



# Bank of America Merrill Lynch Global Industries Conference

New York City  
December 9, 2009

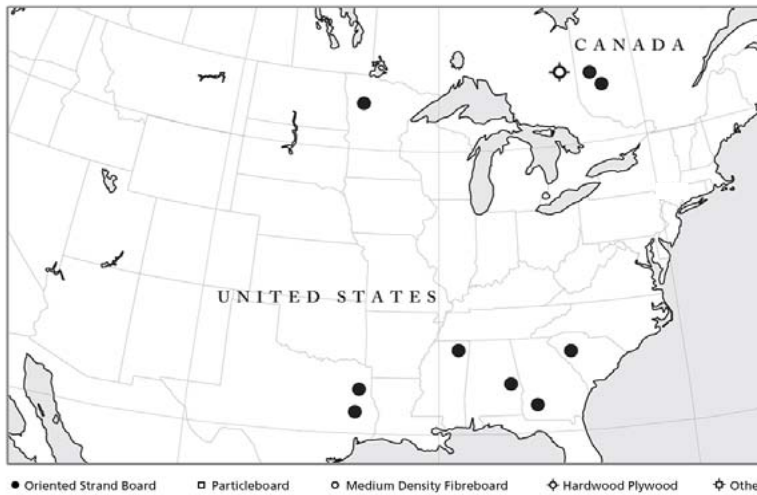
Robin Lampard  
Senior VP & CFO

# Forward Looking Statements and Non-GAAP Financial Measures

- All financial references are expressed in US\$ unless otherwise noted.
- This presentation contains forward looking statements and estimates.
- Actual company results could differ materially from a conclusion, forecast or projection in the forward-looking information.
- Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.
- Additional information can be found in the company's annual information form, annual MD&A, and on Norbord's web site ([www.norbord.com](http://www.norbord.com)) about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the forward-looking information, and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.
- During the course of this presentation, certain non-GAAP financial information will be presented. Definitions and reconciliation of terms can be found in the Company's annual and quarterly MD&A.

# Norbord Inc. - Overview

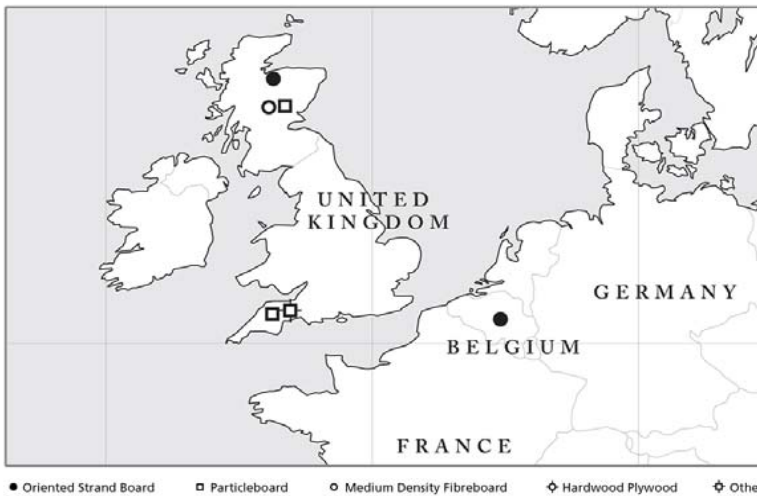
## NORTH AMERICA



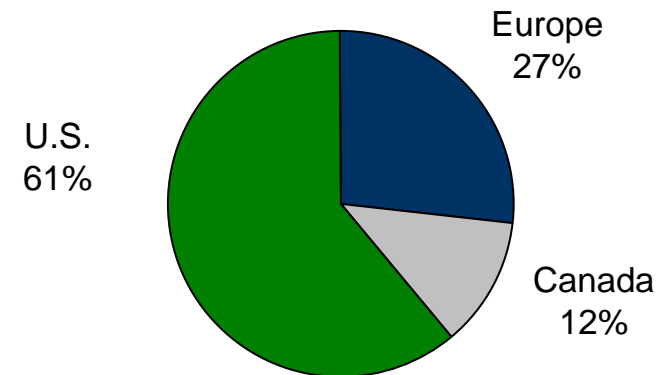
## 14 Production Facilities

- 11 OSB
- 2 Particleboard
- 1 MDF
- 1 Hardwood Plywood (JV)

## EUROPE



## Panel Capacity by Region



# Norbord Takes Action to Stabilize Balance Sheet

## 2007

- Refinanced \$200 million of long-term debt
- Increased bank lines by \$35 million
- Securitized \$50 million of accounts receivable

## 2008

- Completed \$100 million debt facility with Brookfield
- Increased accounts receivable securitization program limit to \$85 million

## Recapitalization Completed in 2008; Adequate Access to Liquidity

- Reached an agreement to widen bank line covenants
- Suspended quarterly dividend (\$56 million annually)
- Raised CAD\$240 million through Rights Offering
- Reduced operating schedule
- Constrained capital investments
- Reduced already lean overhead costs

**Cash tax refund of \$60 million expected in first half of 2010**

## Norbord Implements One for Ten Share Consolidation

- Effective date - Oct 16/09
- Consolidation ratio 1 for 10
- Post consolidated shares began trading on TSX Oct 21/09
- Ticker symbol unchanged - NBD
- New warrant conversion calculation:

$$10 \text{ warrants} + \$13.60 = 1 \text{ common share}$$

**Higher share price expected to attract additional institutional investment interest and improve trading liquidity**

## Third Quarter 2009 Results

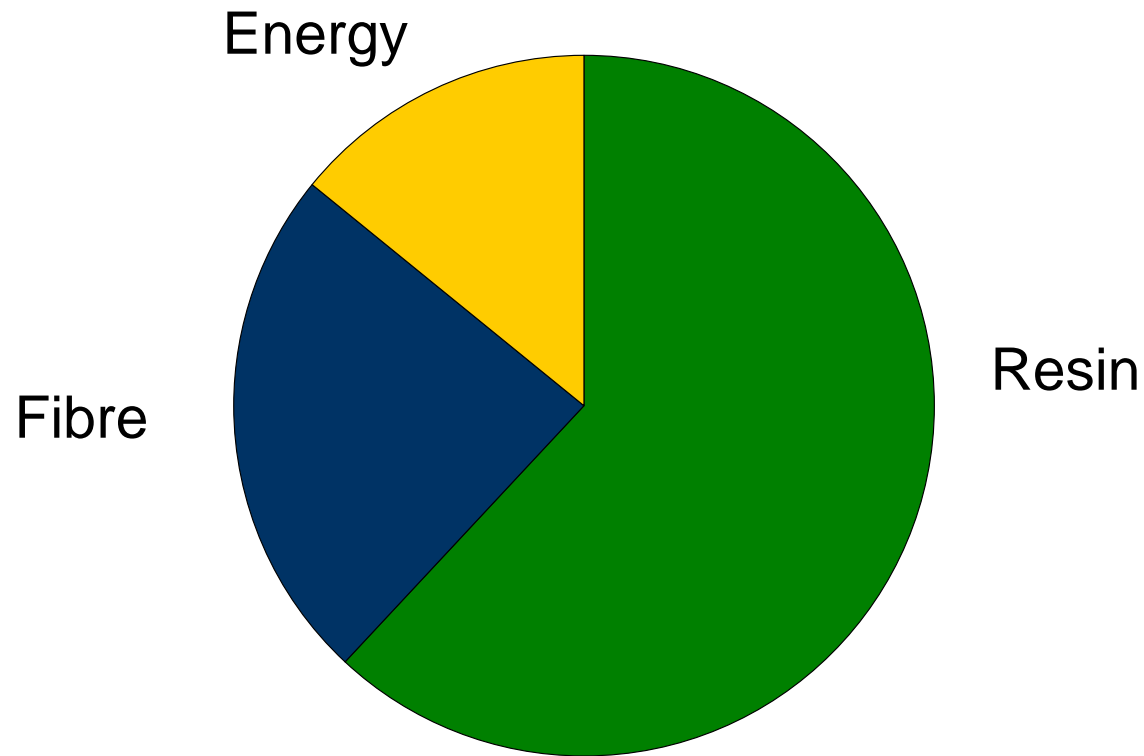
	<b>Q3</b> <b><u>2009</u></b>	Q2 <b><u>2009</u></b>	Q3 <b><u>2008</u></b>
<i>NC OSB Price (\$Msf 7/16")</i>	<b>178</b>	146	201
Net Sales	<b>\$ 192</b>	\$ 174	\$ 256
EBITDA	<b>10</b>	(2)	(9)
Earnings	<b>(7)</b>	(18)	(18)
EPS	<b>(0.16)</b>	(0.42)	(1.21)
Cash from operations	<b>\$ 15</b>	\$ 39	\$ (8)
Cash from ops per share	<b>0.35</b>	0.90	(0.54)

(\$US millions, except per share and price information, unless indicated)



# Lower Input Prices Improved EBITDA by \$40 Million YTD

## Key Input Price Savings Breakdown



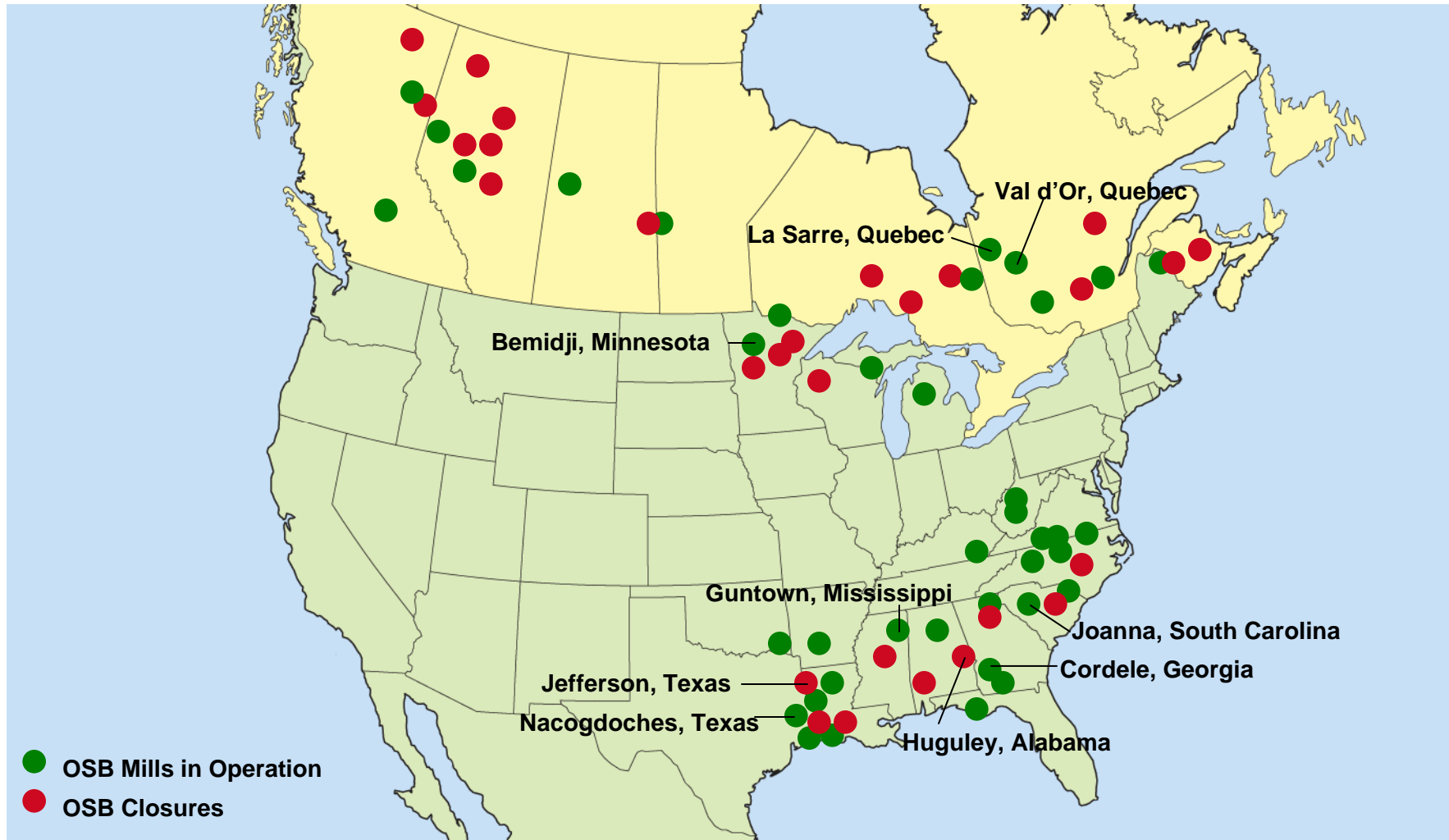
**Input prices expected to remain flat near-term**

## Biomass Crop Assistance Program (BCAP)

- Provides subsidies to landowners for delivering eligible biomass materials to qualified Biomass Conversion Facilities (BCF)
- Biomass suppliers will be paid dollar-for-dollar up to max. \$45 per dry ton delivered to BCFs
- Qualifying as a BCF expected to lower fibre costs and help improve fibre availability

**All Norbord mills will be BCF certified by year-end**

# Half of North American OSB Mills are Closed

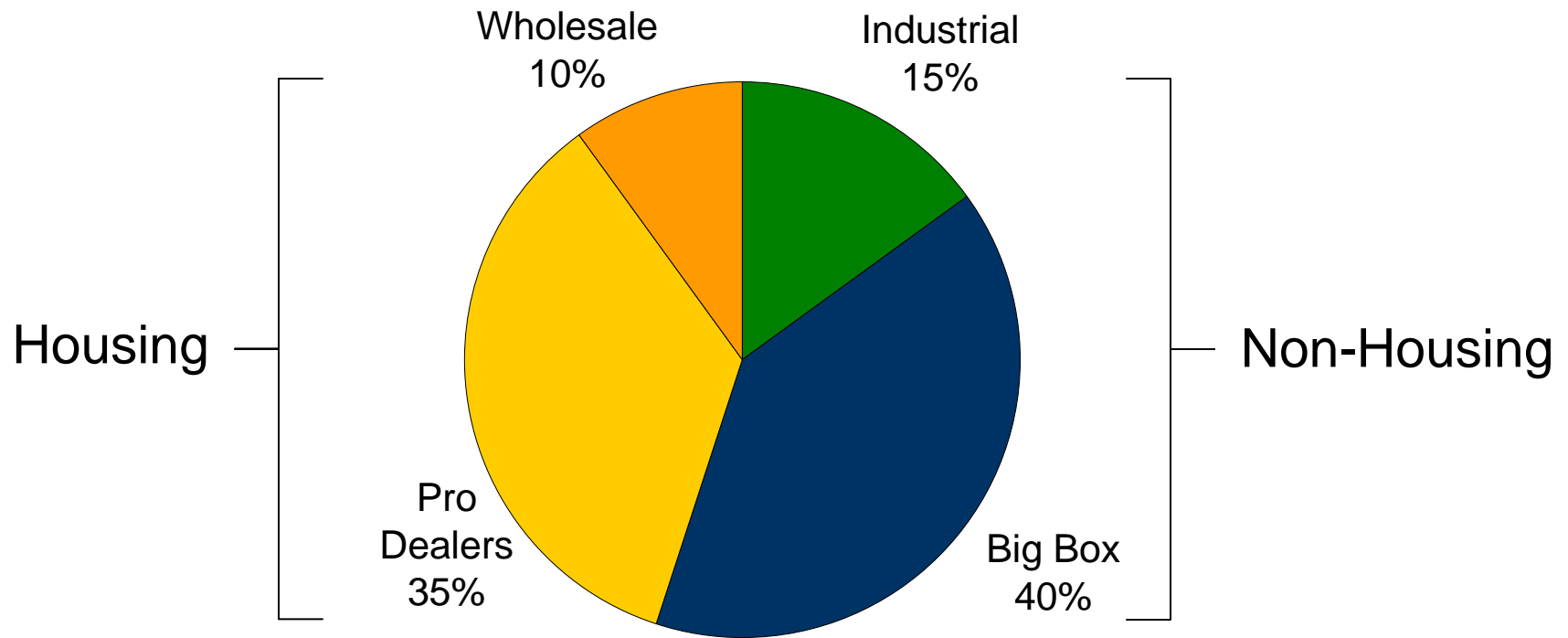


Source: Company Documents



# Norbord's Customer Strategy Provides 'Shock Absorber'

North American Customer Base - 2008

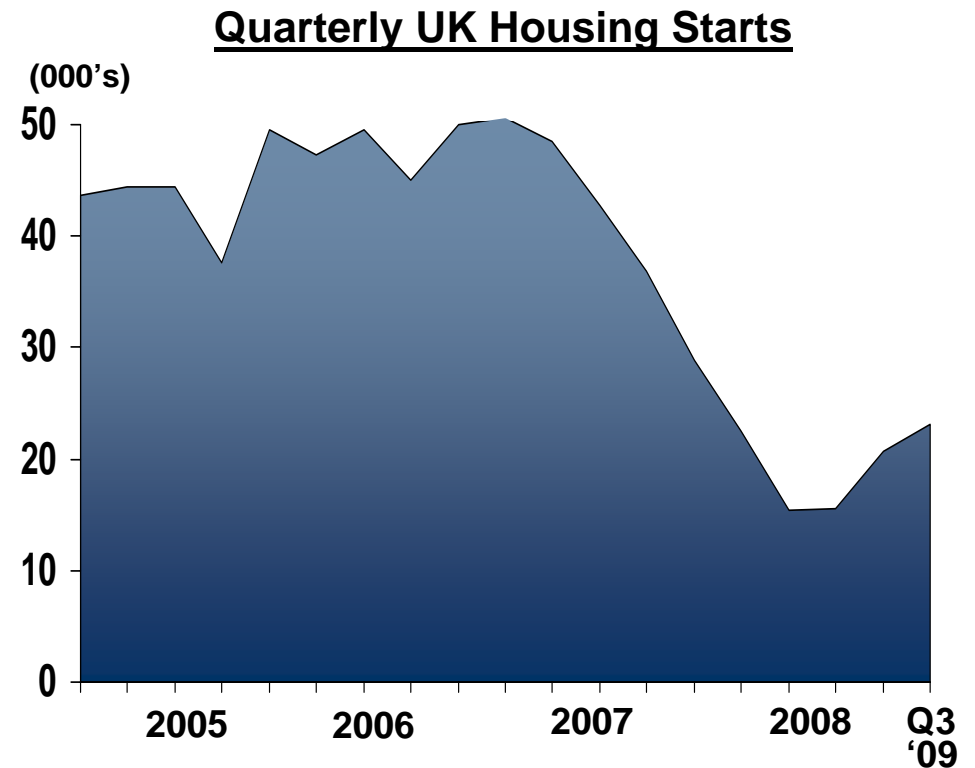


**Sales to pro dealers will expand with housing recovery**



# Global Economic Downturn Impacts European Housing

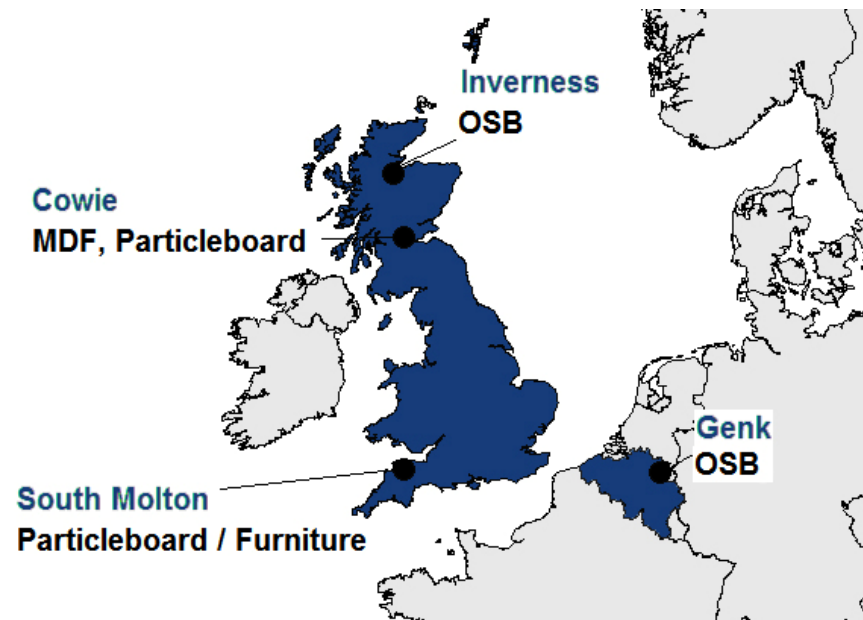
- UK housing market recovered from the lows of Q4 08, but still far below previous peak
- House prices show signs of stability
- Improved mortgage availability still needed for robust housing recovery



Sources: UK Department of Communities & Local Government, National House-building Council & Nationwide UK House Price Index

# UK Asset Base Provides Competitive Advantage

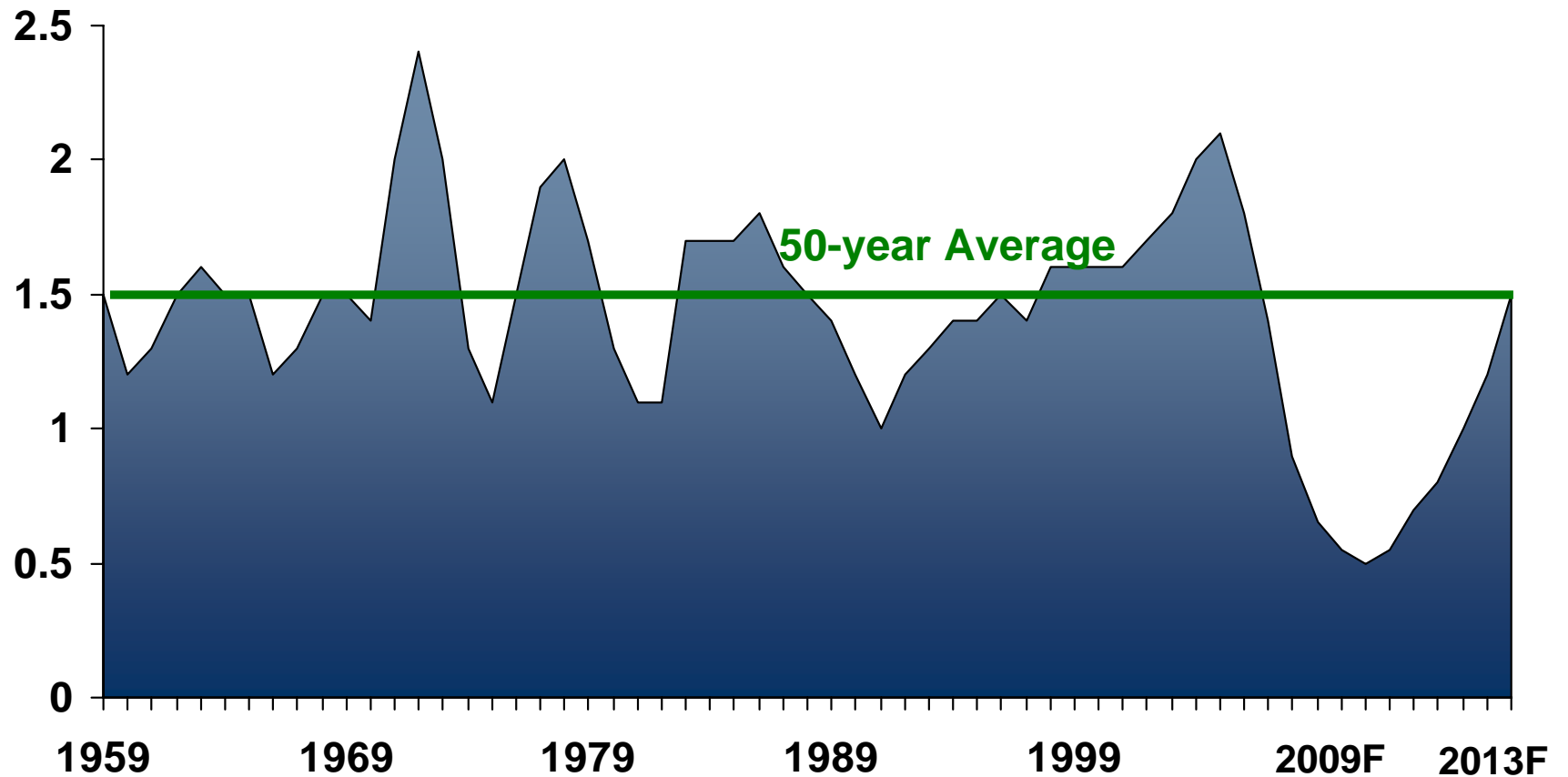
- Systemic lack of available housing in the UK
- Pent up demand continues to grow



**Currency trends favour UK-based manufacturers**

# Demographics Support a US Housing Recovery

US Housing Starts  
(millions)



Source: US Census & APA-Engineered Wood Panel Association



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