

# Second Quarter 2009 Investor Presentation

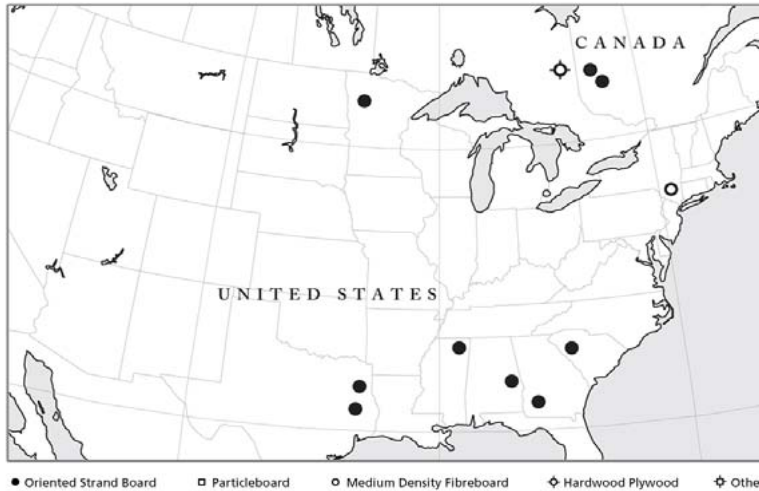
July 31, 2009

# 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 Assets Strategically Located

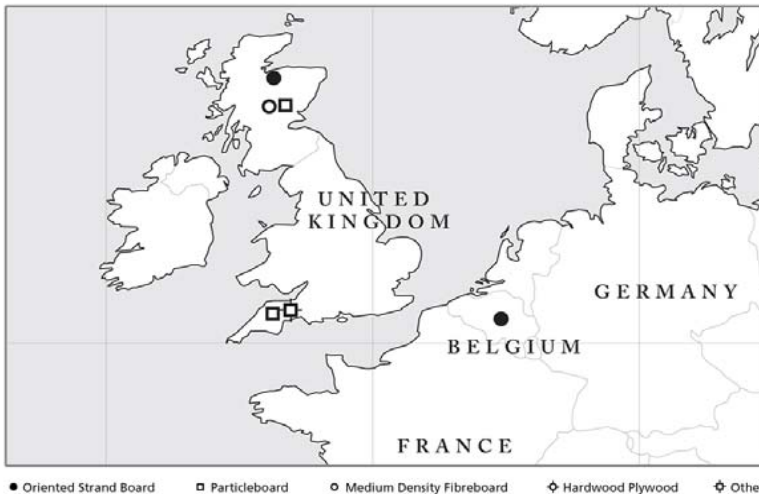
## NORTH AMERICA



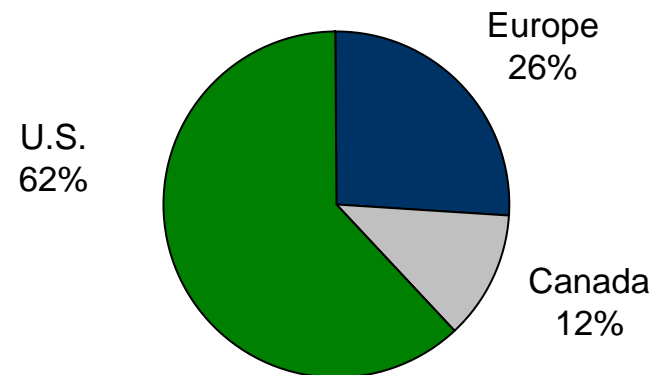
## Production Facilities

- 11 OSB
- 2 Particleboard
- 2 MDF
- 1 Hardwood Plywood (Joint Venture)

## EUROPE



## Panel Capacity by Region



## Second Quarter 2009 Results

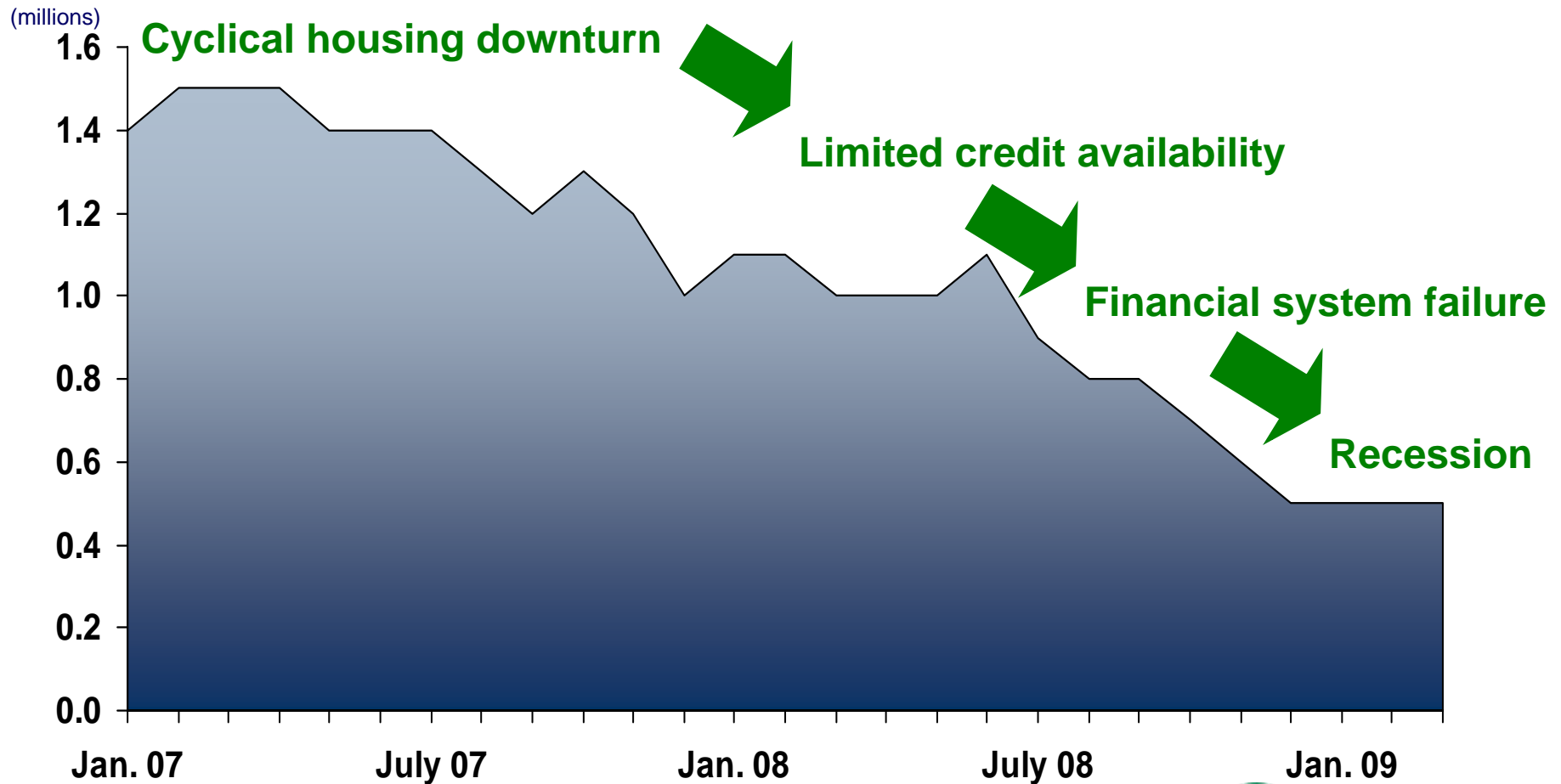
	<b><u>Q2</u></b> <b><u>2009</u></b>	<b><u>Q1</u></b> <b><u>2009</u></b>	<b><u>Q2</u></b> <b><u>2008</u></b>	<b><u>2008</u></b>
Net Sales	\$ <b>174</b>	\$ 156	\$ 262	\$ 943
EBITDA	<b>(2)</b>	(14)	1	(60)
Earnings	<b>(18)</b>	(22)	(36)	(115)
EPS	<b>(0.04)</b>	(0.05)	(0.24)	(0.76)
NC OSB Price (\$Msf7/16")	<b>\$146</b>	\$154	\$179	\$172

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



# US Housing Collapse Triggers Recession

US Housing Starts



Source: US Census

# 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

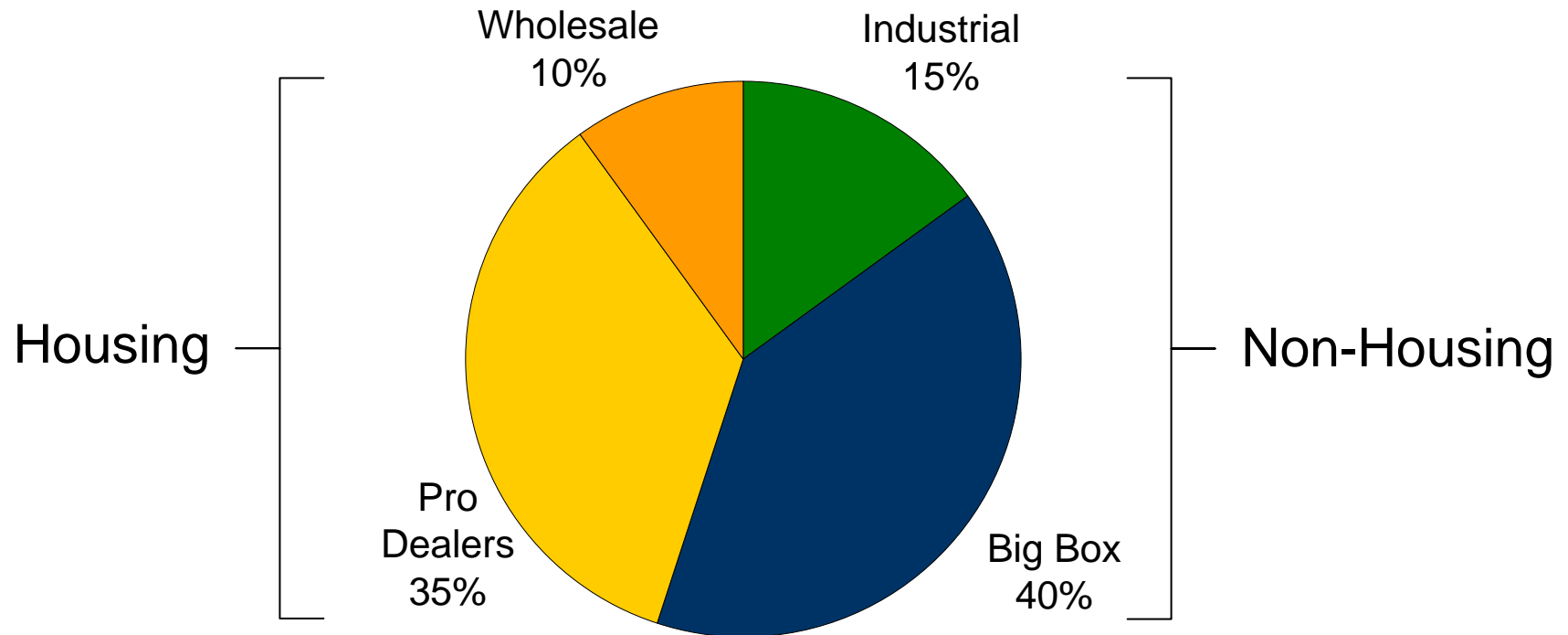
- Completed \$100 million term debt facility with Brookfield
- Increased accounts receivable securitization program limit to \$85 million

# Recapitalization Complete; 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

# Norbord's Customer Strategy Provides 'Shock Absorber'

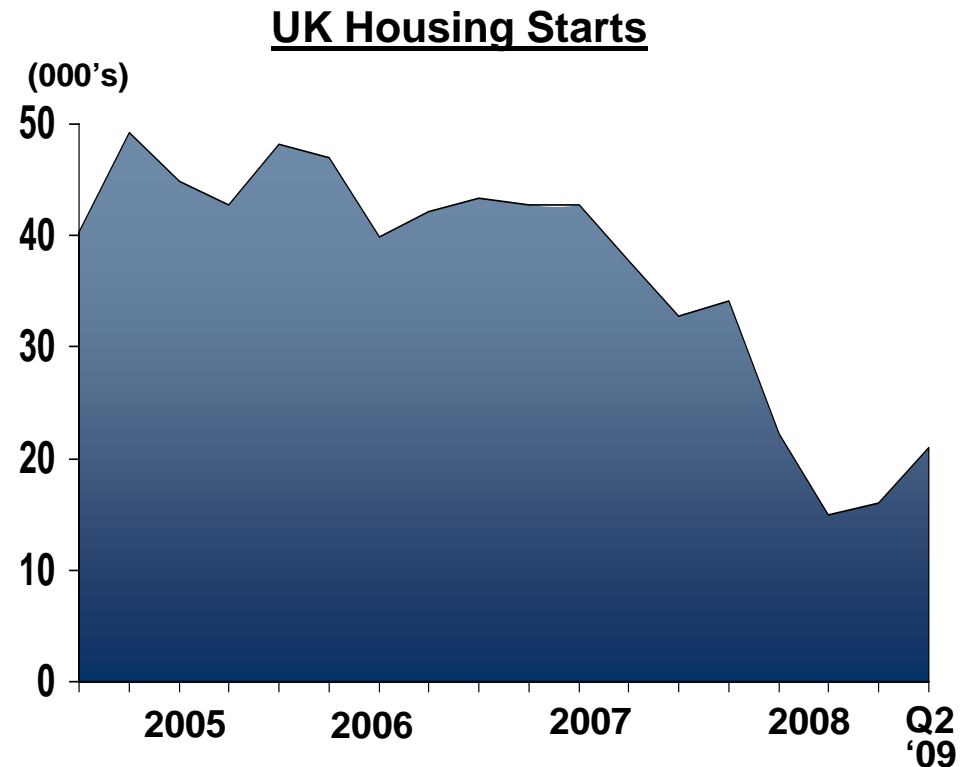
North American Customer Base - 2008



**Sales to Pro Dealers will Expand with Housing Recovery**

# Global Economic Downturn Impacts European Housing

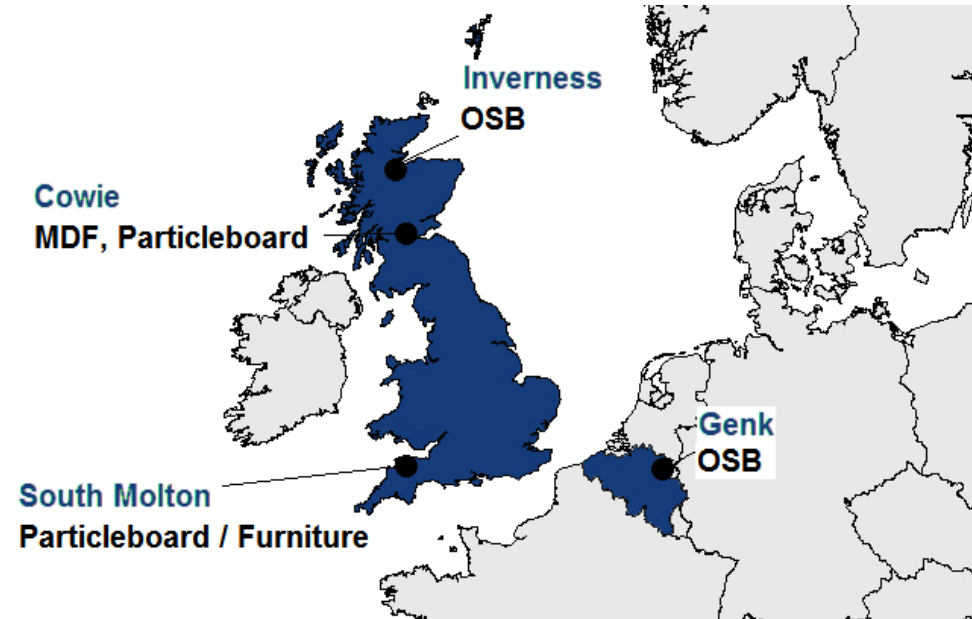
- Lack of credit availability and poor consumer confidence leads to lower housing activity
- Housing prices declined approx. 15% year-over-year



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

# UK Asset Base Provides Competitive Advantage

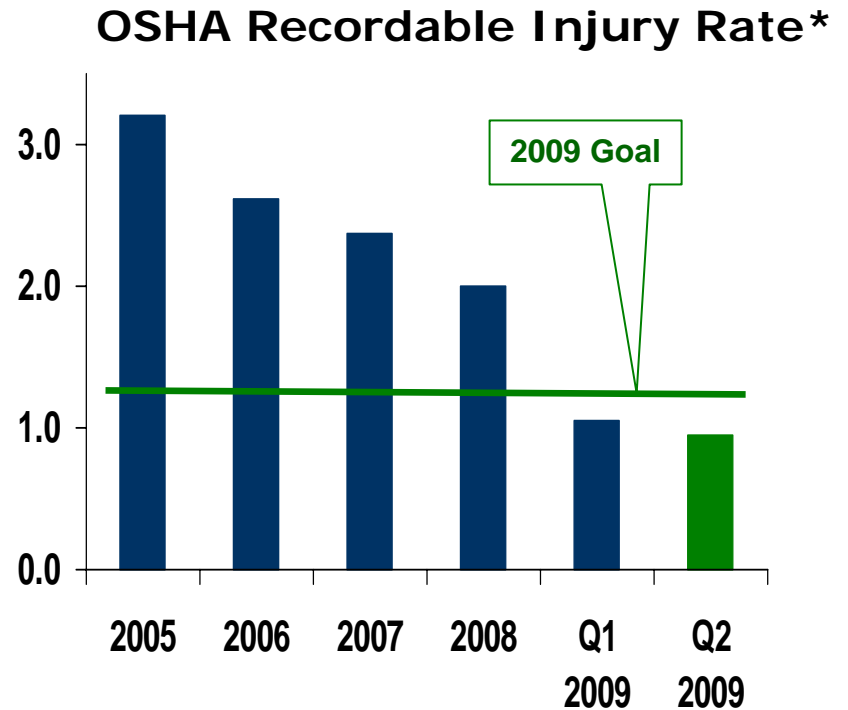
- Systemic lack of available housing in the UK
- Pent up demand continues to grow



**Currency Trends Favour UK-Based Manufacturers**

# Strong Safety Results Continue in 2008

- No serious injuries
- 2008 improvement of 15% company-wide



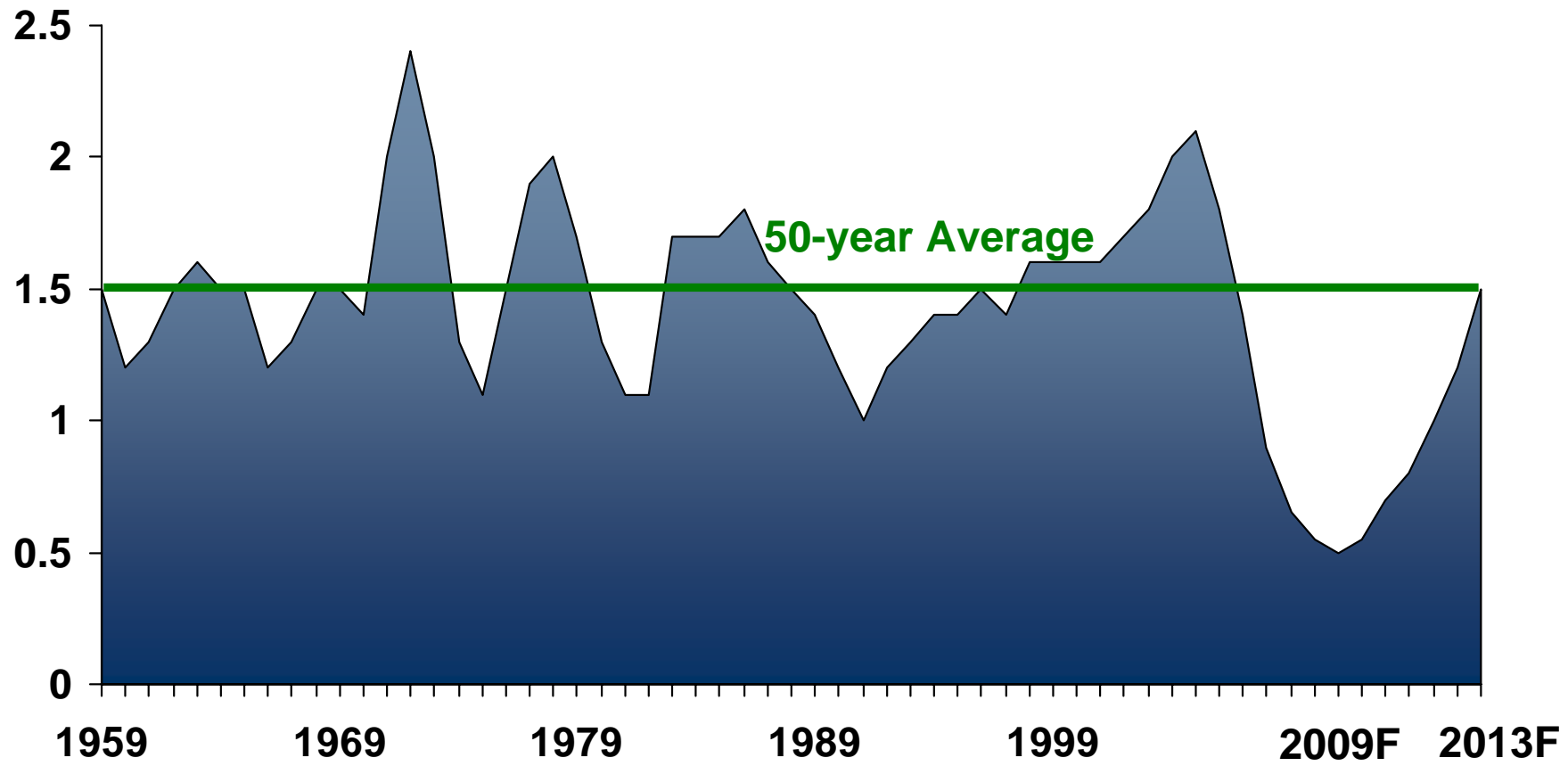
**Norbord Improves Safety 50% Year-Over-Year**

2009 results do not include True North Hardwood Plywood



# Demographics Support a US Housing Recovery

US Housing Starts  
(millions)



Source: US Census & APA-Engineered Wood Panel Association

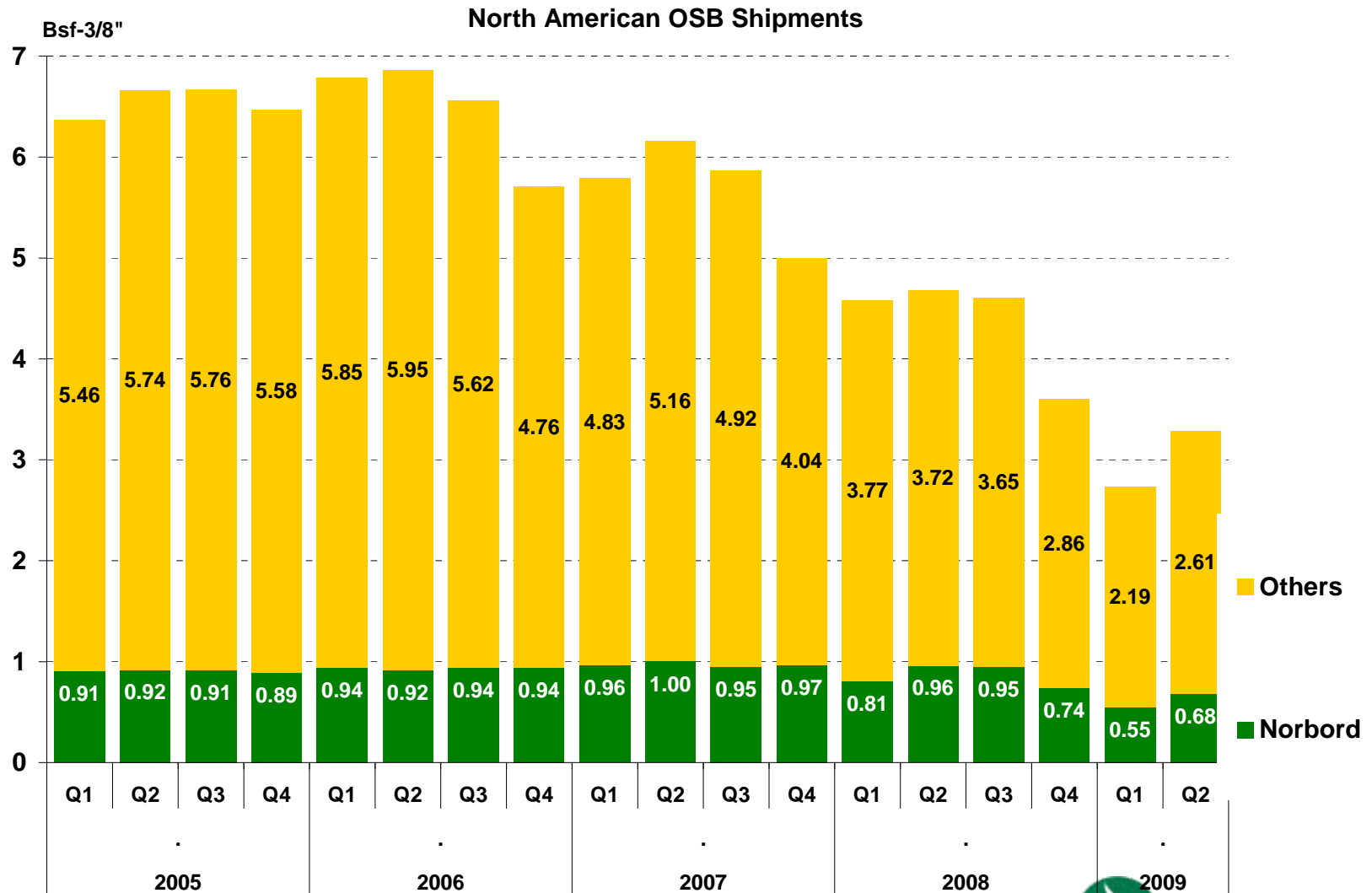


# Strategic Priorities

1. Develop world class safety culture
2. Pursue growth in OSB
3. Own high-quality assets with low cost positions
4. Maintain a margin-focused operating culture
5. Focus on growth customers
6. Allocate capital with discipline

# *Appendix*

# Norbord Maintains Market Share in Difficult Environment



Source – APA – The Engineered Wood Association and company documents



# Investment Dynamics

- Market capitalization – CAD \$427 million
- Average daily trading volume during Q209 – 0.5 million shares
- Total of 432 million common shares and 136 million warrants issued and outstanding
- Brookfield Asset Management ownership – 75%

*\*Information as at July 30, 2009, unless otherwise noted.*

# Analyst Coverage of Norbord

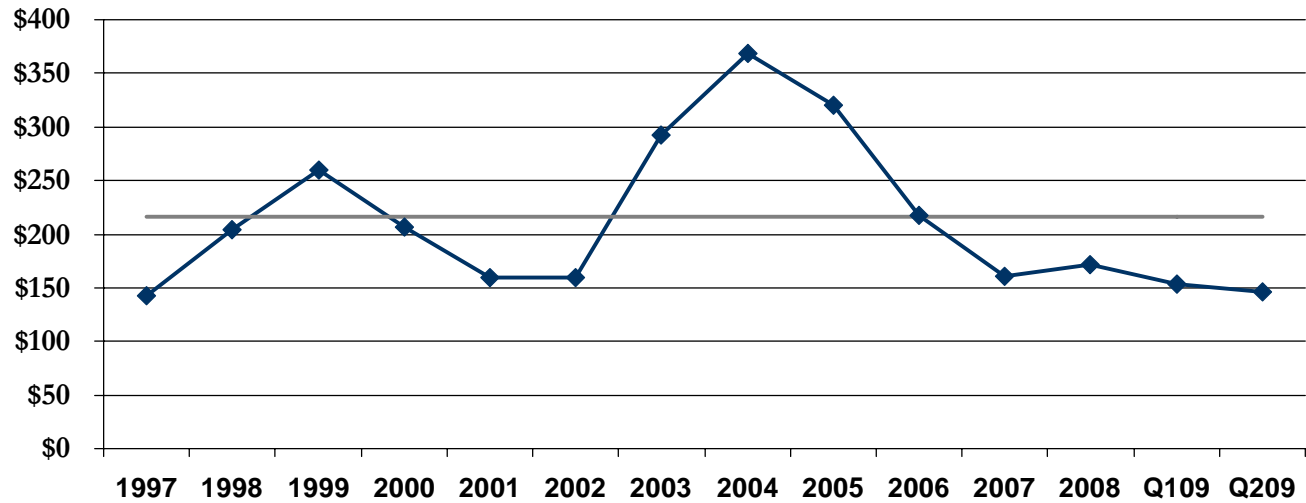
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# Financial Sensitivities

<b>Exposure</b>	<b>Change</b>	<b>Impact on EBITDA<sup>(1)</sup> (\$ millions, annualized)</b>
North American OSB	\$10 per Msf 7/16"	± \$36
European OSB	€10 per m <sup>3</sup>	± \$7
Canadian dollar	\$0.01 per Cdn\$	± \$1
Pound sterling	£0.01 per €	± \$2

(1) Assumes operation at full capacity levels

# Historical OSB Pricing – NC 7/16”



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Q1	134	157	217	261	132	163	175	423	364	285	145	137	154
Q2	126	195	291	240	190	159	215	443	297	238	156	179	146
Q3	144	287	301	171	180	159	381	351	303	181	177	201	
Q4	164	178	230	155	140	156	401	264	317	166	165	170	
Average	142	204	260	207	160	159	293	369	320	217	161	172	150

Source: Random Lengths



# Forecast OSB Pricing – NC 7/16”

- Norbord does not provide guidance regarding its expectations of future prices. The following is a sample of price forecasts by analysts and other institutions as at **July 30, 2009**. It is not exhaustive.*

	<b>2009</b>
BMO Capital Markets	\$171
CIBC World Markets	\$155
Desjardins Securities	\$175
Dundee Securities	\$151
Goldman Sachs	\$157
Raymond James	\$155
RBC Capital Markets	\$165
Salman Partners	\$165
Scotia Capital	\$164
TD Newcrest	\$168
<b>Average</b>	<b>\$163</b>
<b>Range</b>	<b>\$151 - \$175</b>