



**Boise Cascade**



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

**November 13, 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).



- ◆ The demand environment remained difficult, but our employees executed well again in the third quarter:
  - Record safety performances in both Wood Products and Building Materials Distribution (BMD)
  - Recent acquisitions successfully integrated
  - Productivity and cost initiatives positively impacting results in both segments
  - BMD gaining market share while maintaining margins
- ◆ Our core building products business reported positive EBITDA of \$11.9 million in the quarter, down only slightly from the \$12.3 million reported in same quarter last year despite a 32% decline in housing starts.
- ◆ We generated \$9.5 million of cash in the quarter through improved operating results and working capital reductions.
- ◆ We finished the quarter with \$279.1 million of available liquidity.
- ◆ The demand outlook for this winter and into early 2010 is unclear, but the current tone of the market is better than this time last year.



(\$ Millions)	<u>9/30/2009</u>	<u>6/30/2009</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>(214.1)</u>	<u>(204.6)</u>	<u>(275.8)</u>
Net debt <sup>1</sup>	<u>\$ 89.0</u>	<u>\$ 98.6</u>	<u>\$ 39.2</u>
<u>Liquidity Position</u>			
ABL excess availability <sup>2</sup>	\$ 65.0	\$ 77.7	\$ 58.1
Cash & cash equivalents	<u>214.1</u>	<u>204.6</u>	<u>275.8</u>
Total liquidity	<u>\$ 279.1</u>	<u>\$ 282.3</u>	<u>\$ 333.9</u>

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<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>3Q09</u>	<u>3Q08</u>	<u>2Q09</u>
<b>BMD</b>			
Sales	\$ 472.2	\$ 584.1	\$ 433.7
EBITDA <sup>1</sup>	\$ 11.6	\$ 12.1	\$ 9.6
<b>Wood Products</b>			
Sales	\$ 163.2	\$ 215.1	\$ 134.4
EBITDA <sup>1</sup>	\$ 3.4	\$ 3.6	\$ (9.8)
Capital spending <sup>2</sup>	\$ 4.8	\$ 8.9	\$ 3.9

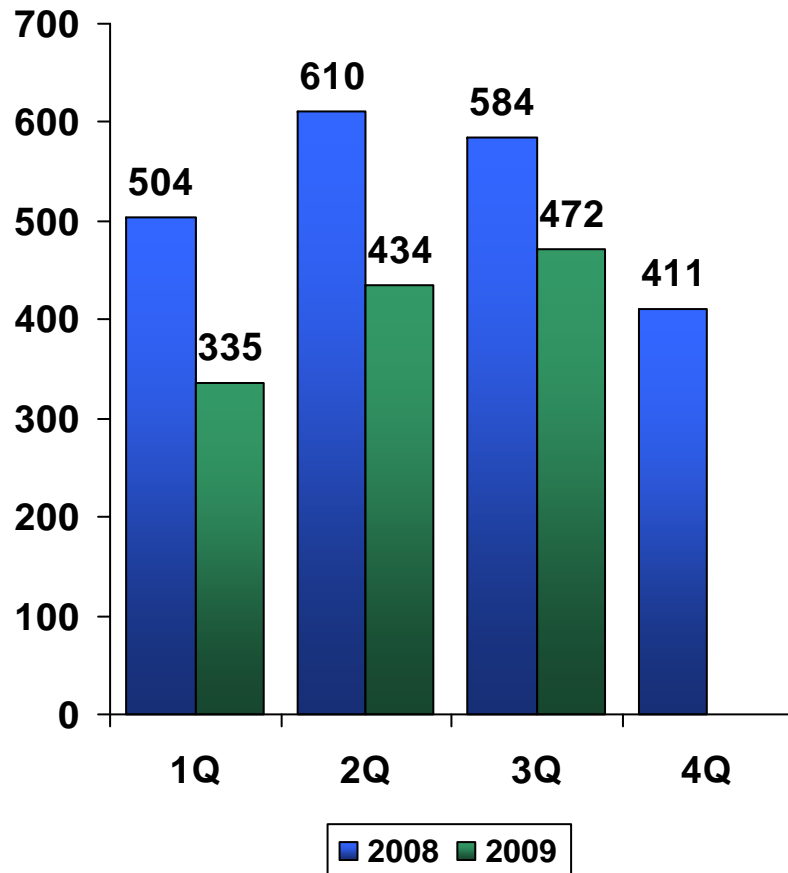
<sup>1</sup> Reconciliation of non-GAAP measures to GAAP is provided as an appendix.

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

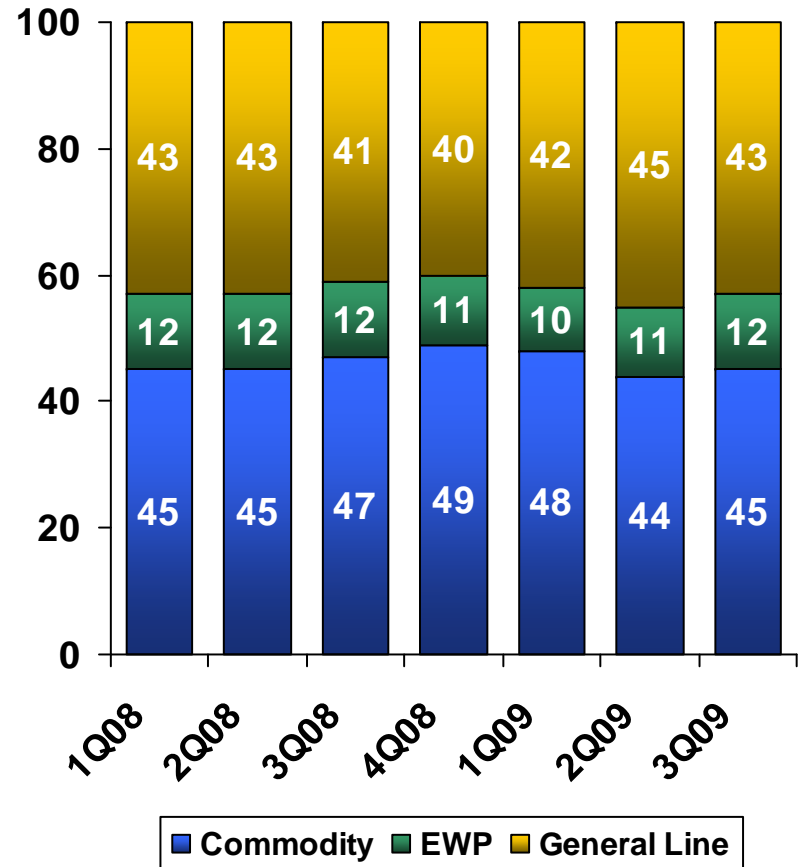


# Building Materials Distribution – Sales

(\$ Millions)

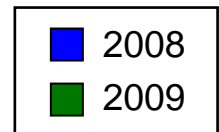
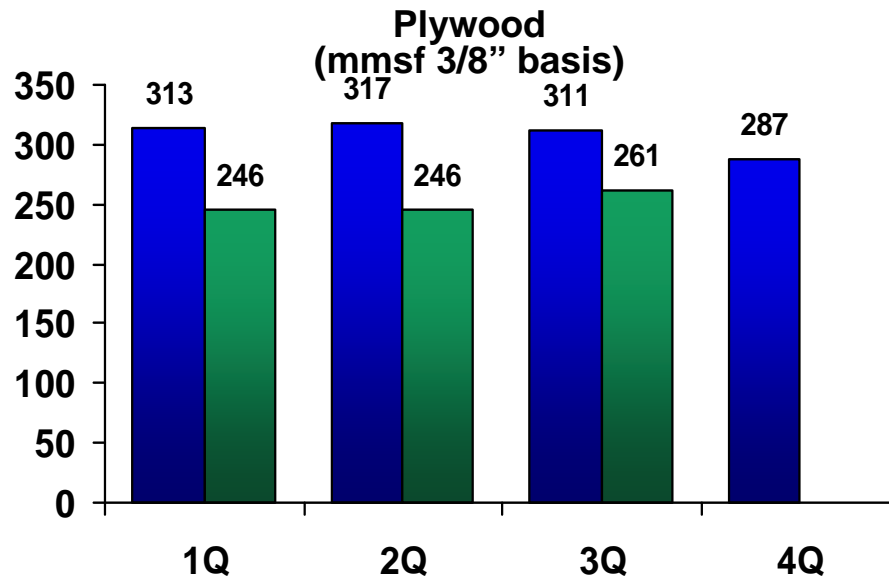
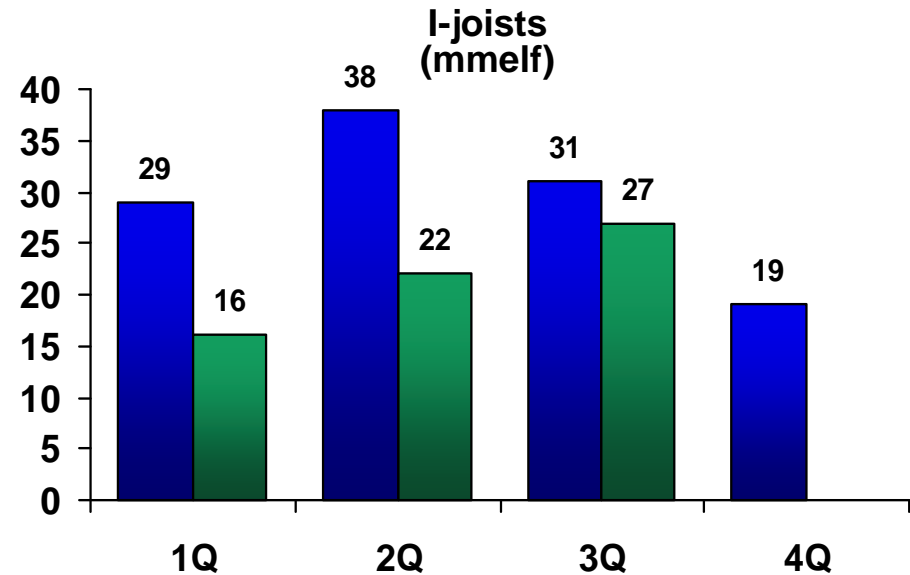
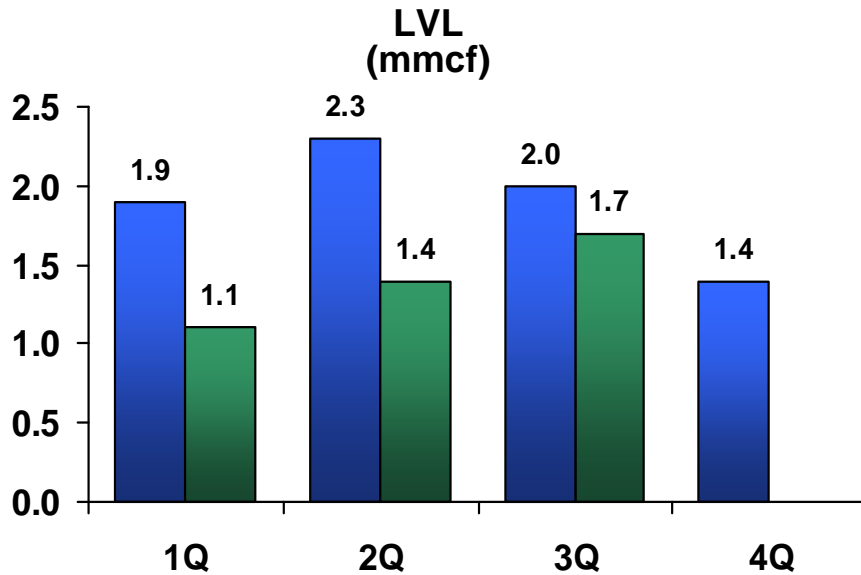


(% of Sales)



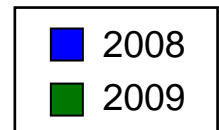
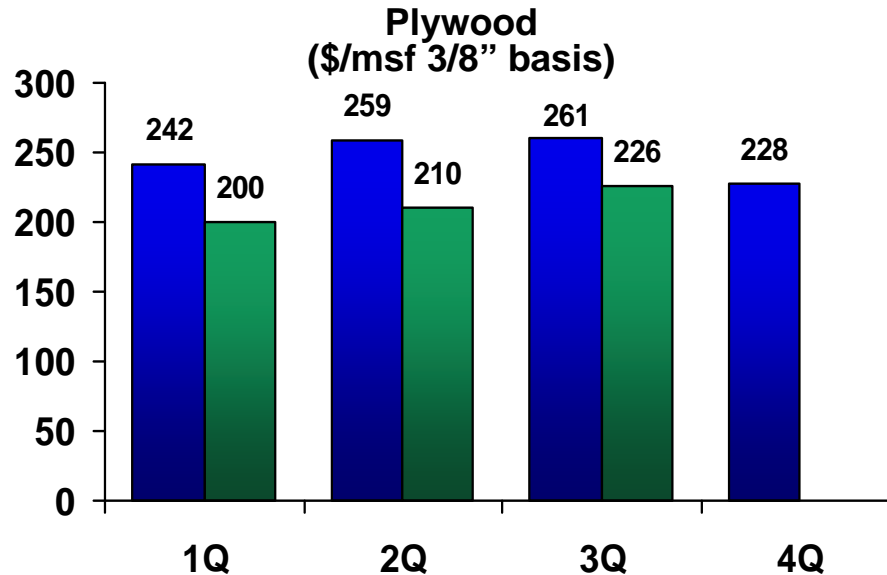
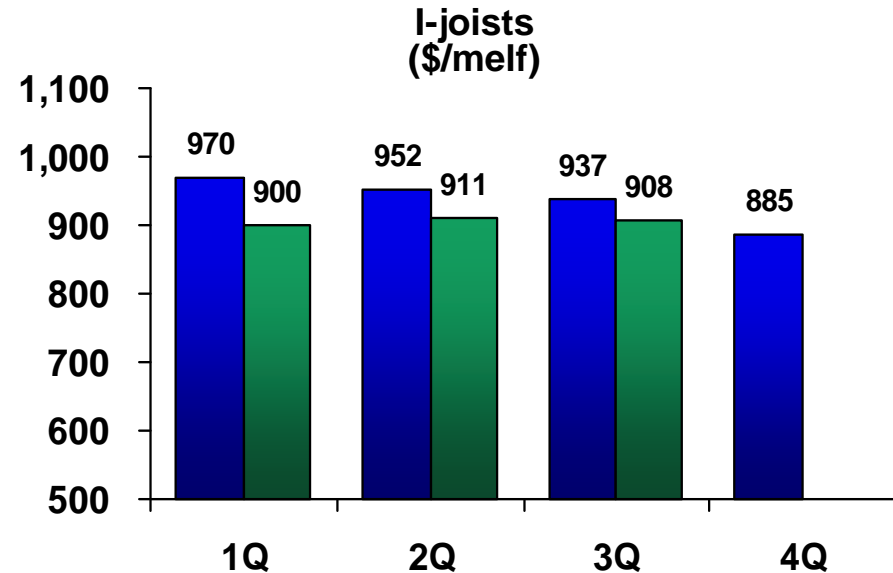
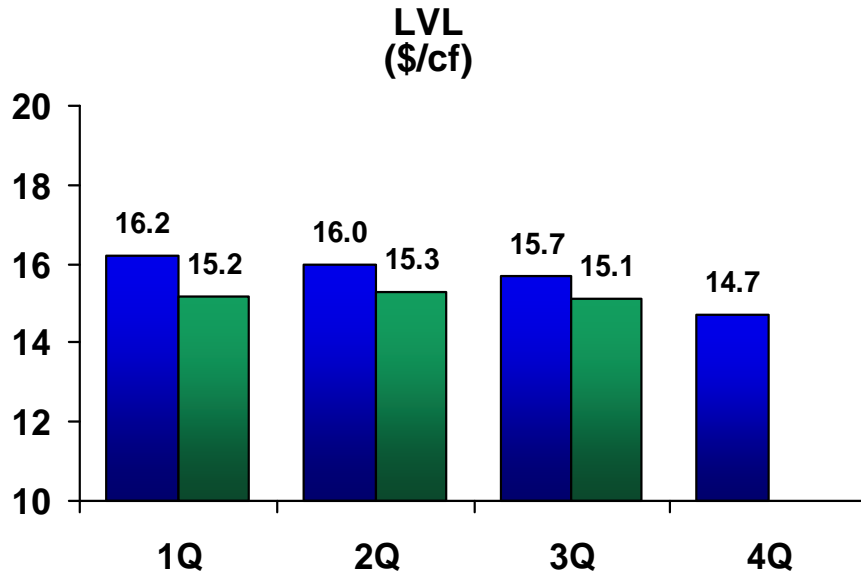


# Wood Products – Sales Volumes





# Wood Products – Prices





- ◆ We expect the housing starts to weaken as we move into winter; however, we believe 2010 starts will improve from 2009 levels.
- ◆ Pricing for the foreseeable future will likely be impacted more by supply behavior than the strength of the recovery in demand.
- ◆ 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.
- ◆ We remain focused on minimizing our cash usage and preserving our financial flexibility.
- ◆ 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

**November 13, 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 September 30, June 30, 2009, and December 31, 2008.

(\$ Millions)	<u>9/30/2009</u>	<u>6/30/2009</u>	<u>12/31/2008</u>
Long-term debt	\$ 303.1	\$ 303.1	\$ 315.0
Less cash and cash equivalents	<u>(214.1)</u>	<u>(204.6)</u>	<u>(275.8)</u>
Net debt	<u>\$ 89.0</u>	<u>\$ 98.6</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 September 30, 2009 and 2008, and June 30, 2009.

(\$ Millions)	<u>3Q09</u>	<u>3Q08</u>	<u>2Q09</u>
<b>Building Materials Distribution</b>			
Segment income	\$ 9.7	\$ 10.2	\$ 7.6
Depreciation, amortization & depletion	<u>1.9</u>	<u>1.9</u>	<u>1.9</u>
<b>EBITDA</b>	<u><u>\$ 11.6</u></u>	<u><u>\$ 12.1</u></u>	<u><u>\$ 9.6</u></u>
<b>Wood Products</b>			
Segment loss	\$ (4.2)	\$ (3.1)	\$ (19.2)
Depreciation, amortization & depletion	<u>7.6</u>	<u>6.8</u>	<u>9.4</u>
<b>EBITDA</b>	<u><u>\$ 3.4</u></u>	<u><u>\$ 3.6</u></u>	<u><u>\$ (9.8)</u></u>