



Boise Cascade



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

May 7, 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.



- ◆ Our core building products business reported negative EBITDA of \$31.3 million in the quarter, including \$5.0 million of expenses related to our indefinite curtailment of our La Grande, Oregon, lumber operation.
- ◆ Demand was very weak throughout the quarter.
- ◆ We used about \$86 million of cash in the quarter, which increased our net debt to \$114 million at the end of the quarter. Over half of our cash usage was related to items that will not recur this year.
- ◆ We are experiencing a modest improvement in activity levels early this quarter.
- ◆ We took aggressive actions in the first quarter to reduce our cash usage on a go-forward basis.



- ◆ Closed White City, Oregon, plywood operation and initiated dryer replacement project at Medford, Oregon, plywood operation.
- ◆ Curtailed indefinitely plywood production at Oakdale, Louisiana. Operation is producing limited veneer to support EWP production in Alexandria, Louisiana, with lower grade veneer converted to plywood at Florien, Louisiana.
- ◆ Decided to indefinitely curtail our La Grande, Oregon, lumber operation. Currently processing remaining log inventory.
- ◆ Took rolling curtailments at other manufacturing operations to manage production to market demand.
- ◆ Further reduced headcount in Wood Products' operations and sales/marketing.
- ◆ Further reduced headcount in BMD's operations on a market-by-market basis.
- ◆ Reduced planned capital spending for 2009.
- ◆ Suspended our salaried employee 401(k) match effective April 1.
- ◆ Implemented a salary freeze.
- ◆ Announced a freeze of our salaried pension plan effective the end of this year.



(\$ Millions)	<u>3/31/2009</u>	<u>12/31/2008</u>
<u>Net Debt</u>		
Sr. secured debt	\$ 75.0	\$ 75.0
Sr. subordinated notes	228.1	240.0
Cash & cash equivalents	<u>(189.5)</u>	<u>(275.8)</u>
Net debt ¹	<u>\$ 113.6</u>	<u>\$ 39.2</u>
 <u>Liquidity Position</u>		
ABL excess availability ²	\$ 83.4	\$ 58.1
Cash & cash equivalents	<u>189.5</u>	<u>275.8</u>
Total liquidity	<u>\$ 272.9</u>	<u>\$ 333.9</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>1Q09</u>	<u>1Q08</u>	<u>4Q08</u>
BMD			
Sales	\$ 335.0	\$ 503.9	\$ 411.5
EBITDA ¹	\$ (6.6)	\$ 0.7	\$ (2.9)
Wood Products			
Sales	\$ 116.5	\$ 198.7	\$ 156.0
EBITDA ¹	\$ (28.6)	\$ (9.6)	\$ (24.7)
Capital spending ²	\$ 4.2	\$ 8.0	\$ 15.1

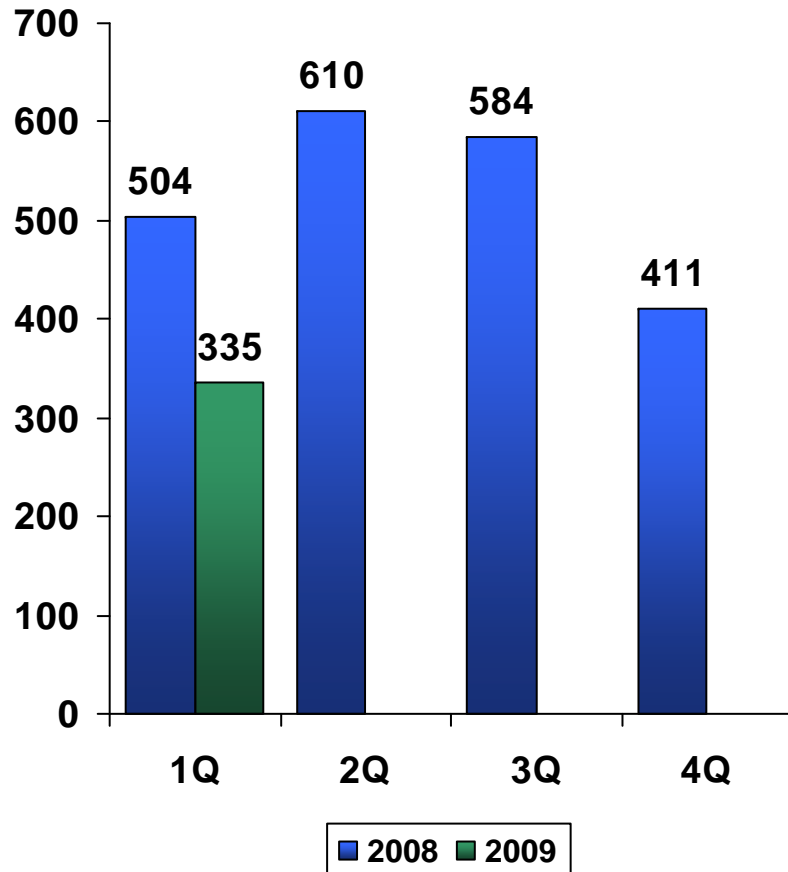
¹ Reconciliation of non-GAAP measures to GAAP is provided as an appendix.

² 1Q08 capital spending excludes \$10.2 million for the Paper and Packaging & Newsprint businesses which we sold on February 22, 2008.

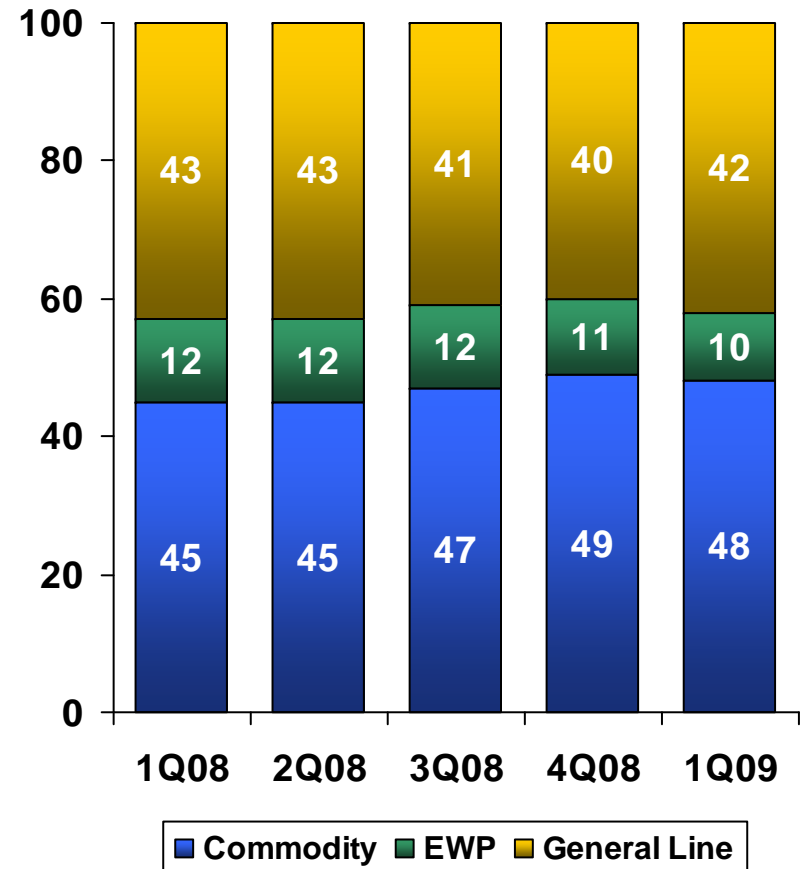


Building Materials Distribution – Sales

(\$ Millions)

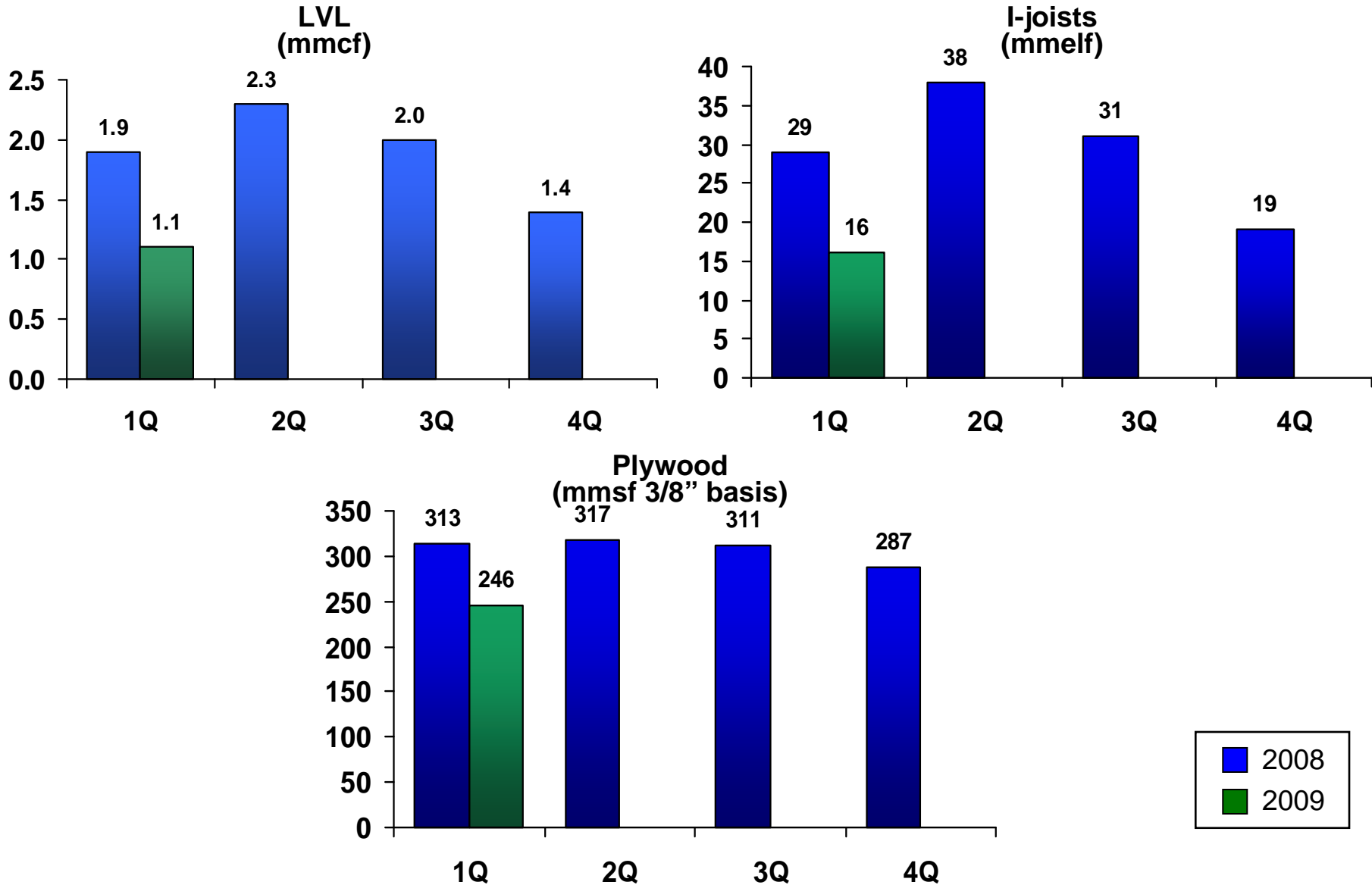


(% of Sales)



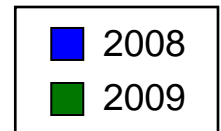
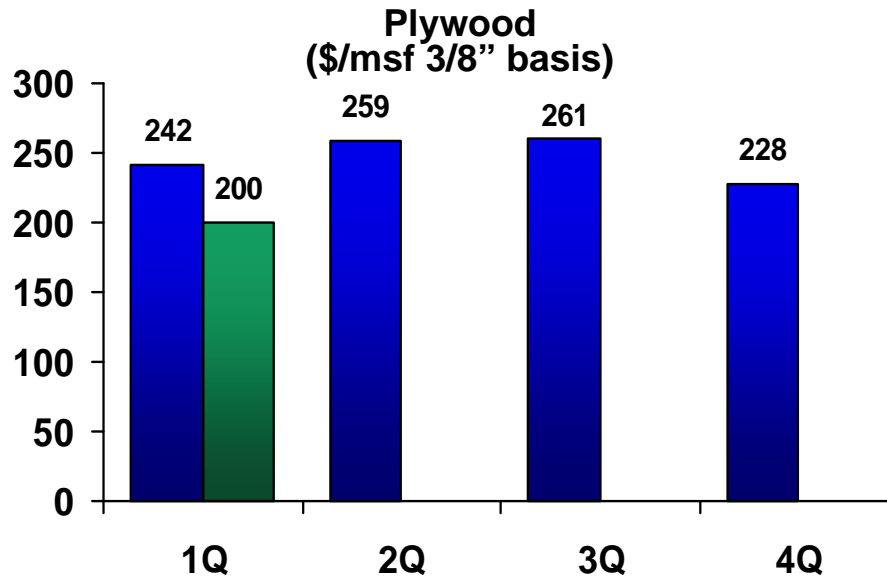
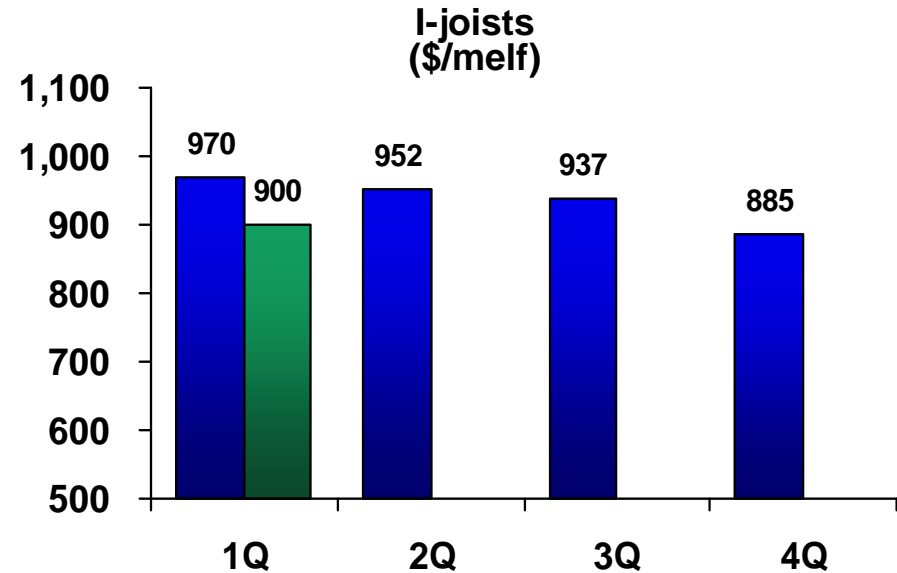
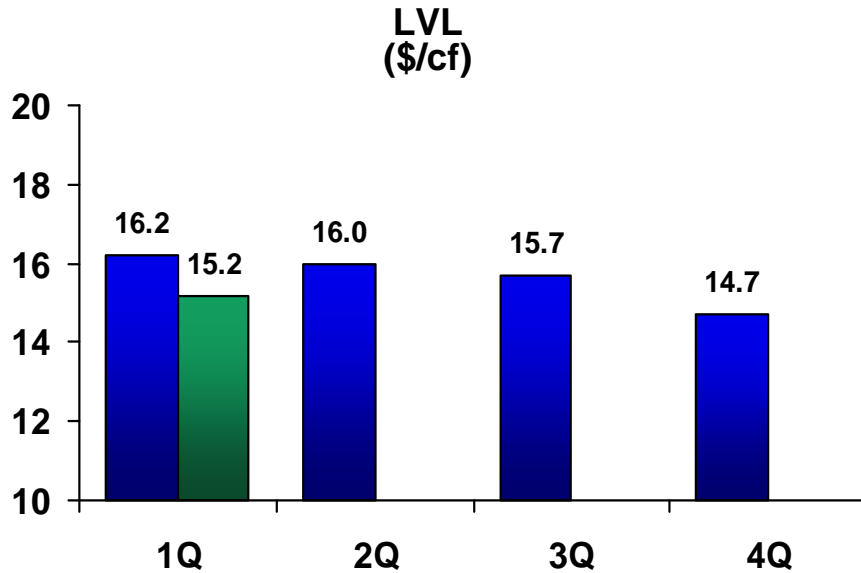


Wood Products – Sales Volumes





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 likely be impacted more by supply behavior rather than demand recovery.
- ◆ Mortgage market activity, particularly efforts related to workouts and foreclosures, could have a major influence on vacancy rates and home prices. Governmental intervention and stimulus in the mortgage and housing markets appears to be having a favorable impact on mortgage rates and sales of existing homes.
- ◆ Unemployment rates and consumer confidence are important variables.
- ◆ Long-term demand fundamentals are still sound.
- ◆ We expect the actions we have taken to reduce our cash usage in the quarters ahead. Should the markets weaken further, we are prepared to take additional steps to preserve our liquidity.



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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 March 31, 2009 and December 31, 2008.

(\$ Millions)	<u>3/31/2009</u>	<u>12/31/2008</u>
Long-term debt	\$ 303.1	\$ 315.0
Less cash and cash equivalents	<u>(189.5)</u>	<u>(275.8)</u>
Net debt	<u>\$ 113.6</u>	<u>\$ 39.2</u>



Segment EBITDA represents segment income (loss) before depreciation, amortization, and depletion. The following table reconciles segment loss to segment EBITDA for the three months ended March 31, 2009 and 2008, and December 31, 2008.

(\$ Millions)	<u>1Q09</u>	<u>1Q08</u>	<u>4Q08</u>
Building Materials Distribution			
Segment loss	\$ (8.5)	\$ (1.2)	\$ (4.8)
Depreciation, amortization & depletion	<u>1.9</u>	<u>1.9</u>	<u>1.9</u>
EBITDA	<u>\$ (6.6)</u>	<u>\$ 0.7</u>	<u>\$ (2.9)</u>
Wood Products			
Segment loss	\$ (37.6)	\$ (17.1)	\$ (31.5)
Depreciation, amortization & depletion	<u>9.1</u>	<u>7.5</u>	<u>6.8</u>
EBITDA	<u>\$ (28.6)</u>	<u>\$ (9.6)</u>	<u>\$ (24.7)</u>