (2,731)</u>
Basic and diluted weighted average number of common shares outstanding.	<u>20,507</u>				<u>20,507</u>
Basic and diluted net income (loss) per share applicable to common stock.	<u>\$ (0.34)</u>				<u>\$ (0.13)</u>

BlueLinx Holdings Inc.

Pro Forma Q403 Reconciliation

Blu

\$ thousands (unaudited)	Pre-acquisition Period				Pro Forma
	Three Months Ended January 3, 2004	Pro Forma Adjustments	Pro Forma Refinancing	Pro Forma Offering Adjustments	BlueLinx Pro Forma Consolidated
Net sales	\$ 1,168,250	-	-	-	\$ 1,168,250
Cost of sales	1,049,579	(2,463) 1	-	-	1,047,116
Gross profit	118,671	2,463	-	-	121,134
Operating expenses:					
Selling, general, and administrative	97,102	3,491 2	-	-	100,593
Depreciation and amortization	4,781	(1,571) 3	-	-	3,210
		920 4	-	-	
Total operating expenses	101,883	2,840	-	-	104,723
Operating income	16,788	(377)	-	-	16,411
Non-operating expense (income):					
Interest expense	-	11,076 5	(344) 8	(2,586) 8	8,096
Other expense (income), net	73	-	-	-	73
Income before income taxes	16,715	(11,453)	344	2,586	8,192
Provision for income taxes	6,579	(4,438) 6	140 6	1,052 6	3,233
Net income	\$ 10,136	\$ (7,015)	204	1,534	\$ 4,859
Less: Preferred stock dividends	-	2,746 7	(1,631) 8	(1,115) 8	-
Net income (loss) applicable to common stockholders	\$ 10,136	\$ (9,761)	1,835	2,649	\$ 4,859
Basic weighted average number of common shares outstanding					30,000,000
Basic net income (loss) per share applicable to common stock					\$ 0.16
Diluted weighted average number of common shares outstanding					30,000,000
Diluted net income (loss) per share applicable to common stock					\$ 0.16

BlueLinx Holdings Inc.

Pro Forma FY04 Reconciliation

Blu

\$ thousands
(unaudited)

	BlueLinx Period from Inception (March 8, 2004) to January 1, 2005	Pre-acquisition Period Period from January 4, 2004 to May 7, 2004	Combined Year Ended January 1, 2005	Pro Forma Acquisition Adjustments	Pro Forma Refinancing Adjustments	Pro Forma Offering Adjustments	Pro Forma BlueLinx Pro Forma Consolidated
Net sales.....	\$ 3,672,820	\$ 1,885,334	\$ 5,558,154	-	-	-	\$ 5,558,154
Cost of sales.....	3,339,590	1,658,123	4,997,713	(3,327)	1	-	4,994,386
Gross profit.....	333,230	227,211	560,441	3,327	-	-	563,768
Operating expenses:							
Selling, general, and administrative...	248,291	139,203	387,494	5,301	2	-	384,781
Depreciation and amortization.....	10,132	6,175	16,307	(8,014)	9	-	15,487
				(2,020)	3	-	
				1,200	4	-	
Total operating expenses.....	258,423	145,378	403,801	(3,533)	-	-	400,268
Operating income.....	74,807	81,833	156,640	6,860	-	-	163,500
Non-operating expenses (income):							
Interest expense.....	28,765	-	28,765	19,842	5	(1,280)	37,679
Write-off of debt issue costs.....	2,871	-	2,871	-	-	(2,871)	-
Other expense (income), net.....	(516)	614	98	-	-	-	98
Income before income taxes.....	43,687	81,219	124,906	(12,982)	1,280	12,519	125,723
Provision for income taxes.....	17,781	30,782	48,563	(3,009)	6	5,095	51,170
Net income.....	\$ 25,906	\$ 50,437	\$ 76,343	\$ (9,973)	\$ 759	\$ 7,424	\$ 74,553
Less: Preferred stock dividends	5,226	-	5,226	5,647	7	(6,459)	-
Net income (loss) applicable to common stockholders.....	\$ 20,680	\$ 50,437	\$ 71,117	\$ (15,620)	\$ 7,218	\$ 11,838	\$ 74,553
Basic weighted average number of common shares outstanding.....	19,006						30,185
Basic net income (loss) per share applicable to common stock.....	\$ 1.09						\$ 2.47
Diluted weighted average number of common shares outstanding.....	20,296						30,185
Diluted net income (loss) per share applicable to common stock.....	\$ 1.02						\$ 2.47

BlueLinx Holdings Inc.

Pro Forma FY03 Reconciliation

Blu

\$ thousands (unaudited)	Pre-acquisition Period				Pro Forma			
	Year Ended January 3,	Pro Forma Acquisition Adjustments	Pro Forma Refinancing Adjustments	Pro Forma Offering Adjustments	BlueLinx Pro Forma Consolidated			
	2004							
Net sales	\$ 4,271,842	-	-	-	\$ 4,271,842			
Cost of sales	3,814,375	4,301	1	-	3,818,676			
Gross profit (loss)	457,467	(4,301)	-	-	453,166			
Operating expenses:								
Selling, general, and administrative. . .	346,585	13,319	2	-	359,904			
Depreciation and amortization	19,476	(7,323)	3	-	15,638			
		3,485	4					
Total operating expenses	366,061	9,481	-	-	375,542			
Operating income (loss)	91,406	(13,782)	-	-	77,624			
Non-operating expenses (income):								
Interest expense	-	43,021	5	(1,304)	8	(9,822)	8	31,895
Other expense (income), net	376	-	-	-	-	-	376	
Income before income taxes	91,030	(56,803)	1,304	9,822	45,353			
Provision for income taxes	34,877	(20,947)	6	531	6	3,998	6	18,459
Net income	\$ 56,153	(35,856)	773	5,824	\$ 26,894			
Less: Preferred stock dividends	-	10,030	7	(5,958)	8	(4,072)	8	-
Net income (loss) applicable to common stockholders	\$ 56,153	\$ (45,886)	\$ 6,731	\$ 9,896	\$ 26,894			
Basic weighted average number of common shares outstanding					30,185			
Basic net income (loss) per share applicable to common stock					0.89	10		
Diluted weighted average number of common shares outstanding					30,185			
Diluted net income (loss) per share applicable to common stock					0.89	10		



BlueLinx Holdings Inc.

2003 Quarterly Pro Forma

Blu

\$ thousands
(unaudited)

	Proforma			
	Three Months Ended March 31, 2003	Three Months Ended June 28, 2003	Three Months September 27, 2003	Three Months January 3, 2004
Statement of Operations Data:				
Net sales	\$ 876,450	\$ 1,034,457	\$ 1,192,685	\$ 1,168,250
Cost of sales	795,629	933,826	1,042,105	1,047,116
Gross profit	80,821	100,631	150,580	121,134
Operating expenses:				
Selling, general, and administrative expenses	81,102	84,734	93,475	100,593
Depreciation and amortization	3,836	3,836	3,836	4,130
Total operating expenses	84,938	88,570	97,311	104,723
Operating income (loss)	(4,117)	12,061	53,269	16,411
Other expenses (income):				
Interest expense	7,736	8,085	7,928	8,146
Other expense (income), net	(5)	-	308	73
Income before provision (benefit) for income taxes	(11,848)	3,976	45,033	8,192
Provision (benefit) for income taxes	(4,822)	1,618	18,329	3,334
Net income (loss)	(7,026)	2,358	26,704	4,858
Basic and diluted weighted average number of common shares outstanding	30,185	30,185	30,185	30,185
Basic and diluted net income (loss) per share applicable to common stock	\$ (0.23)	\$ 0.08	\$ 0.88	\$ 0.16

BlueLinx Holdings Inc.
Notes to Unaudited Pro Forma Statement of Operations

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- 1.) Reflects the elimination of the last-in first-out ("LIFO") expense / benefit recorded on the division's historical financial statements because of a change to the moving average cost method for inventory purchased from Georgia-Pacific.
- 2.) Reflects estimated incremental costs incurred or expected to be incurred after the consummation of the acquisition. Such items include property and casualty insurance premiums, health and welfare costs, human resources costs, finance costs, information technology costs, legal costs, non-cash stock options, compensation costs and other costs.
- 3.) Reflects the difference between the allocated value of property, plant and equipment and its historical recorded amount.
- 4.) Reflects the amortization expenses related to the estimated fair value of intangible assets as shown below:

	Estimated Fair Value	Amortization Lives
	(Dollars in thousands)	
Customer relationships	\$ 6,988	6 years
Internally developed software	4,113	3 years
Supply agreements	<u>5,329</u>	6 years
Total	\$ 16,430	

BlueLinx Holdings Inc.
Notes to Unaudited Pro Forma Statement of Operations

Blu

- 5.) Reflects the estimated interest expense associated with the debt issued to consummate the acquisition. The revolving credit facility was assumed to have an average balance of \$412, \$550 million, and \$550 million, for the first, second, third and fourth quarter of fiscal 2004, respectively. The revolving credit facility was assumed to have an average balance of \$374, \$391 million, and \$357 million, for the first, second, third and fourth quarter of fiscal 2003, respectively. The revolving credit facility was assumed to bear interest at 4.89%, the interest rate prevailing at January 1, 2005. The term loan was assumed to have a balance of \$100 million and to bear interest at 10%. The old mortgage was assumed to have a balance of \$100 million and to bear interest at 10%. The actual interest rate borne by such debt may differ from the rates utilized. In addition, the actual amount of debt will vary and will cause variances in the actual interest expense.

The revolving credit facility has a \$15,000 monthly servicing fee. Additionally, the revolving credit facility bears a 0.375% unused line fee for any unused portion of the facility. The debt issuances related to the revolving credit facility and the term loan were amortized over their respective loan terms of 5 and 5.5 years.

- 6.) Reflects the income tax provision at our actual effective tax rate for the period from inception (March 8, 2004) to January 1, 2005 of 40.7%.
- 7.) Reflects preferred stock dividends at 10%.
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BlueLinx Holdings Inc.

Notes to Unaudited Pro Forma Statement of Operations

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- 8.) We used the net proceeds from the offering and proceeds from our revolving credit facility (i) to repay our operating company's \$100 million term loan plus accrued and unpaid interest thereon, (ii) to redeem the remainder of our series A preferred stock, of which \$38.5 million in stated amount was outstanding, and pay all accrued and unpaid dividends thereon and (iii) for general corporate purposes.

On October 27, 2004, we and our subsidiaries obtained from Column Financial, Inc., a wholly-owned subsidiary of Credit Suisse First Boston LLC, a new mortgage loan in the amount of \$165 million. Proceeds from the new mortgage loan obtained by us and our subsidiaries were used to (i) repay the existing \$100 million in principal amount of mortgage debt plus \$0.4 million in accrued and unpaid interest thereon and (ii) redeem 56,475 shares of our series A preferred stock at an aggregate redemption price of approximately \$59.2 million (including all accrued and unpaid dividends thereon). The interest rate on the new mortgage loan is floating, and equal to LIBOR (subject to a 2% floor and a 6% cap) plus 2.25%. As of January 1, 2005, the interest rate on our new mortgage was 4.65%.

- 9.) Reflects non-recurring charges incurred that directly result from the acquisition.
- 10.) Pro forma basic and diluted weighted average number of shares of common shares outstanding as of January 1, 2005, is estimated as follows:

	(In thousands)
Basic weighted average shares outstanding at January 1, 2005	29,500
Common shares issued in January 2005	<u>685</u>
	30,185 (1)

- (1) The Company has not included the dilutive effect of outstanding options as these amounts are not considered significant.