

Builders FirstSource, Inc.  
Form 424B3  
December 15, 2009

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**Filed pursuant to Rule 424(b)(3)  
Registration No. 333-162906**

**PROSPECTUS**

**Builders FirstSource, Inc.  
Up to 58,571,428 Shares of Common Stock Issuable Upon Exercise of Rights  
to Subscribe for Such Shares at \$3.50 per Share**

We are distributing at no charge to holders of our common stock transferable subscription rights to purchase shares of our common stock. You will receive 1.611144 subscription rights for every share of common stock owned at the close of business on December 14, 2009, subject to adjustments to eliminate fractional rights. We are distributing subscription rights exercisable for up to an aggregate of 58,571,428 shares of our common stock.

Each whole subscription right will entitle you, as a holder of our common stock, to purchase one share of our common stock at a subscription price of \$3.50 per share. Subscribers (other than JLL Partners Fund V, L.P. and Warburg Pincus Private Equity IX, L.P.) who exercise their rights in full may also over-subscribe for additional shares, subject to certain limitations, to the extent additional shares are available. The subscription rights will expire if they are not exercised by 5:00 p.m., Eastern Time, on January 14, 2010, unless extended. We are not requiring a minimum subscription to complete the rights offering.

In connection with the rights offering, certain holders of our outstanding Second Priority Senior Secured Floating Rate Notes due 2012, which we refer to as the 2012 notes, have agreed to exchange, at par, in transactions exempt from registration under the Securities Act of 1933, as amended, their outstanding 2012 notes for (i) up to \$145.0 million aggregate principal amount of newly-issued Second Priority Senior Secured Floating Rate Notes due 2016, which we refer to as the 2016 notes, (ii) up to \$130.0 million in cash from the proceeds of the rights offering, or (iii) a combination of cash and 2016 notes, and, (iv) to the extent the rights offering is not fully subscribed, shares of our common stock. We refer to this exchange as the debt exchange, and we refer to the rights offering and the debt exchange, together with the transactions contemplated by the investment agreement and support agreement described elsewhere in this prospectus, collectively as the recapitalization transactions. Upon completion of the recapitalization transactions, the Company will receive \$75.0 million for general corporate purposes and to pay the expenses of the recapitalization transactions, with any remaining proceeds of the rights offering being used to repurchase a portion of our outstanding 2012 notes in the debt exchange. We will reduce outstanding indebtedness by \$130.0 million through the debt exchange.

We have entered into an investment agreement with JLL Partners Fund V, L.P. (JLL) and Warburg Pincus Private Equity IX, L.P. (Warburg Pincus), who collectively beneficially own approximately 50% of our common stock before giving effect to the recapitalization transactions, under which JLL and Warburg Pincus have severally agreed to purchase from us, at the rights offering subscription price, unsubscribed shares of our common stock such that gross proceeds of the rights offering will be no less than \$75.0 million. In addition, each of JLL and Warburg Pincus has agreed (i) to exchange up to \$48.909 million aggregate principal amount of 2012 notes indirectly held by it in the debt exchange and (ii) to the extent gross proceeds of the rights offering are less than \$205.0 million, to exchange such 2012 notes for shares of our common stock at an exchange price equal to the rights offering subscription price, subject to proration from the participation of other holders of 2012 notes who submit for exchange their 2012 notes for shares of our common stock not subscribed for through the exercise of rights in the rights offering. As stockholders of the Company as of the record date, JLL and Warburg Pincus will have the right to subscribe for and purchase shares of our common stock under the basic subscription privilege, although they will not have the right to participate in the over-subscription privilege. The purchase of any shares by JLL and Warburg Pincus, whether pursuant to the Investment Agreement or upon exercise of rights, would be effected in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended, and, accordingly, would not be registered pursuant to the

Registration Statement of which this prospectus forms a part. We refer to JLL and Warburg Pincus as the backstop purchasers.

You should carefully consider whether to exercise your subscription rights before the expiration of the rights offering. All exercises of subscription rights are irrevocable. Our board of directors is making no recommendation regarding your exercise of the subscription rights.

The shares are being offered directly by us without the services of an underwriter or selling agent. Shares of our common stock are traded on the Nasdaq Global Select Market under the symbol BLDR.

The subscription rights are transferable, and we have applied to list such rights on the Nasdaq Global Select Market under the symbol BLDRR. On December 14, 2009, the closing sales price for our common stock was \$3.97 per share. We urge you to obtain a current market price for the shares of our common stock before making any determination with respect to the exercise of your rights.

**Exercising the rights and investing in our common stock involves a high degree of risk. We urge you to carefully read the section entitled Risk Factors beginning on page 17 of this prospectus, the section entitled Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008, and all other information included or incorporated herein by reference in this prospectus in its entirety before you decide whether to exercise your rights.**

	Per Share	Aggregate
Subscription Price	\$ 3.50	\$ 205,000,000
Estimated Expenses	\$ 0.17	\$ 10,000,000
Net Proceeds to Us	\$ 3.33	\$ 195,000,000

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

As a result of the terms of this offering, stockholders who do not fully exercise their rights will own, upon completion of this offering, a smaller proportional interest in us than otherwise would be the case had they fully exercised their rights. See Risk Factors Risks Related to the Rights Offering and the Debt Exchange If you do not exercise your rights in full in the rights offering, you will suffer significant dilution in your percentage ownership of the Company in this prospectus for more information.

If you have any questions or need further information about this rights offering, please call BNY Mellon Shareowner Services, our information agent for the rights offering, at (201) 680-6676 (call collect) or (800) 777-3674 (toll-free).

The date of this prospectus is December 15, 2009

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## ABOUT THIS PROSPECTUS

Unless otherwise stated or the context otherwise requires, the terms we, us, our, and the Company refer to Builders FirstSource, Inc. and its consolidated subsidiaries.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different, or inconsistent information, you should not rely on it. We are not making an offer to sell securities in any jurisdiction in which the offer or sale is not permitted. You should assume that the information in this prospectus is accurate only as of the date on the front cover of this prospectus, and any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, in each case, regardless of the time of delivery of this prospectus or any exercise of the rights. Our business, financial condition, results of operations, and prospects may have changed since that date.

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**QUESTIONS AND ANSWERS RELATING TO THE RIGHTS OFFERING**

*The following are examples of what we anticipate will be common questions about the rights offering. The answers are based on selected information from this prospectus and the documents incorporated by reference herein. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about the rights offering. This prospectus and the documents incorporated by reference herein contain more detailed descriptions of the terms and conditions of the rights offering and provide additional information about us and our business, including potential risks related to the rights offering, our common stock and our business.*

**Exercising the rights and investing in our common stock involves risks. We urge you to carefully read the section entitled Risk Factors beginning on page 17 of this prospectus, the section entitled Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008, and all other information included or incorporated herein by reference in this prospectus in its entirety before you decide whether to exercise your rights.**

**What is a rights offering?**

A rights offering is a distribution of subscription rights on a *pro rata* basis to all stockholders of a company. We are distributing to holders of our common stock as of the close of business on December 14, 2009, the record date, at no charge, subscription rights to purchase shares of our common stock. You will receive 1.611144 subscription rights for every share of our common stock you owned at the close of business on the record date, subject to adjustments to eliminate fractional rights. The subscription rights will be evidenced by rights certificates.

**What is a right?**

Each whole right gives our stockholders the opportunity to purchase one share of our common stock for \$3.50 per share and carries with it a basic subscription privilege and an over-subscription privilege, as described below.

**How many shares may I purchase if I exercise my rights?**

We are granting to you, as a stockholder of record on the record date, 1.611144 subscription rights for every share of our common stock you owned at that time. Each right contains the basic subscription privilege and, except in the case of rights held by JLL and Warburg Pincus, the over-subscription privilege. We determined the ratio of rights you will receive per share by dividing \$205.0 million by the subscription price of \$3.50 to determine the number of shares to be issued in the rights offering and then dividing that number of shares by the number of shares outstanding on the record date. For example, if you owned 1,000 shares of our common stock on the record date and you were granted 1.611144 rights for every share of our common stock you owned at that time, then you have the right to purchase 1,611 shares of our common stock for \$3.50 per share. You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights.

If you hold your shares in street name through a broker, bank, or other nominee who uses the services of the Depository Trust Company, or DTC, then DTC will issue 1.611144 rights to your nominee for every share of our common stock you own at the record date, subject to adjustments to eliminate fractional rights. Each whole right can then be used to purchase one share of common stock for \$3.50 per share. As in the example above, if you owned 1,000 shares of our common stock on the record date, you have the right to purchase 1,611 shares of common stock for \$3.50 per share.

**Will fractional subscription rights be issued?**

No. We will not issue fractional subscription rights or cash in lieu of fractional rights. Fractional subscription rights will be rounded down to the nearest whole number to ensure that we offer no more than 58,571,428 shares of common stock in the rights offering.

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### **What is the basic subscription privilege?**

The basic subscription privilege of each whole right entitles you to purchase one share of our common stock at the subscription price of \$3.50 per share.

### **What is the over-subscription privilege?**

The over-subscription privilege of each right entitles you, if you have fully exercised your basic subscription privilege, to subscribe for additional shares of our common stock (up to the number of shares for which you subscribed under your basic subscription privilege) at the same subscription price per share on a *pro rata* basis if any shares are not purchased by other holders of subscription rights under their basic subscription privileges as of the expiration date. Under the terms of the investment agreement among us, JLL, and Warburg Pincus (as amended, the Investment Agreement ), JLL and Warburg Pincus will not have the right to exercise the over-subscription privilege associated with the rights. *Pro rata* means in proportion to the number of shares of our common stock that all subscription rights holders who have fully exercised their basic subscription privileges on their common stock holdings have requested to purchase pursuant to the over-subscription privilege.

### **What if there is an insufficient number of shares to satisfy the over-subscription requests?**

If there is an insufficient number of shares of our common stock available to fully satisfy the over-subscription requests of rights holders, subscription rights holders who exercised their over-subscription privilege will receive the available shares *pro rata* based on the number of shares each subscription rights holder has subscribed for under the over-subscription privilege. Any excess subscription payments will be returned, without interest or deduction, promptly after completion of the rights offering.

### **Why are we conducting the rights offering?**

We are conducting the rights offering to raise up to approximately \$205.0 million in equity capital, of which \$75.0 million will be used for general corporate purposes and to pay the expenses of the recapitalization transactions, with any remaining proceeds of the rights offering being used to repurchase a portion of our outstanding 2012 notes in the debt exchange. The rights offering will increase equity capital available to pay operating expenses, enhance our liquidity, and pay down debt. A rights offering provides our stockholders the opportunity to participate in this transaction on a *pro rata* basis and, if all stockholders exercise their rights, avoid dilution of their ownership interest in the Company.

### **How was the subscription price of \$3.50 per share determined?**

A special committee of independent directors on our board of directors determined the subscription price after considering, among other things, (i) the opinion delivered to the special committee of our board of directors by its financial advisor, Moelis & Company LLC, that the financial terms of the rights offering are fair from a financial point of view to our stockholders, other than JLL and Warburg Pincus, taken as a whole; (ii) the likely cost of capital from other sources and the price at which our stockholders might be willing to participate in the rights offering; (iii) the price at which JLL and Warburg Pincus would be willing to backstop a portion of the rights offering and exchange their 2012 notes for common stock in the debt exchange; and (iv) the price at which certain holders of our 2012 notes would be willing to participate in the debt exchange. The \$3.50 subscription price is not intended to bear any relationship to the book value of our assets or our past operations, cash flows, losses, financial condition, net worth, or any other established criteria used to value securities. You should not consider the subscription price to be an indication of the fair value of the common stock to be offered in the rights offering.

**Am I required to exercise all of the rights I receive in the rights offering?**

No. You may exercise any number of your rights, or you may choose not to exercise any rights. If you do not exercise any rights, the number of shares of our common stock you own will not change. However, because 58,571,428 shares of our common stock will be issued if the recapitalization transactions are



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completed, if you do not exercise your rights, your percentage ownership will be diluted after the completion of the rights offering and the debt exchange.

### **How soon must I act to exercise my rights?**

The rights may be exercised beginning on the date of this prospectus through the expiration date, which is January 14, 2010, at 5:00 p.m., Eastern Time, unless the special committee of our board of directors, in its sole discretion, extends such time; provided that, pursuant to the Investment Agreement, the expiration date of the rights offering may not be extended by more than ten days without the prior written consent of JLL and Warburg Pincus. If you elect to exercise any rights, the subscription agent must actually receive all required documents and payments from you or your broker or nominee at or before the expiration date.

### **When will I receive my subscription rights certificate?**

Promptly after the date of this prospectus, the subscription agent will send a subscription rights certificate to each registered holder of our common stock as of the close of business on the record date, based on our stockholder registry maintained at the transfer agent for our common stock. If you hold your shares of common stock in street name through a brokerage account, bank, or other nominee, you will not receive an actual subscription rights certificate. Instead, as described in this prospectus, you must instruct your broker, bank, or nominee whether or not to exercise rights on your behalf. If you wish to obtain a separate subscription rights certificate, you should promptly contact your broker, bank, or other nominee and request a separate subscription rights certificate. It is not necessary to have a physical subscription rights certificate to elect to exercise your rights if your shares are held by a broker, bank, or other nominee.

### **May I transfer my rights?**

Yes. The subscription rights are transferable during the course of the subscription period. We have applied to list the subscription rights on the Nasdaq Global Select Market under the symbol **BLDRR** beginning on or about December 16, 2009, until 4:00 p.m., Eastern Time, on January 11, 2010, the third business day prior to the scheduled expiration date of this rights offering (or if the offer is extended, on the third business day immediately prior to the extended expiration date). However, the subscription rights are a new issue of securities with no prior trading market, and we cannot provide you any assurances as to the liquidity of any trading market for the subscription rights or the market value of the subscription rights.

### **Are there any conditions to the completion of the rights offering?**

We are not requiring a minimum subscription to complete the rights offering. However, the closing of the rights offering is conditioned upon, among other requirements, (i) noteholders having agreed to exchange at least 90% of the outstanding aggregate principal amount of our 2012 notes in the debt exchange; (ii) our stockholders having approved the issuance of shares of our common stock in this rights offering, the issuance of shares of our common stock to JLL and Warburg Pincus pursuant to the Investment Agreement and the issuance of shares of our common stock to holders of our 2012 notes in the debt exchange, as required by the Nasdaq Marketplace Rules; (iii) court approval of the settlement of certain litigation related to the recapitalization transactions; and (iv) other customary conditions. See **The Rights Offering Conditions to the Rights Offering**. JLL and Warburg Pincus, who collectively beneficially own approximately 50% of our common stock before giving effect to the recapitalization transactions and approximately \$98 million aggregate principal amount of our 2012 notes, have agreed to exchange their 2012 notes in the debt exchange and to vote their common stock in favor of the issuance of additional shares pursuant to the rights offering, the Investment Agreement, and the debt exchange.

**What is the debt exchange?**

In connection with the rights offering, certain holders of our outstanding 2012 notes have agreed to exchange, at par, in transactions exempt from registration under the Securities Act of 1933, as amended, their outstanding 2012 notes for (i) up to \$145.0 million aggregate principal amount of our 2016 notes, (ii) up to

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\$130.0 million in cash from the proceeds of the rights offering, or (iii) a combination of cash and 2016 notes, and, (iv) to the extent the rights offering is not fully subscribed, shares of our common stock. The 2016 notes will have substantially similar terms to the 2012 notes but will have an interest rate of 3-month LIBOR (subject to a 3.00% floor) plus 10.0% and will mature in 2016 instead of 2012. For each \$1,000 aggregate principal amount of 2012 notes validly submitted and accepted for exchange in the debt exchange, a noteholder will receive, at the noteholder's election, (a) \$1,000 in principal amount of the 2016 notes, or (b) \$1,000 in cash, or (c) a combination of cash and 2016 notes, subject to proration and certain adjustments, including the receipt of our common stock instead of cash if we receive gross proceeds of less than \$205.0 million in the rights offering. See Summary The Debt Exchange.

### **How does the debt exchange affect the completion of the rights offering?**

Holders of at least 90% in aggregate principal amount of the 2012 notes must exchange their 2012 notes in the debt exchange for the rights offering to be completed. Pursuant to a support agreement between the Company and certain holders of outstanding 2012 notes (as amended, the Support Agreement ) and the Investment Agreement with JLL and Warburg Pincus, as of December 14, 2009, holders of approximately 96.56% of the aggregate principal amount of the 2012 notes have agreed to exchange their 2012 notes in the debt exchange. See also The Rights Offering Conditions to the Rights Offering.

### **How does the backstop commitment work?**

We have entered into the Investment Agreement with JLL and Warburg Pincus, who collectively beneficially own approximately 50% of our common stock before giving effect to the recapitalization transactions, under which JLL and Warburg Pincus have severally agreed to purchase from us, at the rights offering subscription price, unsubscribed shares of common stock such that gross proceeds of the rights offering will be no less than \$75.0 million. In addition, each of JLL and Warburg Pincus has agreed (i) to exchange up to \$48.909 million aggregate principal amount of 2012 notes indirectly held by it in the debt exchange and (ii) to the extent gross proceeds of the rights offering are less than \$205.0 million, to exchange such 2012 notes for shares of our common stock at an exchange price equal to the rights offering subscription price, subject to proration from the participation of other holders of 2012 notes who submit for exchange their 2012 notes for shares of our common stock not subscribed for through the exercise of rights in the rights offering. See The Rights Offering The Backstop Purchasers.

### **Why are there backstop purchasers?**

We obtained the commitments of JLL and Warburg Pincus under the Investment Agreement to ensure that, subject to the consummation of the recapitalization transactions, we would receive a minimum level of gross proceeds from the rights offering of at least \$75.0 million less expenses of the recapitalization transactions and to ensure the exchange of approximately \$98 million aggregate principal amount of our 2012 notes in the debt exchange. The backstop purchasers may elect to exercise their basic subscription rights instead of being subject to the backstop purchase obligation described above, so long as the minimum level of gross proceeds from the rights offering is at least \$75.0 million.

### **Are there any conditions on the backstop purchasers' obligations to purchase shares?**

Yes. The backstop purchasers' obligations under the backstop commitment are subject to the satisfaction (or waiver by JLL and Warburg Pincus) of specified conditions, including (i) compliance with applicable antitrust, competition and merger control laws, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act ); (ii) receipt of approval of the Company's stockholders of the issuance of shares of our common stock in the rights offering, pursuant to the Investment Agreement, and in the debt exchange; (iii) the exchange of at least 90% of the aggregate principal amount of outstanding 2012 notes in the debt exchange; (iv) court approval of the settlement

of certain litigation related to the recapitalization transactions; and (v) other customary conditions. See The Rights Offering The Backstop Purchasers The Closing.

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### **When do the obligations of the backstop purchasers expire?**

Generally, the backstop commitment may be terminated by the Company, JLL or Warburg Pincus if the recapitalization transactions have not been consummated prior to February 15, 2010. See [The Rights Offering](#) [The Backstop Purchasers](#).

### **How will the rights offering affect the backstop purchasers' ownership of our common stock?**

On the record date for the rights offering, JLL beneficially owned approximately 24.6% of our outstanding common stock, and Warburg Pincus beneficially owned approximately 24.9% of our outstanding common stock. As stockholders of the Company as of the record date, JLL and Warburg Pincus will have the right to subscribe for and purchase shares of our common stock under the basic subscription privilege, although they will not have the right to participate in the over-subscription privilege. The purchase of any shares by JLL and Warburg Pincus, whether pursuant to the Investment Agreement or upon exercise of rights, would be effected in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended, and, accordingly, would not be registered pursuant to the Registration Statement of which this prospectus forms a part. If all of our stockholders, including JLL and Warburg Pincus, exercise the basic subscription rights issued to them under this prospectus and the rights offering is therefore fully subscribed, JLL's and Warburg Pincus' beneficial ownership percentage will not change. If JLL and Warburg Pincus are the only holders of rights who exercise their rights in the rights offering and JLL and Warburg Pincus each exchange \$48.909 million aggregate principal amount of 2012 notes for common stock, the Company will issue an aggregate of 28,397,849 and 28,563,541 shares of common stock to JLL and Warburg Pincus, respectively, and 1,610,038 shares of common stock to the other 2012 noteholders participating in the debt exchange. Under such circumstances, JLL's ownership percentage of our outstanding common stock would increase to approximately 39.3%, and Warburg Pincus' ownership percentage of our outstanding common stock would increase to approximately 39.6%, in each case after giving effect to this rights offering and the debt exchange.

### **Can the board of directors cancel, terminate, amend, or extend the rights offering?**

Generally, we may not cancel or terminate the rights offering, nor may we amend the terms of the rights offering unless the closing conditions for the rights offering are not satisfied. The period for exercising your subscription rights may be extended by the special committee of our board of directors; provided that, pursuant to the Investment Agreement, the expiration date of the rights offering may not be extended by more than ten days without the prior written consent of JLL and Warburg Pincus.

### **Has our board of directors made a recommendation to our stockholders regarding the exercise of rights under the rights offering?**

No. Neither our board of directors nor the special committee of our board of directors has made, nor will they make, any recommendation to stockholders regarding the exercise of rights under the rights offering. You should make an independent investment decision about whether or not to exercise your rights. Stockholders who exercise rights risk investment loss on new money invested. We cannot assure you that the market price for our common stock will remain above the subscription price or that anyone purchasing shares at the subscription price will be able to sell those shares in the future at the same price or a higher price. If you do not exercise or sell your rights, you will lose any value represented by your rights, and if you do not exercise your rights in full, your percentage ownership interest in the Company will be diluted. For more information on the risks of participating in the rights offering, see the section of this prospectus entitled [Risk Factors](#).

Six of our ten directors hold positions with affiliates of JLL or Warburg Pincus, which collectively owned approximately 50% of our outstanding shares of common stock as of the record date. You should not view the

intentions of the backstop purchasers as a recommendation or other indication, by them or any member of our board of directors, that the exercise of the subscription rights is in your best interests.

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### **How do I exercise my rights? What forms and payment are required to purchase the shares of common stock?**

If you wish to participate in the rights offering, you must take the following steps, unless your shares are held by a broker, bank, or other nominee:

deliver payment to the subscription agent using the methods outlined in this prospectus; and

deliver a properly completed rights certificate to the subscription agent before 5:00 p.m., Eastern Time, on January 14, 2010, unless extended.

If you send a payment that is insufficient to purchase the number of shares you requested, or if the number of shares you requested is not specified in the rights certificate, the payment received will be applied to exercise your basic subscription privilege. Unless you have specified the number of shares you wish to purchase upon exercise of your over-subscription privilege, any payment in excess of that required to exercise your basic subscription privilege will be refunded. If the payment exceeds the subscription price for the full exercise of the basic and over-subscription privileges (to the extent specified by you), the excess will be refunded. You will not receive interest on any payments refunded to you under the rights offering.

### **If I exercise my rights, when will I receive my new shares?**

We will issue the shares for which subscriptions pursuant to the basic subscription privilege and the over-subscription privilege have been properly received promptly following the later of the expiration time or the satisfaction or waiver of the closing conditions of the Investment Agreement, if we have received a properly completed and executed rights certificate, together with payment of the subscription price for each share of common stock subscribed for pursuant to the basic subscription privilege and over-subscription privilege (and after all *pro rata* allocations and adjustments have been completed with respect to the over-subscription privilege and the debt exchange).

### **After I send in my payment and rights certificate, may I change or cancel my exercise of rights?**

No. All exercises of subscription rights are irrevocable. You should not exercise your rights unless you are certain that you wish to purchase additional shares of our common stock at a price of \$3.50 per share.

### **What should I do if I want to participate in the rights offering, but my shares are held in the name of my broker, bank, or other nominee?**

If you hold your shares of our common stock in the name of a broker, bank, or other nominee, then your broker, bank, or other nominee is the record holder of the shares you own. The record holder must exercise the rights on your behalf for the shares of common stock you wish to purchase.

If you wish to participate in the rights offering and purchase shares of common stock, please promptly contact the record holder of your shares. We will ask your broker, bank, or other nominee to notify you of the rights offering. You should complete and return to your record holder the form entitled Beneficial Owner Election Form. You should receive this form from your record holder with the other rights offering materials.

### **How much money will the Company receive from the rights offering?**

While the rights offering has no minimum purchase requirement, if the recapitalization transactions are completed, the Company will receive \$75.0 million for general corporate purposes and to pay the expenses of the recapitalization transactions, with any remaining proceeds of the rights offering being used to repurchase a portion of our outstanding

2012 notes in the debt exchange. We will reduce outstanding indebtedness by \$130.0 million through the debt exchange. See Use of Proceeds.



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### **Have any stockholders indicated that they will exercise their rights?**

No. However, we have obtained a backstop commitment from JLL and Warburg Pincus so that gross proceeds from the rights offering will be no less than \$75.0 million. See [The Rights Offering](#) [The Backstop Purchasers](#).

### **Are there risks in exercising my subscription rights?**

Yes. The exercise of your subscription rights involves risks. Exercising your subscription rights means buying additional shares of our common stock and should be considered as carefully as you would consider any other equity investment. You should carefully read the section entitled [Risk Factors](#) beginning on page 17 of this prospectus and the section entitled [Risk Factors](#) in our Annual Report on Form 10-K for the year ended December 31, 2008, and all other information included or incorporated herein by reference in this prospectus in its entirety before you decide whether to exercise your rights.

### **How many shares of common stock will be outstanding after the rights offering?**

As of December 14, 2009, we had 36,353,924 shares of common stock issued and outstanding. Upon completion of the recapitalization transactions, we will have 94,925,352 shares of common stock outstanding after the closing of the rights offering and the debt exchange, excluding any shares that may be issued pursuant to the exercise of stock options.

### **Will the rights be listed on a stock exchange or national market?**

The subscription rights are transferable during the course of the subscription period, and we have applied to list the subscription rights on the Nasdaq Global Select Market under the symbol [BLDRR](#) beginning on or about December 16, 2009, until 4:00 p.m., Eastern Time, on January 11, 2010, the third business day prior to the expiration date of this rights offering (or, if the offer is extended, on the third business day immediately prior to the extended expiration date). As a result, you may transfer or sell your subscription rights if you do not want to purchase any shares of our common stock. However, the subscription rights are a new issue of securities with no prior trading market, and we cannot provide you any assurances as to the liquidity of the trading market for the subscription rights or the market value of the rights.

### **How do I exercise my rights if I live outside the United States?**

The subscription agent will hold rights certificates for stockholders having addresses outside the United States. In order to exercise rights, holders with addresses outside the United States must notify the subscription agent and timely follow other procedures described in the section of this prospectus entitled [The Rights Offering](#) [Foreign Stockholders](#).

### **What fees or charges apply if I purchase shares of common stock?**

We are not charging any fee or sales commission to issue rights to you or to issue shares to you if you exercise your rights. If you exercise your rights through the record holder of your shares, you are responsible for paying any fees your record holder may charge you.

### **What are the U.S. federal income tax consequences of exercising rights?**

A holder will not recognize income, gain, or loss for U.S. federal income tax purposes in connection with the receipt or exercise of subscription rights in the rights offering. If a U.S. holder sells or otherwise disposes of the rights received in the rights offering prior to the expiration date, the U.S. holder will recognize capital gain or loss equal to

the difference between the amount of cash and the fair market value of any property received and the holder's tax basis, if any, in the rights sold or otherwise disposed of. You should consult your tax advisor as to the particular consequences to you of the rights offering. For a detailed discussion, see the section of this prospectus entitled Material United States Federal Income Tax Consequences to United States Persons.

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**To whom should I send my forms and payment?**

If your shares are held in the name of a broker, bank, or other nominee, then you should send your subscription documents, rights certificate, and payment to that record holder in accordance with the instructions you receive from that record holder. If you are the record holder, then you should send your subscription documents and rights certificate by hand delivery, first class mail, or courier service to:

**By Mail:**

BNY Mellon Shareowner Services  
Attn: Corporate Action Dept., 27th Floor  
P.O. Box 3301  
South Hackensack, NJ 07606-1901

**By Overnight Courier or By Hand:**

BNY Mellon Shareowner Services  
Attn: Corporate Action Dept., 27th Floor  
480 Washington Boulevard  
Jersey City, NJ 07310

Your payment of the subscription price must be made in United States dollars for the full number of shares of common stock for which you are subscribing by cashier's or certified check drawn upon a United States bank payable to the subscription agent at the address set forth above.

You are solely responsible for completing delivery to the subscription agent of your subscription documents, rights certificate, and payment. We urge you to allow sufficient time for delivery of your subscription materials to the subscription agent.

**Whom should I contact if I have other questions?**

If you have other questions or need assistance, please contact the information agent, BNY Mellon Shareowner Services, at (201) 680-6676 (call collect) or (800) 777-3674 (toll-free).

For a more complete description of the rights offering, see [The Rights Offering](#) beginning on page 37.

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**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus or incorporated by reference therein. This summary may not contain all of the information that you should consider before deciding whether or not you should exercise your rights. You should read the entire prospectus carefully, including the section entitled Risk Factors beginning on page 17 of this prospectus and the section entitled Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008, and all other information included or incorporated herein by reference in this prospectus in its entirety before you decide whether to exercise your rights.*

**Builders FirstSource, Inc.**

Builders FirstSource, Inc. is a leading supplier and manufacturer of structural and related building products for residential new construction. We have operations principally in the southern and eastern United States with 55 distribution centers and 51 manufacturing facilities, many of which are located on the same premises as our distribution centers. We have successfully acquired and integrated 27 companies since our formation and are currently managed as three regional operating groups Atlantic, Southeast and Central with centralized financial and operational oversight. We compete in the professional segment of the U.S. residential new construction building products supply market. Because of the predominance of smaller privately owned companies and the overall size and diversity of the target customer market, the professional segment remains fragmented.

We serve a highly diversified customer base, ranging from production homebuilders to small custom homebuilders. For the year ended December 31, 2008 and the nine months ended September 30, 2009, our top 10 customers accounted for approximately 19.0% and 21.3% of sales, respectively. We believe we have a diverse geographical footprint, in 32 markets in 9 states. We offer an integrated solution to our customers providing manufacturing, supply, and installation of a full range of structural and related building products. We group our building products and services into five product categories: prefabricated components, windows and doors, lumber and lumber sheet goods, millwork, and other building products and services. In addition to our full range of construction services, we offer a comprehensive offering of products that includes approximately 60,000 stock keeping units.

We are incorporated under the laws of the State of Delaware. Our principal executive offices are located at 2001 Bryan Street, Suite 1600, Dallas, Texas 75201, and our telephone number is (214) 880-3500. Our website is [www.blldr.com](http://www.blldr.com). The information on our website does not constitute part of this prospectus and should not be relied upon in connection with making any investment in our securities.

**Table of Contents****BUILDERS FIRSTSOURCE, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(unaudited in thousands, except per share amounts)**

The following selected consolidated financial data of the Company, for each of the fiscal years in the three-year period ended December 31, 2008, have been derived from our audited consolidated financial statements. The following selected consolidated financial data for each of the nine-month periods ended September 30, 2008 and 2009 have been derived from the Company's unaudited condensed consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q for the quarters ended September 30, 2008 and 2009 and are not necessarily indicative of the results for the remainder of the fiscal year or any future period. We believe that the unaudited condensed consolidated financial data reflects all normal and recurring adjustments necessary for a fair presentation of the results for the interim periods presented. This information is only a summary and should be read in conjunction with financial statements and the notes thereto incorporated by reference into this prospectus and the Management's Discussion and Analysis of Financial Condition and Results of Operations section contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which we refer to as our 2008 10-K, as updated by our Current Report on Form 8-K filed on October 30, 2009, and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, which we refer to as our Third Quarter 2009 10-Q.

	<b>2006</b>	<b>Fiscal Year Ended December 31, 2007</b>	<b>2008</b>	<b>Nine Months Ended September 30, 2008</b>	<b>2009</b>
	<b>(In thousands, except per share amounts)</b>				
<b>Statement of Operations Data:</b>					
Sales	\$ 2,063,466	\$ 1,468,428	\$ 992,014	\$ 799,109	\$ 523,923
Gross margin	544,814	363,161	215,541	174,007	112,115
Selling, general, and administrative expenses(1)	401,536	341,941	280,010	216,889	151,658
Asset impairments		350	46,948	10,130	470
Facility closure costs		101	1,192	866	1,190
(Loss) income from continuing operations(2)	71,233	(2,607)	(120,583)	(72,384)	(63,119)
(Loss) income from continuing operations per share basic	\$ 2.09	\$ (0.07)	\$ (3.38)	\$ (2.03)	\$ (1.76)
(Loss) income from continuing operations per share diluted	\$ 1.96	\$ (0.07)	\$ (3.38)	\$ (2.03)	\$ (1.76)
<b>Balance Sheet Data (End of Period):</b>					
Cash and cash equivalents	\$ 93,258	\$ 97,574	\$ 106,891	\$ 131,210	\$ 96,317
Total assets	748,515	647,423	521,140	640,078	435,311
Total debt (including current portion)	319,200	279,266	319,226	339,237	299,194
Stockholders' equity	256,864	241,547	102,474	168,307	37,016
<b>Other Financial Data:</b>					
Depreciation and amortization (excluding discontinued operations)	\$ 20,410	\$ 22,447	\$ 20,833	\$ 15,978	\$ 13,882

- (1) Includes stock-based compensation expense of \$8,474, \$6,970, and \$4,060 for the years ended December 31, 2008, 2007, and 2006, respectively, and \$2,521 and \$6,360 for the nine months ended in 2009 and 2008, respectively.
- (2) (Loss) income from continuing operations included a valuation allowance of \$31.6 million against primarily all of our deferred tax assets for the year ended December 31, 2008, as discussed in Note 12 to the consolidated financial statements included in Item 8 of our 2008 10-K, as updated by our Current Report on Form 8-K filed on October 30, 2009, and a valuation allowance of \$25.0 million and \$27.3 million for

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the nine months ended 2009 and 2008, respectively, as discussed in Note 10 in our Third Quarter 2009 10-Q.

### **Purpose of the Rights Offering**

We are making this rights offering as part of a recapitalization plan to raise additional capital, reduce our indebtedness, and extend the maturity of our outstanding indebtedness. The other parts of our plan are our debt exchange and consent solicitation which are described elsewhere in this prospectus.

### **Background of the Rights Offering**

The severity and duration of the downturn in the homebuilding industry has presented significant challenges to our business. Our revenues have declined from approximately \$2.2 billion for the year ended December 31, 2006, to approximately \$1.0 billion for the year ended December 31, 2008, with further declines expected in 2009. Despite the efforts of our management to reduce our costs, our operating results have continued to deteriorate and our liquidity has decreased and is becoming constrained. In light of these conditions, our board of directors determined that the recapitalization transactions would (i) provide us with significant additional liquidity to fund operations, (ii) deleverage our balance sheet, and (iii) extend the maturity of our outstanding indebtedness in order to provide us with additional time to recover from the current industry downturn. To the extent that they wish to do so, existing stockholders can participate in the recapitalization transactions through this rights offering. The backstop provided by JLL and Warburg Pincus ensures that we will have \$75.0 million (less expenses) of additional liquidity. In addition, we will substantially reduce our debt and, as a result, provide the Company with greater financial flexibility over the next several years. The extended maturities of the 2016 notes will provide us additional time to recover from the current industry downturn.

Our goal with the recapitalization transactions is to improve our financial flexibility through the rights offering and debt exchange. Upon completion of the recapitalization transactions, the Company will receive \$75.0 million for general corporate purposes and to pay the expenses of the recapitalization transactions, with any remaining proceeds of the rights offering being used to repurchase a portion of our outstanding 2012 notes in the debt exchange. We will reduce our outstanding indebtedness by \$130.0 million through the debt exchange.

The closing of the recapitalization transactions will occur at 10:00 a.m., Eastern Time, on the fourth (4<sup>th</sup>) business day following the later of (i) the expiration date of the rights offering and (ii) the satisfaction of the conditions to the rights offering and debt exchange (or waiver thereof by the party or parties entitled to waive such conditions), or such other time as shall be agreed upon by the Company and JLL and Warburg Pincus.

Our current indebtedness is comprised of \$275 million aggregate principal amount of our 2012 notes, \$20.0 million of outstanding borrowings under our \$250 million senior secured revolving credit facility, and other long-term debt of \$4.1 million. See Management's Discussion and Analyses of Financial Condition and Results of Operations - Liquidity and Capital Resources of our 2008 10-K.

### **The Rights Offering**

Securities offered

We are distributing to you, at no charge, 1,611,144 transferable subscription rights for every share of our common stock that you owned on the record date, either as a holder of record or, in the case of shares held of record by brokers, banks, or other nominees, on your behalf, as a beneficial owner of such shares, subject to adjustments to eliminate fractional rights. We expect the gross proceeds from the rights offering to be \$205.0 million, assuming full participation.

Basic subscription privilege

Each whole right gives you the opportunity to purchase one share of our common stock for \$3.50 per share.



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Over-subscription privilege

If you elect to exercise your basic subscription privilege in full, you may also subscribe for additional shares (up to the number of shares for which you subscribed under your basic subscription privilege) at the same subscription price per share. Pursuant to the Investment Agreement, JLL and Warburg Pincus will not have the right to exercise the over-subscription privilege associated with their rights. If an insufficient number of shares are ava