



**Boise Cascade**



# **Boise Cascade Holdings, L.L.C. Fourth Quarter Earnings Release**

**March 10, 2009**



# 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](http://www.bc.com).



- ◆ Our core building products business reported negative EBITDA of \$31.5 million in the quarter, including \$7.5 million of expenses related to our planned closure of our White City, Oregon, plywood operation.
- ◆ We used about \$14 million of cash in the quarter, which increased our net debt to \$39 million at the end of the quarter.
- ◆ Sales weakened considerably as the fourth quarter progressed.
- ◆ First quarter this year started with the same near absence of demand we experienced in December 2008.
- ◆ We expect difficult market conditions for new residential construction to persist for the foreseeable future and for 2009 demand to be below the very weak levels seen in 2008.



(\$ Millions)	<u>12/31/2008</u>	<u>9/30/2008</u>	<u>12/31/2007</u>
<u>Net Debt</u>			
Short-term borrowings	\$ -	\$ -	\$ 10.5
Sr. secured debt	75.0	75.0	760.6
Sr. subordinated notes	240.0	240.0	400.0
Cash & cash equivalents	(275.8)	(290.1)	(57.6)
Net debt <sup>1</sup>	<u>\$ 39.2</u>	<u>\$ 24.9</u>	<u>\$ 1,113.4</u>
<u>Liquidity Position</u>			
ABL excess availability <sup>2</sup>	\$ 58.1	\$ 122.7	
Cash & cash equivalents	275.8	290.1	
Total liquidity	<u>\$ 333.9</u>	<u>\$ 412.8</u>	

<sup>1</sup> Reconciliation of non-GAAP measures to GAAP is provided as an appendix.

<sup>2</sup> Net of a \$45 million availability threshold amount.



(\$ Millions)	<u>4Q08</u>	<u>4Q07</u>	<u>3Q08</u>
BMD			
Sales	\$ 411.5	\$ 545.0	\$ 584.1
EBITDA <sup>1</sup>	\$ (2.9)	\$ 6.6	\$ 12.1
Wood Products			
Sales	\$ 156.0	\$ 216.0	\$ 215.1
EBITDA <sup>1</sup>	\$ (24.7)	\$ 3.0	\$ 3.6
Capital spending <sup>2</sup>	\$ 15.1	\$ 14.9	\$ 8.9

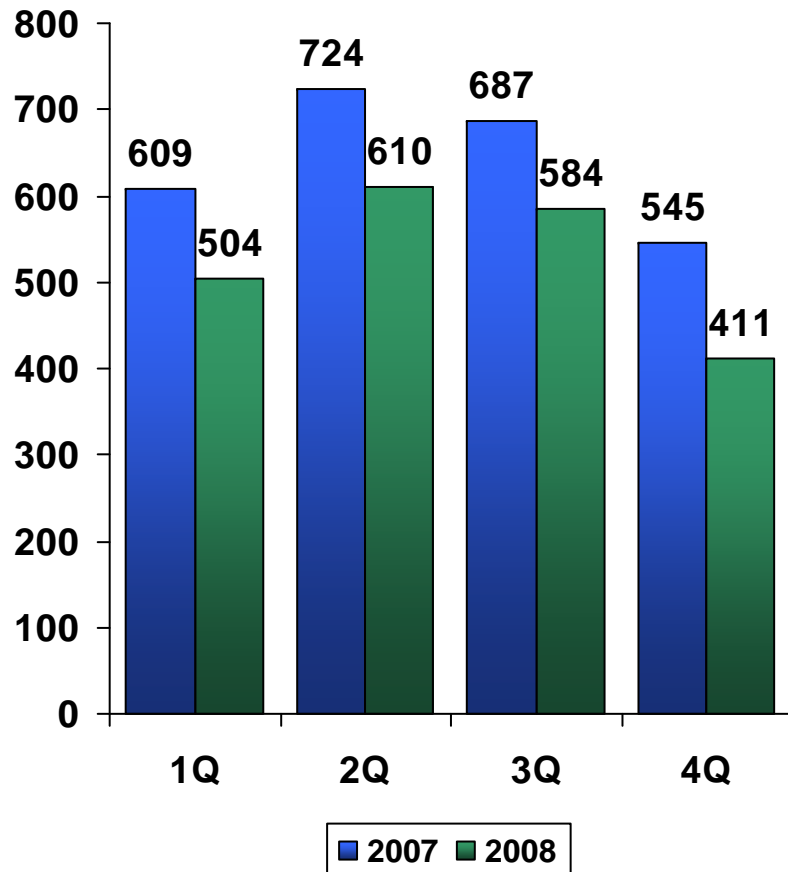
<sup>1</sup> Reconciliation of non-GAAP measures to GAAP is provided as an appendix.

<sup>2</sup> 4Q07 capital spending excludes \$35.8 million for the Paper and Packaging & Newsprint businesses which we sold on February 22, 2008.

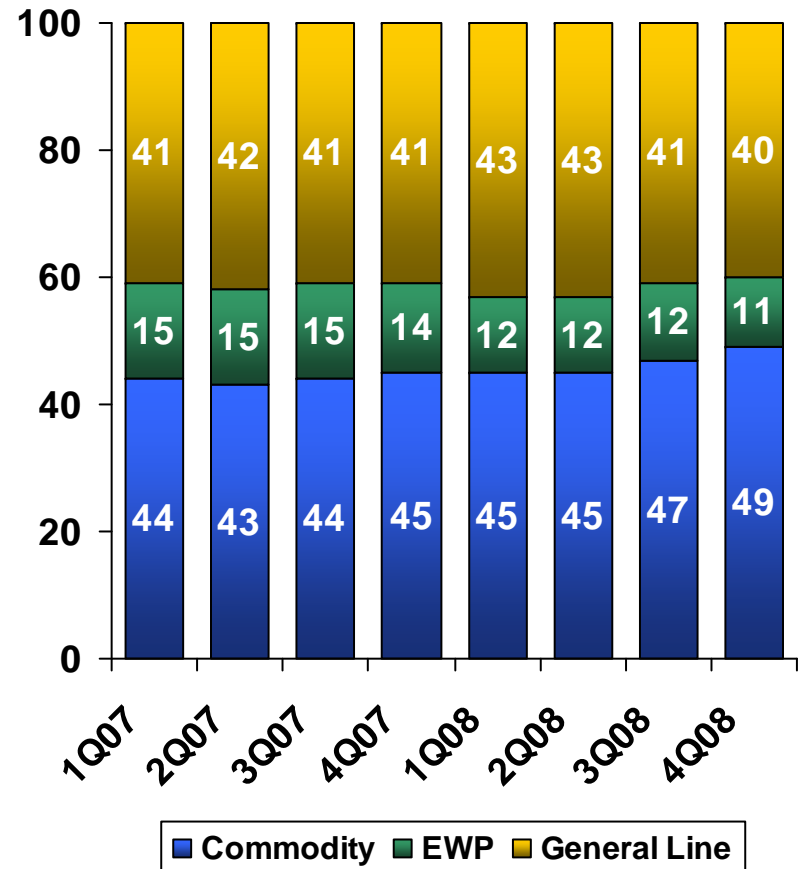


# Building Materials Distribution – Sales

(\$ Millions)

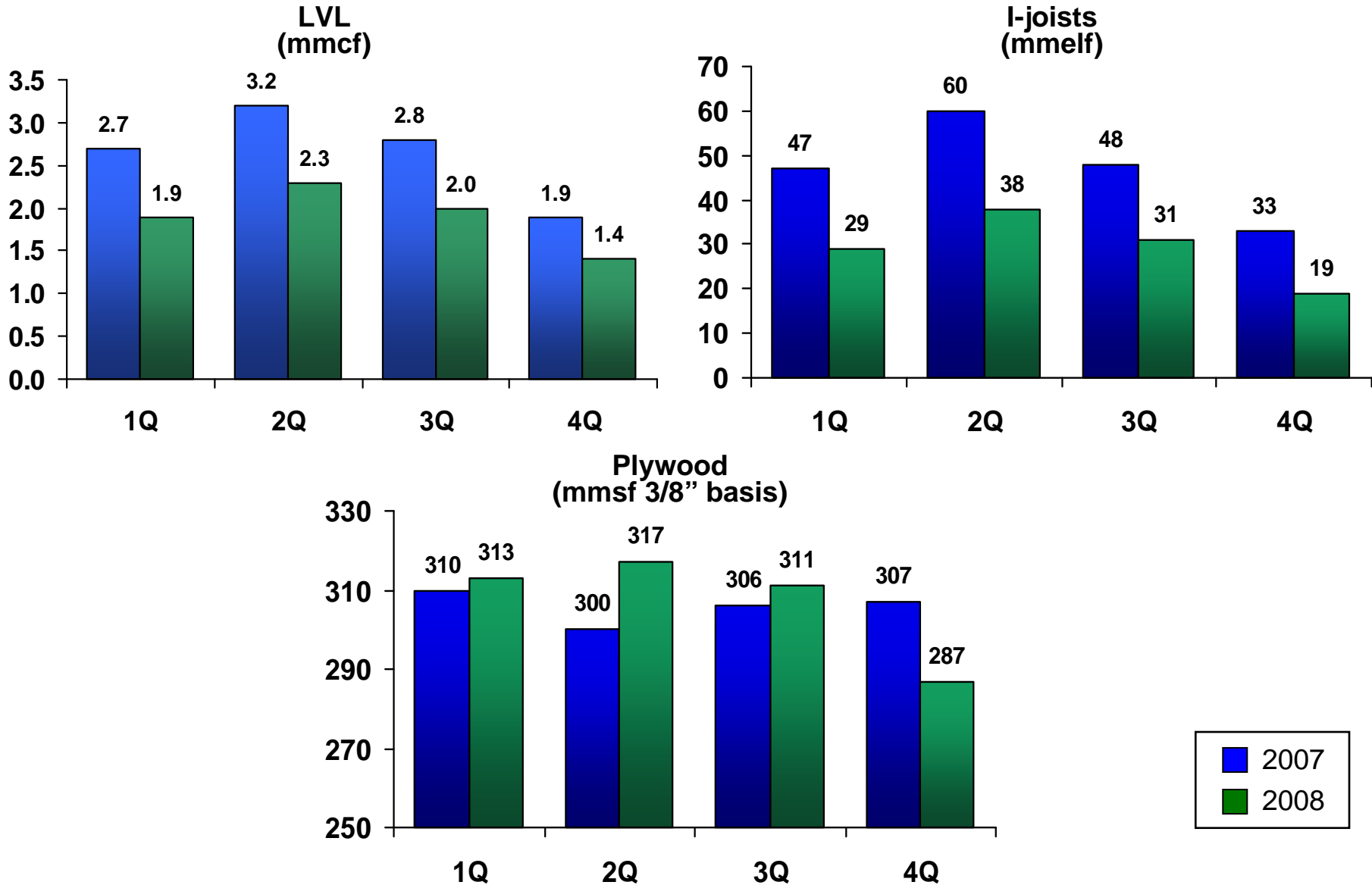


(% of Sales)



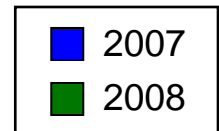
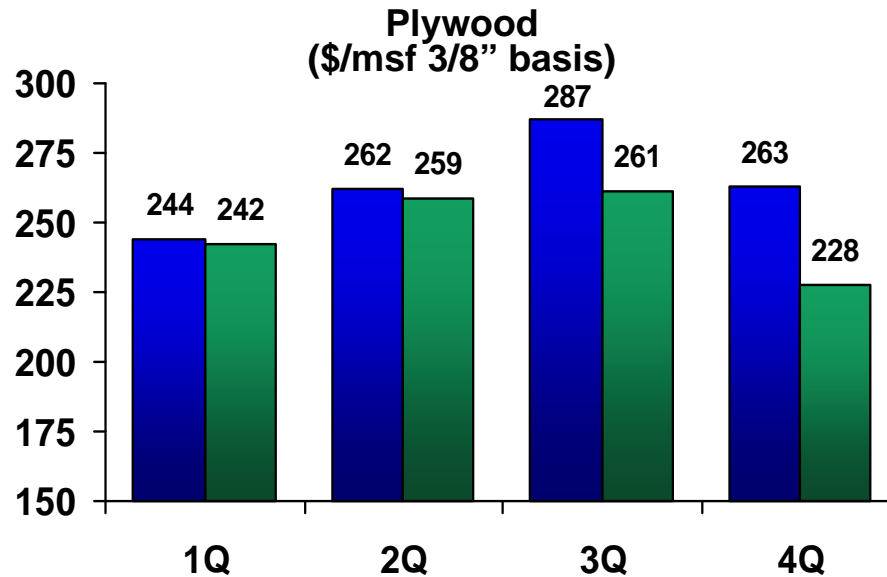
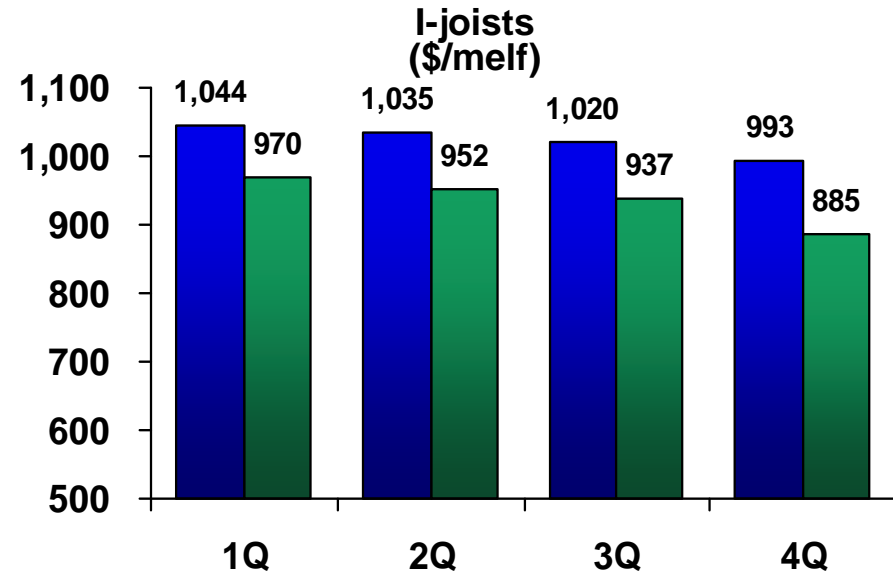
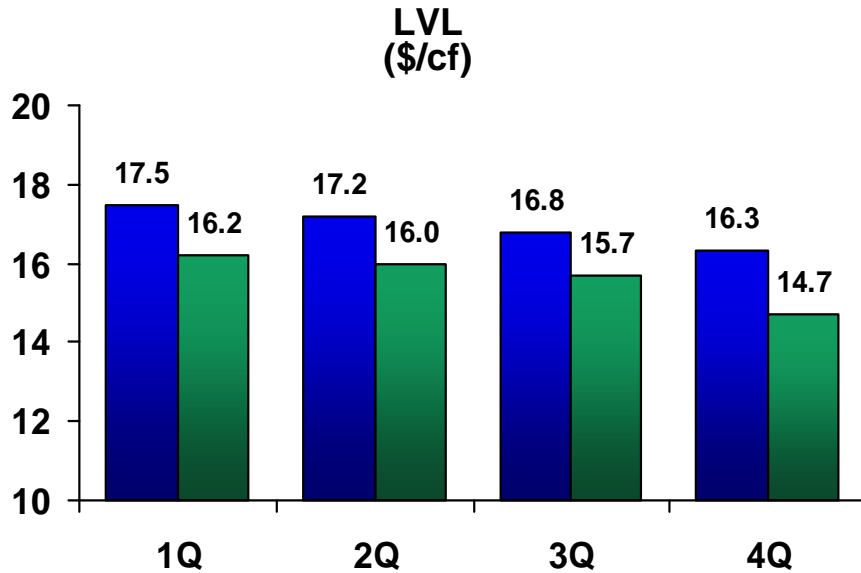


# Wood Products – Sales Volumes





# Wood Products – Prices





- ◆ We expect the housing and capital markets to remain extremely challenging for the balance of the year, so we are very focused on minimizing our cash usage and preserving our financial flexibility.
- ◆ Pricing this year will more likely be impacted by supply behavior than demand recovery.
- ◆ Mortgage market activity, particularly efforts related to workouts and foreclosures, could have a major influence on vacancy rates and home prices. It is unclear what impact all of the governmental interventions and stimulus in the mortgage and housing markets 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

**March 10, 2009**



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 December 31, 2008, September 30, 2008, and at December 31, 2007.

(\$ Millions)	<u>12/31/2008</u>	<u>9/30/2008</u>	<u>12/31/2007</u>
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	<u>315.0</u>	<u>315.0</u>	<u>1,171.1</u>
Less cash and cash equivalents	<u>(275.8)</u>	<u>(290.1)</u>	<u>(57.6)</u>
Net debt	<u>\$ 39.2</u>	<u>\$ 24.9</u>	<u>\$ 1,113.4</u>



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 December 31, 2008 and 2007, and September 30, 2008.

(\$ Millions)	<u>4Q08</u>	<u>4Q07</u>	<u>3Q08</u>
Building Materials Distribution			
Segment income (loss)	\$ (4.8)	\$ 4.8	\$ 10.2
Depreciation, amortization & depletion	<u>1.9</u>	<u>1.8</u>	<u>1.9</u>
EBITDA	<u>\$ (2.9)</u>	<u>\$ 6.6</u>	<u>\$ 12.1</u>
Wood Products			
Segment loss	\$ (31.5)	\$ (5.0)	\$ (3.1)
Depreciation, amortization & depletion	<u>6.8</u>	<u>8.0</u>	<u>6.8</u>
EBITDA	<u>\$ (24.7)</u>	<u>\$ 3.0</u>	<u>\$ 3.6</u>