



Boise Cascade



Boise Cascade Holdings, L.L.C. Third Quarter Earnings Release

November 6, 2008



Forward Looking Statements

- ◆ This presentation includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that could cause our actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, mortgage rates and availability, housing demand, housing vacancy rates, prices for building products, governmental regulations, unforeseen production disruptions, as well as natural disasters.
- ◆ These and other factors that could cause actual results to differ materially from such forward-looking statements are discussed in greater detail in our filings with the Securities and Exchange Commission.
- ◆ Forward-looking statements speak only as of the date of this presentation. We undertake no obligation to revise them in light of new information. Finally, we undertake no obligation to review or confirm analyst expectations or estimates that might be derived from this presentation.
- ◆ This presentation includes references to EBITDA and net debt, which are non-GAAP financial measures within the meaning of the Securities and Exchange Commission's Regulation G. A reconciliation of segment EBITDA with segment income (loss) and total debt to net debt are included as an appendix and are posted on the company's website at www.bc.com.



- ◆ Our core building products business provided \$10 million EBITDA in the quarter.
- ◆ We completed the divestiture of our Brazilian subsidiary on July 1 for net proceeds of \$46 million. We permanently closed our St. Helens, Oregon, veneer facility in September.
- ◆ We generated about \$50 million of cash in the quarter and reduced our net debt to \$25 million at the end of the quarter.
- ◆ We wrote down our investment in Boise Inc. at the end of the quarter to \$1.56 per share, resulting in a noncash charge of \$208.1 million.
- ◆ We expect difficult market conditions for new residential construction to persist for the rest of 2008 and into 2009.



(\$ Millions)	<u>9/30/2008</u>	<u>6/30/2008</u>	<u>12/31/2007</u>
<u>Net Debt</u>			
Short-term borrowings	\$ -	\$ -	\$ 10.5
Sr. secured ABL debt	75.0	75.0	760.6
Sr. subordinated notes	240.0	240.0	400.0
Cash & cash equivalents	(290.1)	(240.7)	(57.6)
Net debt ¹	<u>\$ 24.9</u>	<u>\$ 74.3</u>	<u>\$ 1,113.4</u>
<u>Liquidity Position</u>			
ABL excess availability ²	\$ 122.7	\$ 146.1	
Cash & cash equivalents	290.1	240.7	
Total liquidity	<u>\$ 412.8</u>	<u>\$ 386.8</u>	

¹ Reconciliation of non-GAAP measures to GAAP is provided as an appendix.

² Net of a \$45 million availability threshold amount.



(\$ Millions)	<u>3Q08</u>	<u>3Q07</u>	<u>2Q08</u>
BMD			
Sales	\$ 584.1	\$ 686.6	\$ 610.0
EBITDA ¹	\$ 12.1	\$ 18.0	\$ 17.3
Wood Products			
Sales	\$ 215.1	\$ 261.6	\$ 226.0
EBITDA ¹	\$ 3.6	\$ 16.3	\$ 3.3
Capital spending ²	\$ 8.9	\$ 10.0	\$ 9.7

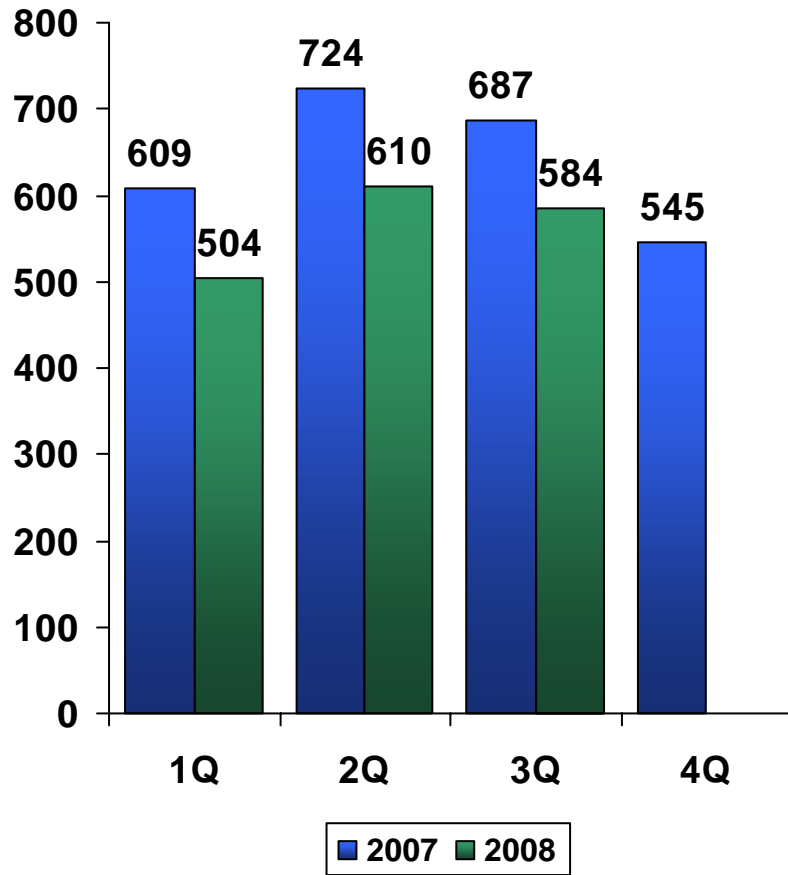
¹ Reconciliation of non-GAAP measures to GAAP is provided as an appendix.

² 3Q07 capital spending excludes \$37.3 million for the Paper and Packaging & Newsprint businesses which we sold on February 22, 2008.

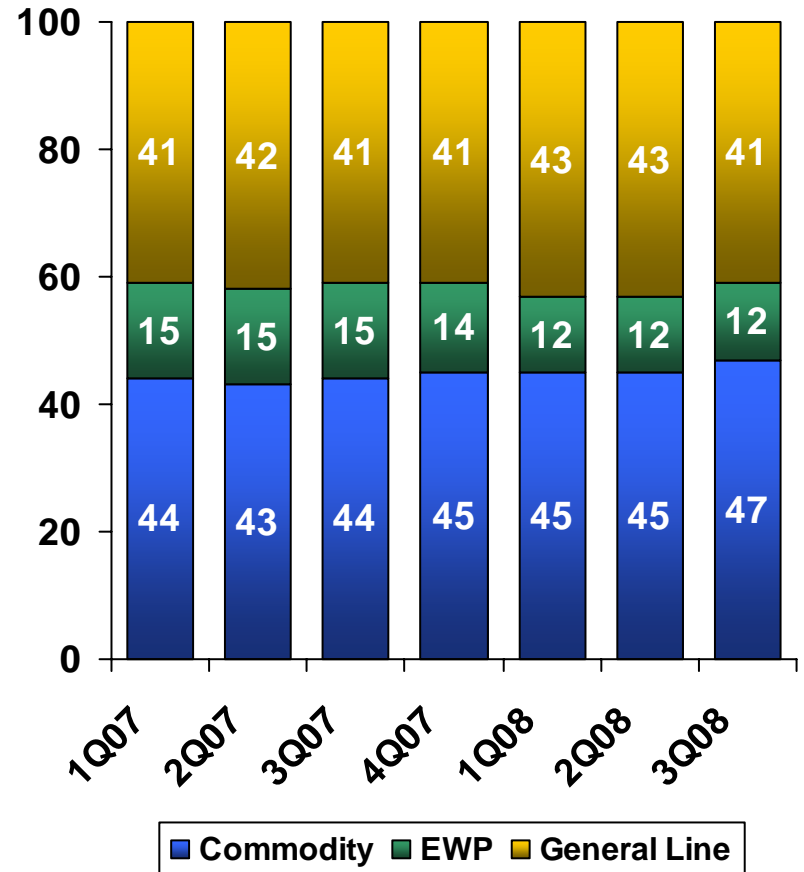


Building Materials Distribution – Sales

(\$ Millions)

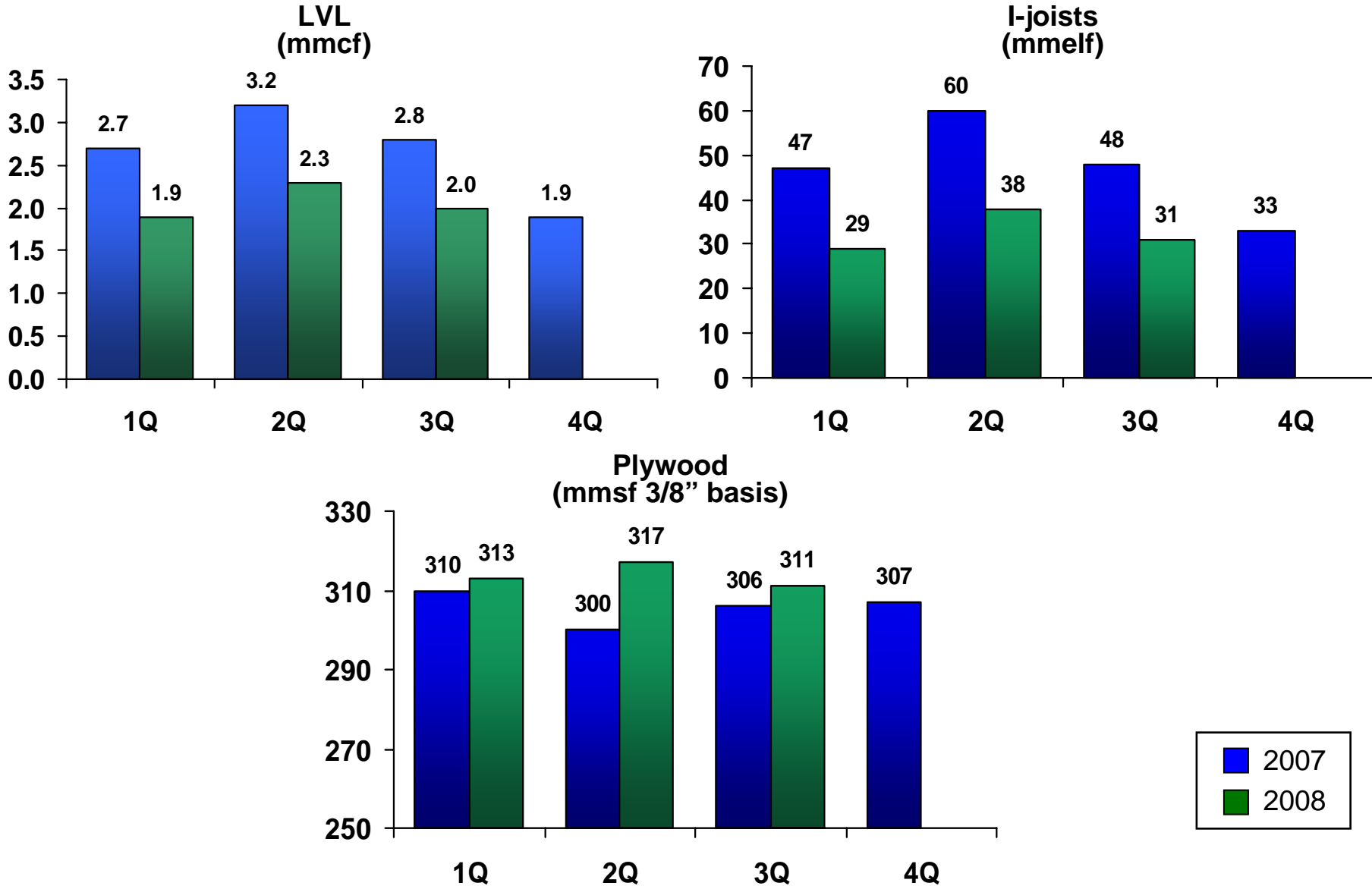


(% of Sales)



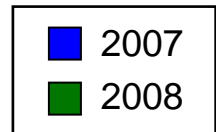
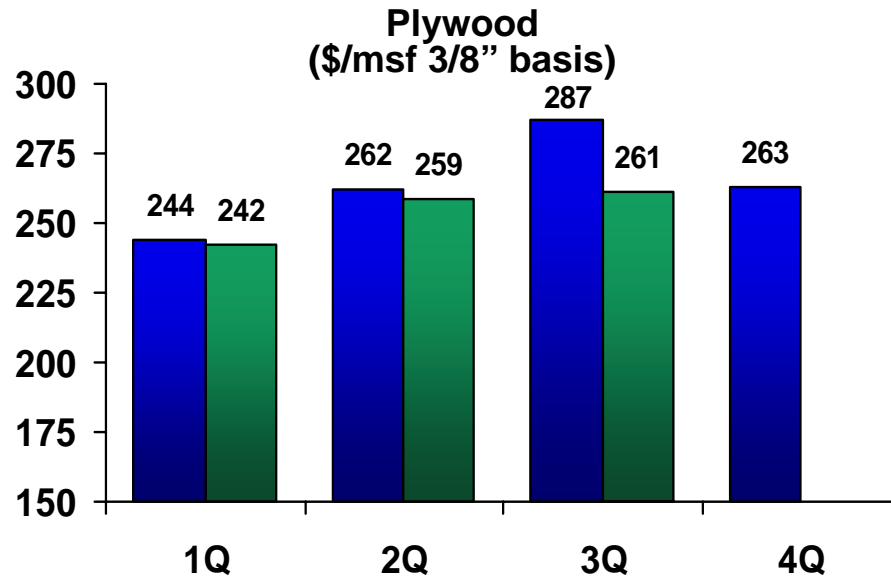
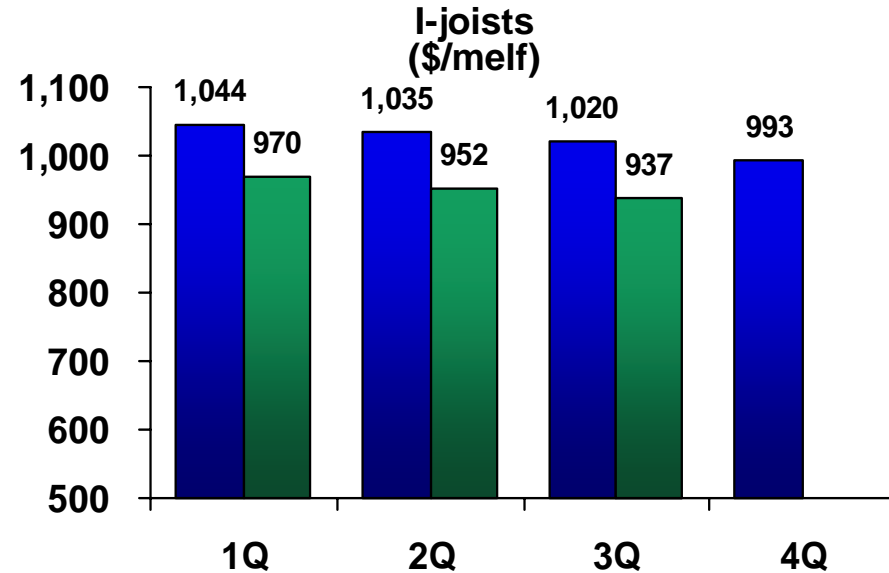
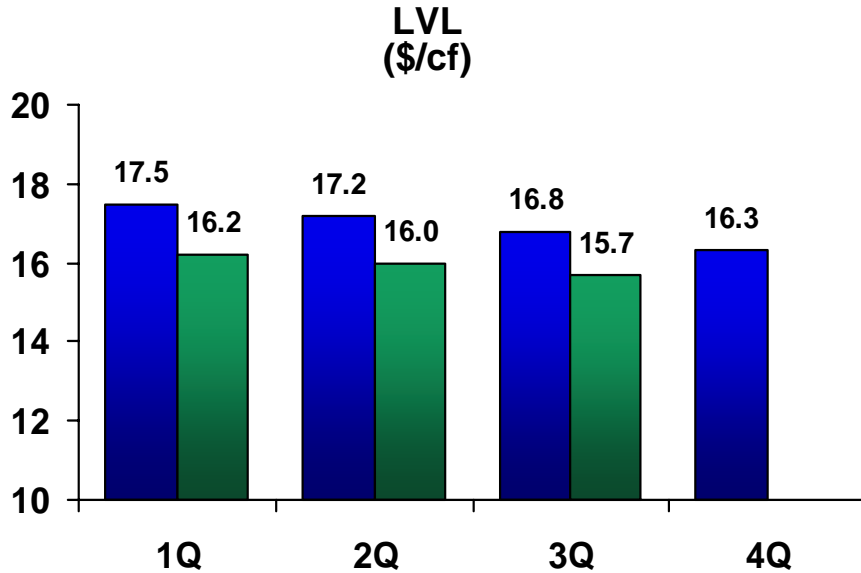


Wood Products – Sales Volumes





Wood Products – Prices





- ◆ We expect the housing and capital markets to remain extremely challenging through next year, so we are very focused on minimizing our cash usage and preserving our financial flexibility.
- ◆ Pricing for the balance of 2008 and into 2009 will more likely be impacted by supply behavior than demand recovery.
- ◆ Mortgage market activity, particularly efforts related to workouts and foreclosures, will have a major influence on vacancy rates and home prices. It is unclear what impact moves by the U.S. Treasury and Federal Reserve will have in the near term.
- ◆ Long-term demand fundamentals are still sound. Immigration is a key driver.
- ◆ Our national footprint gives us access to rural housing markets that have held up better in the current downturn.



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Appendix

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Net debt includes long- and short-term debt owed to third parties, less cash and cash equivalents. The following table reconciles total debt to net debt at September 30, 2008, June 30, 2008, and at December 31, 2007.

(\$ Millions)	September 30, 2008	June 30, 2008	December 31, 2007
	<hr/>	<hr/>	<hr/>
Long-term debt, less current portion	\$ 315.0	\$ 315.0	\$ 1,113.3
Current portion of long-term debt	-	-	47.3
Short-term borrowings	-	-	10.5
Total debt	<hr/> 315.0	<hr/> 315.0	<hr/> 1,171.1
Less cash and cash equivalents	(290.1)	(240.7)	(57.6)
Net debt	<hr/> <hr/> \$ 24.9	<hr/> <hr/> \$ 74.3	<hr/> <hr/> \$ 1,113.4

Segment EBITDA represents segment income (loss) before depreciation, amortization, and depletion. The following table reconciles segment income (loss) to segment EBITDA for the three months ended September 30, 2008 and 2007, and June 30, 2008.

(\$ Millions)	<u>3Q08</u>	<u>3Q07</u>	<u>2Q08</u>
Building Materials Distribution			
Segment income	\$ 10.2	\$ 16.1	\$ 15.3
Depreciation, amortization & depletion	<u>1.9</u>	<u>1.8</u>	<u>1.9</u>
EBITDA	<u><u>\$ 12.1</u></u>	<u><u>\$ 18.0</u></u>	<u><u>\$ 17.3</u></u>
Wood Products			
Segment income (loss)	\$ (3.1)	\$ 9.2	\$ (3.4)
Depreciation, amortization & depletion	<u>6.8</u>	<u>7.1</u>	<u>6.7</u>
EBITDA	<u><u>\$ 3.6</u></u>	<u><u>\$ 16.3</u></u>	<u><u>\$ 3.3</u></u>