



**Boise Cascade**



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

**August 12, 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).



- ◆ Demand remained very weak throughout the quarter compared with the same period in 2008. We did see modest seasonal improvement from first quarter 2009.
- ◆ Our core building products business reported negative EBITDA of \$3.5 million in the quarter. While down from the positive EBITDA of \$14.3 million reported in second quarter 2008, results improved dramatically from the negative EBITDA of \$31.3 million reported in first quarter 2009.
- ◆ We generated \$15.0 million of cash in the quarter through working capital reductions and improved operating results.
- ◆ We continue to have a strong liquidity position with cash and available bank line capacity totaling \$282.3 million at June 30, 2009. We reduced our unused bank line commitments by \$60.0 million to satisfy our subordinated note indenture asset sale provision.
- ◆ We completed two small acquisitions to complement our existing operations.
- ◆ The pace and strength of a recovery in new residential construction remains uncertain. However, the changes we have made in our operations over the last year and our current liquidity have positioned us to survive and emerge stronger as the new residential construction market rebounds.



(\$ Millions)	<u>6/30/2009</u>	<u>3/31/2009</u>	<u>12/31/2008</u>
<u>Net Debt</u>			
Sr. secured debt	\$ 75.0	\$ 75.0	\$ 75.0
Sr. subordinated notes	228.1	228.1	240.0
Cash & cash equivalents	<u>(204.6)</u>	<u>(189.5)</u>	<u>(275.8)</u>
Net debt <sup>1</sup>	<u>\$ 98.6</u>	<u>\$ 113.6</u>	<u>\$ 39.2</u>
<u>Liquidity Position</u>			
ABL excess availability <sup>2</sup>	\$ 77.7	\$ 83.4	\$ 58.1
Cash & cash equivalents	<u>204.6</u>	<u>189.5</u>	<u>275.8</u>
Total liquidity	<u>\$ 282.3</u>	<u>\$ 272.9</u>	<u>\$ 333.9</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>2Q09</u>	<u>2Q08</u>	<u>1Q09</u>
<b>BMD</b>			
Sales	\$ 433.7	\$ 610.0	\$ 335.0
EBITDA <sup>1</sup>	\$ 9.6	\$ 17.3	\$ (6.6)
<b>Wood Products</b>			
Sales	\$ 134.4	\$ 226.0	\$ 116.5
EBITDA <sup>1</sup>	\$ (9.8)	\$ 3.3	\$ (28.6)
Capital spending <sup>2</sup>	\$ 3.9	\$ 9.7	\$ 4.2

---

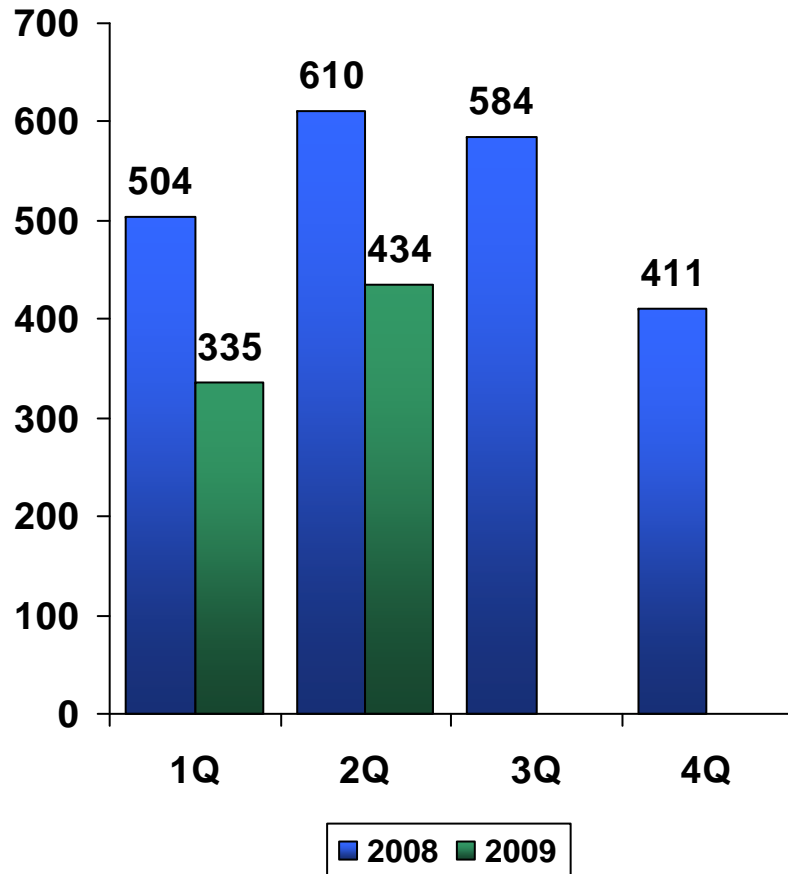
<sup>1</sup> Reconciliation of non-GAAP measures to GAAP is provided as an appendix.

<sup>2</sup> 2Q 09 capital spending excludes approximately \$4.6 million for the acquisition of businesses and facilities.

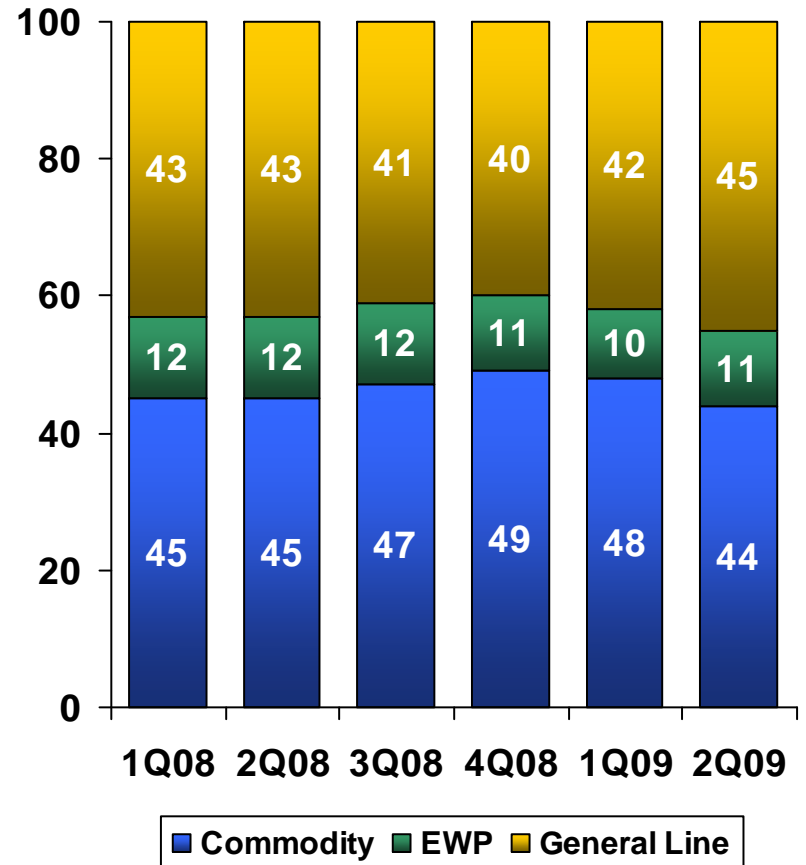


# Building Materials Distribution – Sales

(\$ Millions)

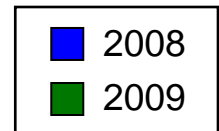
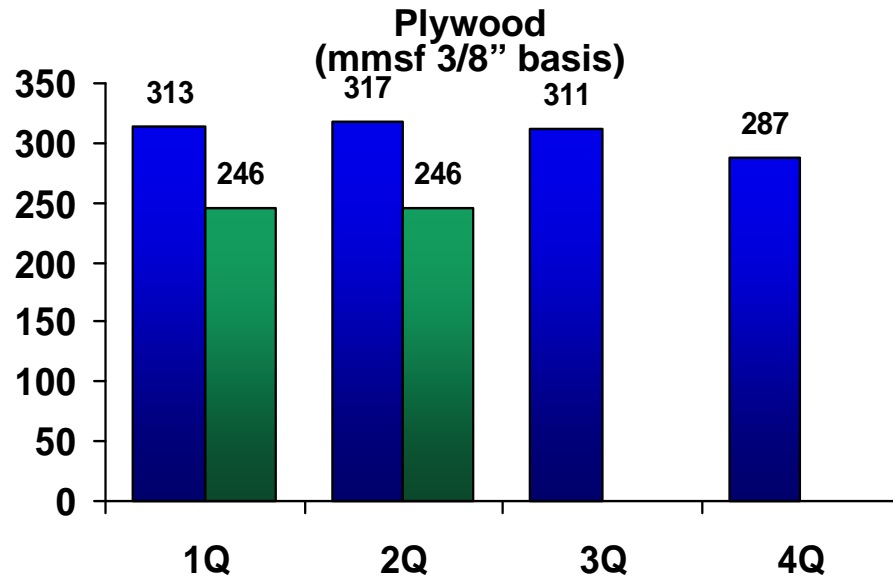
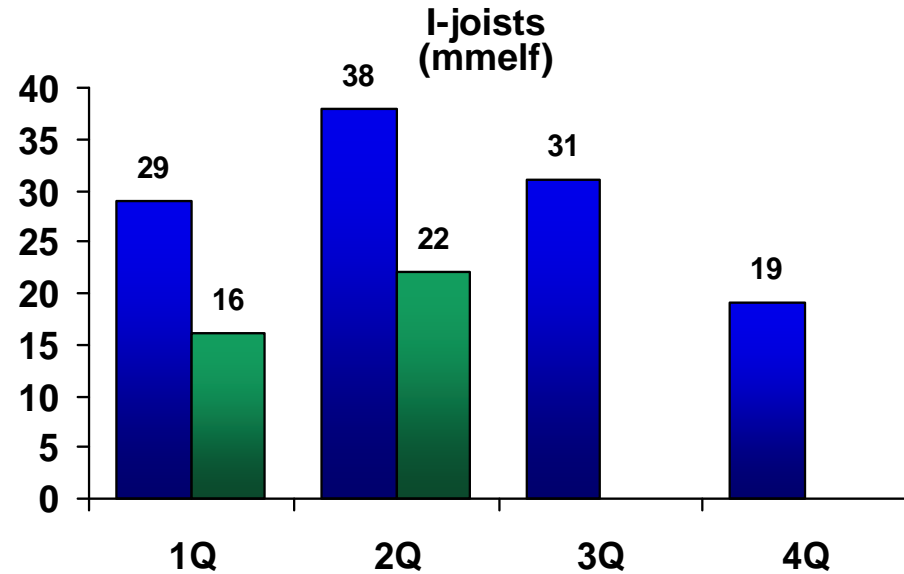
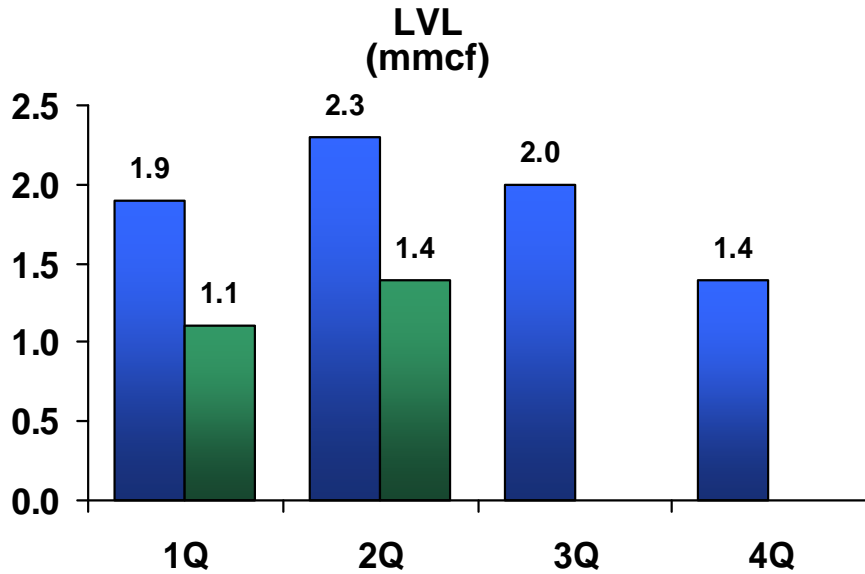


(% of Sales)



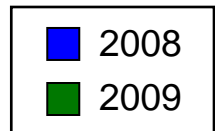
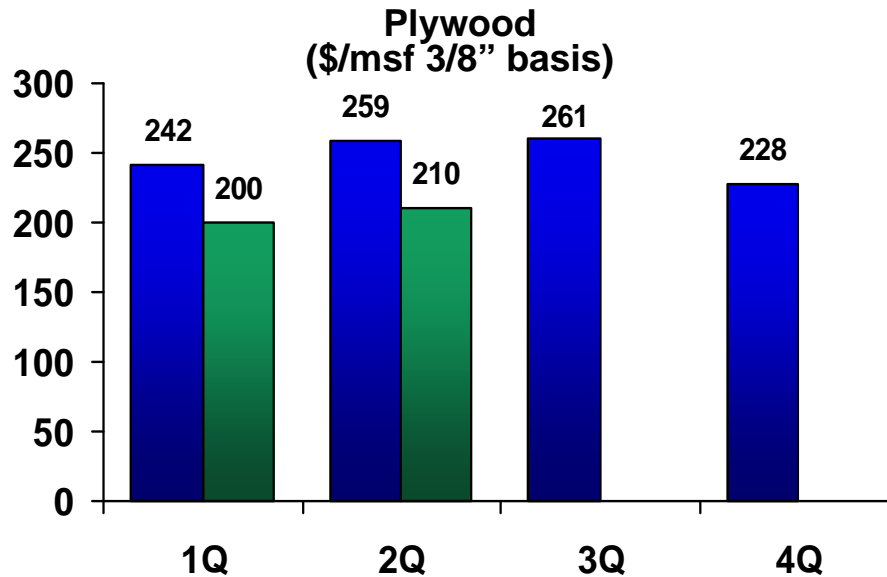
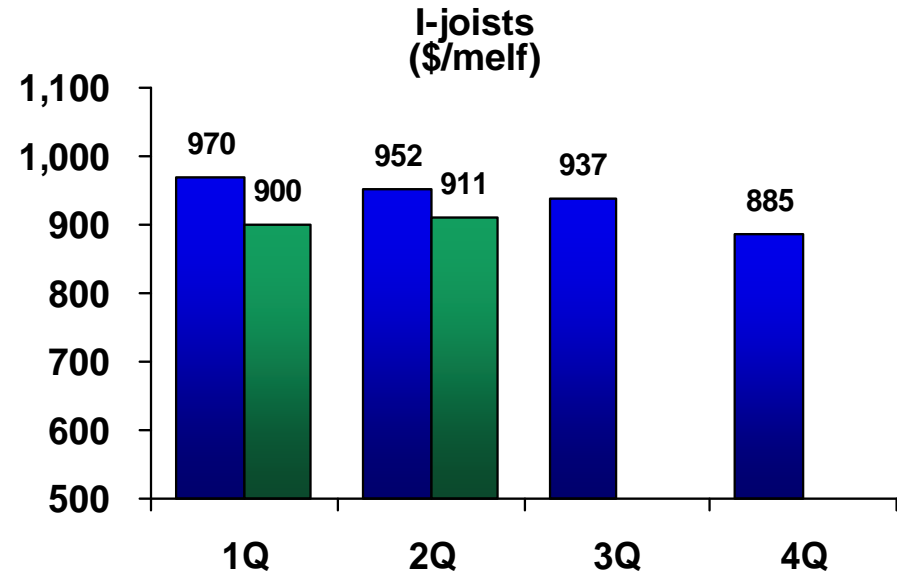
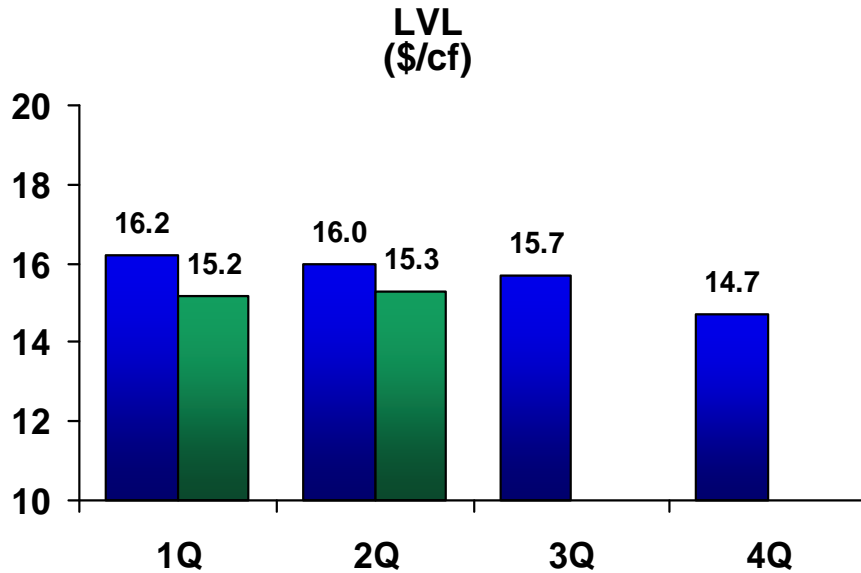


# Wood Products – Sales Volumes





# 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 for the balance of the year will likely be impacted more by supply behavior rather than demand recovery.
- ◆ Mortgage market activity, particularly efforts related to workouts and foreclosures, is likely to continue to have a major influence on vacancy rates and home prices in the months ahead.
- ◆ Unemployment rates and consumer confidence are important variables.
- ◆ Long-term demand fundamentals are still sound.
- ◆ We will continue to look for constructive ways to grow during this downturn and emerge from the cycle in a stronger competitive position.



**Boise Cascade**



# Appendix

**August 12, 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 June 30, 2009, March 31, 2009, and December 31, 2008.

(\$ Millions)	<u>6/30/2009</u>	<u>3/31/2009</u>	<u>12/31/2008</u>
Long-term debt	\$ 303.1	\$ 303.1	\$ 315.0
Less cash and cash equivalents	<u>(204.6)</u>	<u>(189.5)</u>	<u>(275.8)</u>
Net debt	<u>\$ 98.6</u>	<u>\$ 113.6</u>	<u>\$ 39.2</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 June 30, 2009 and 2008, and March 31, 2009.

(\$ Millions)	<u>2Q09</u>	<u>2Q08</u>	<u>1Q09</u>
<b>Building Materials Distribution</b>			
Segment income (loss)	\$ 7.6	\$ 15.3	\$ (8.5)
Depreciation, amortization & depletion	<u>1.9</u>	<u>1.9</u>	<u>1.9</u>
<b>EBITDA</b>	<u><u>\$ 9.6</u></u>	<u><u>\$ 17.3</u></u>	<u><u>\$ (6.6)</u></u>
<b>Wood Products</b>			
Segment loss	\$ (19.2)	\$ (3.4)	\$ (37.6)
Depreciation, amortization & depletion	<u>9.4</u>	<u>6.7</u>	<u>9.1</u>
<b>EBITDA</b>	<u><u>\$ (9.8)</u></u>	<u><u>\$ 3.3</u></u>	<u><u>\$ (28.6)</u></u>