



**Boise Cascade**



# **Boise Cascade Holdings, L.L.C.**

## **Fourth Quarter 2009**

### **Earnings Webcast**

**March 2, 2010**



# 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 fourth quarter provided the first improvement in year-over-year quarterly comparisons of EBITDA for our building products related businesses since the fourth quarter of 2005. The improvement occurred in the face of 16% lower housing starts and lower product prices.
  - Building Materials Distribution (BMD) reported positive EBITDA of \$1.0 million in 4Q09 vs. negative EBITDA of \$2.9 million in 4Q08.
  - Wood Products reported negative EBITDA of \$9.4 million in 4Q09 vs. negative EBITDA of \$24.7 million in 4Q08.
- ◆ Market share gains in BMD and Wood Products EWP for the year.
- ◆ Record safety performances in both segments.
- ◆ Successful secondary offering of 17.6 million Boise Inc. shares in the fourth quarter raising net proceeds of \$80 million. Finished 2009 with \$287 million of cash and only \$16 million of net debt.
- ◆ In February, we sold an additional 13.1 million Boise Inc. shares and expect further net proceeds of approximately \$61 million.



(\$ Millions)	<u>12/31/2009</u>	<u>9/30/2009</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	(287.1)	(214.1)	(275.8)
Net debt <sup>1</sup>	<u>\$ 16.0</u>	<u>\$ 89.0</u>	<u>\$ 39.2</u>
 <u>Liquidity Position</u>			
ABL excess availability <sup>2</sup>	\$ 12.5	\$ 65.0	\$ 58.1
Cash & cash equivalents	287.1	214.1	275.8
Total liquidity	<u>\$ 299.6</u>	<u>\$ 279.1</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>4Q09</u>	<u>4Q08</u>	<u>3Q09</u>
<b>BMD</b>			
Sales	\$ 368.9	\$ 411.5	\$ 472.2
EBITDA <sup>1</sup>	\$ 1.0	\$ (2.9)	\$ 11.6
<b>Wood Products</b>			
Sales	\$ 136.8	\$ 156.0	\$ 163.2
EBITDA <sup>1</sup>	\$ (9.4)	\$ (24.7)	\$ 3.4
Capital spending	\$ 3.9	\$ 15.1	\$ 4.8

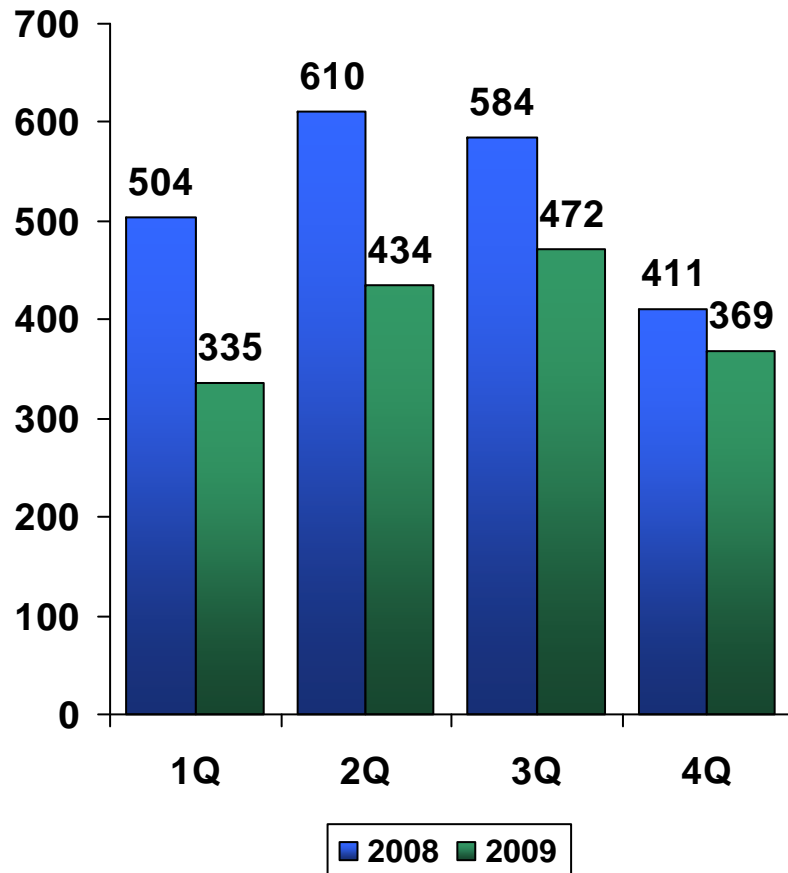
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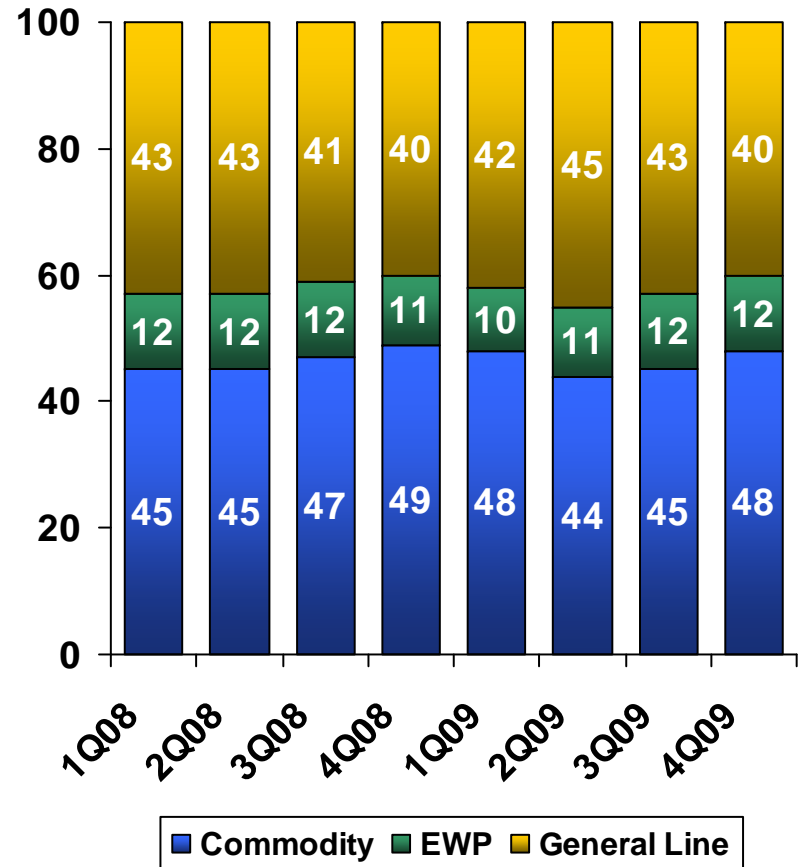


# Building Materials Distribution – Sales

(\$ Millions)

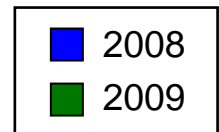
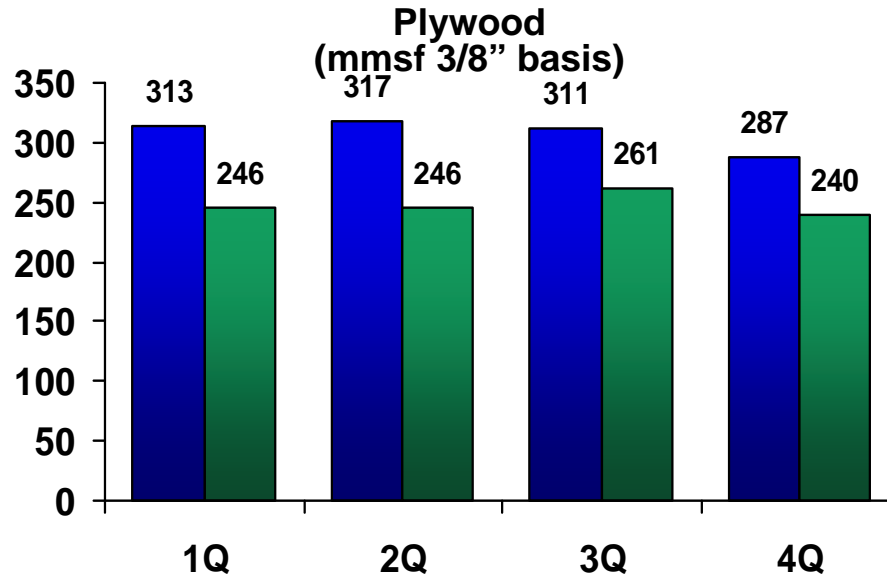
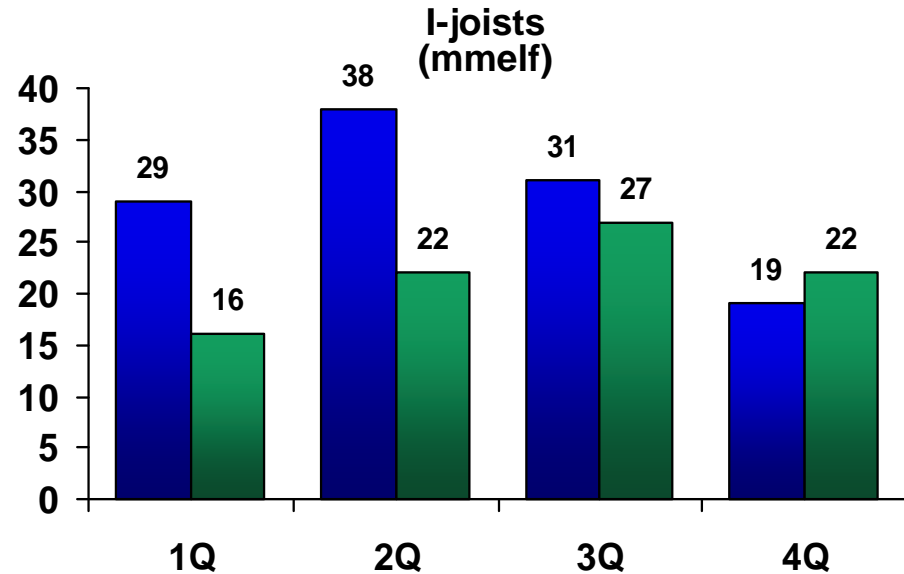
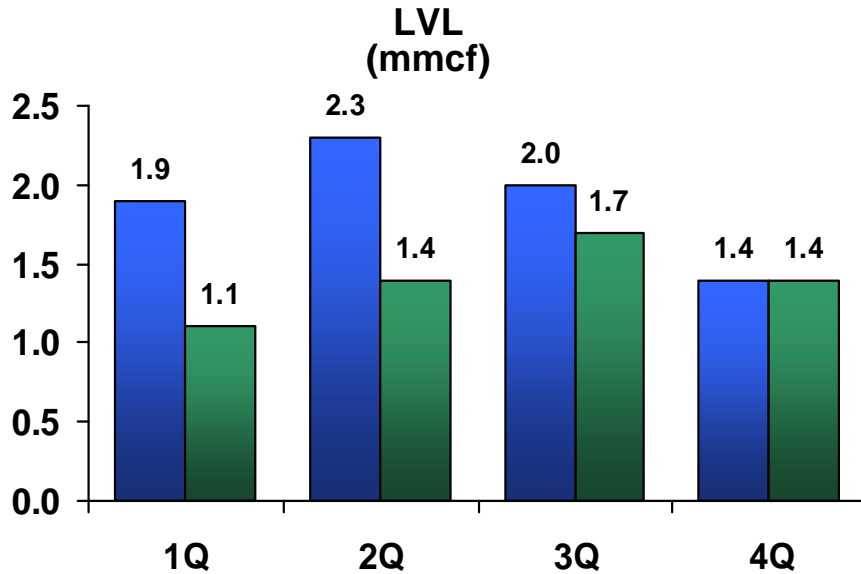


(% of Sales)



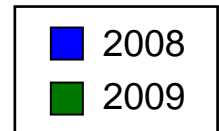
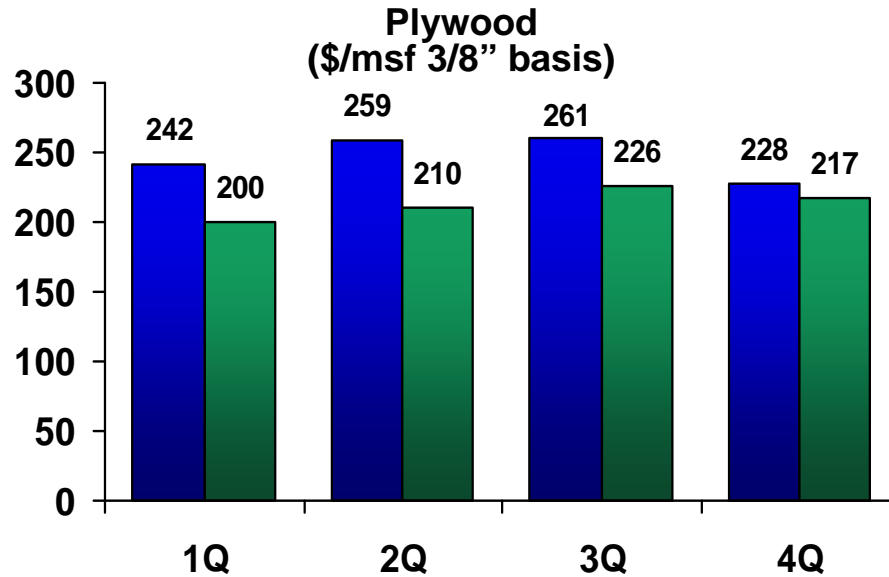
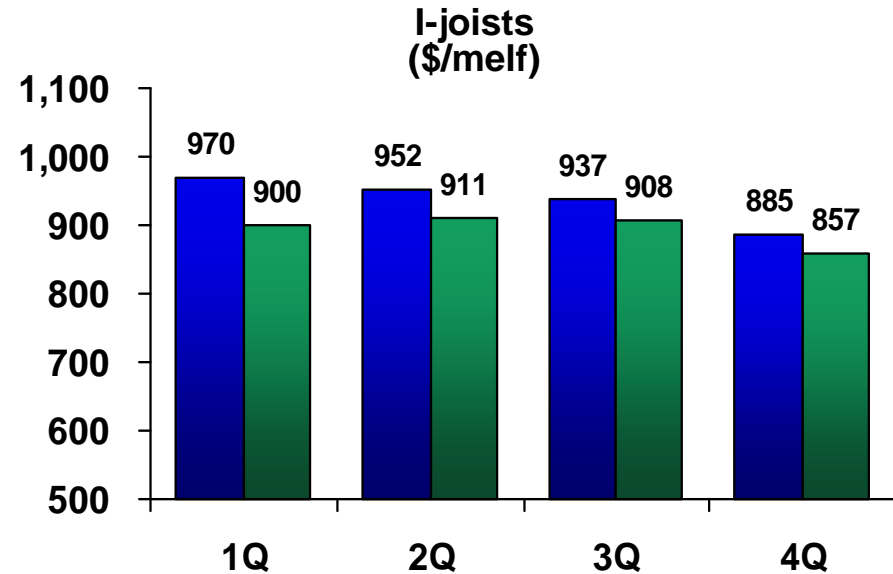
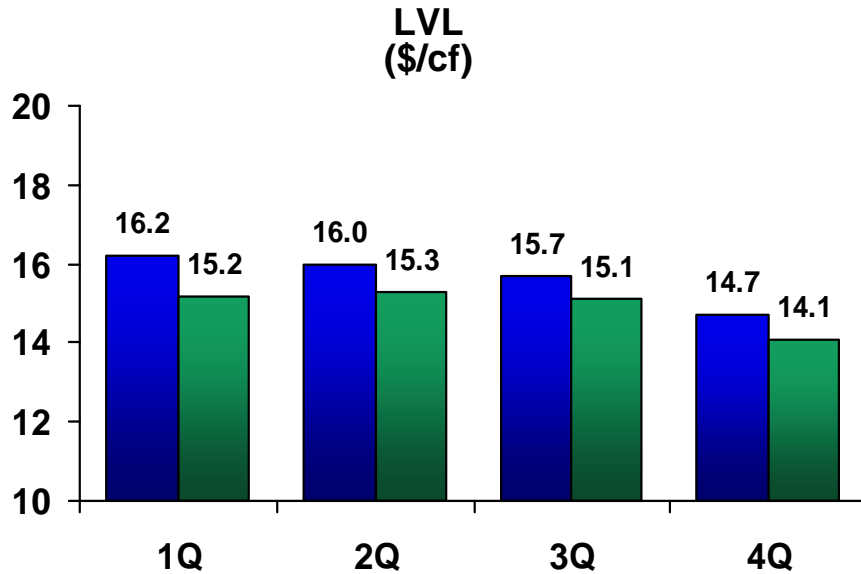


# Wood Products – Sales Volumes





# Wood Products – Prices





- ◆ Housing starts are forecast to improve modestly on an absolute basis in 2010. Consensus estimates as of February 10 were 710,000 for 2010 vs. 554,000 starts in 2009.
- ◆ The market tone has improved significantly from a year ago. Business is still very difficult, but demand is moving off the bottom we saw in 2009.
- ◆ 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

**March 2, 2010**



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, 2009, September 30, 2009, and December 31, 2008.

(\$ Millions)	<u>12/31/2009</u>	<u>9/30/2009</u>	<u>12/31/2008</u>
Long-term debt	\$ 303.1	\$ 303.1	\$ 315.0
Less cash and cash equivalents	<u>(287.1)</u>	<u>(214.1)</u>	<u>(275.8)</u>
Net debt	<u>\$ 16.0</u>	<u>\$ 89.0</u>	<u>\$ 39.2</u>



Segment EBITDA represents segment income (loss) before depreciation and amortization. The following table reconciles segment income (loss) to segment EBITDA for the three months ended December 31, 2009 and 2008, and September 30, 2009.

(\$ Millions)	<u>4Q09</u>	<u>4Q08</u>	<u>3Q09</u>
Building Materials Distribution			
Segment income (loss)	\$ (0.8)	\$ (4.8)	\$ 9.7
Depreciation, amortization & depletion	<u>1.8</u>	<u>1.9</u>	<u>1.9</u>
EBITDA	<u>\$ 1.0</u>	<u>\$ (2.9)</u>	<u>\$ 11.6</u>
Wood Products			
Segment loss	\$ (16.2)	\$ (31.5)	\$ (4.2)
Depreciation, amortization & depletion	<u>6.9</u>	<u>6.8</u>	<u>7.6</u>
EBITDA	<u>\$ (9.4)</u>	<u>\$ (24.7)</u>	<u>\$ 3.4</u>