

# News Release

## **NORBORD RELEASES FIRST QUARTER 2012 OPERATING RESULTS**

Note: Financial references in US dollars unless otherwise indicated.

TORONTO, ON (April 17, 2012) – Norbord Inc. (TSX: NBD, NBD.WT) today reported EBITDA of \$21 million in the first quarter of 2012 compared to \$9 million in the prior quarter and \$14 million in the same quarter last year. The improvement reflects a 7% quarter-over-quarter increase in North American benchmark OSB prices as well as continuing strong results from the Company’s European operations.

Norbord is releasing first quarter operating results in advance of its full results to facilitate exploration of the broadest possible range of refinancing options related to its July 1, 2012 bond maturity. Full first quarter 2012 results, including the shareholder letter, press release, management’s discussion and analysis and unaudited consolidated financial statements, are expected to be released on April 27, 2012.

### **Market Conditions**

In North America, US housing starts were 20% higher during the first quarter of this year compared to the same period last year and permits were 30% higher. More importantly for the OSB industry, US single family housing starts were 17% better versus last year. In this firmer demand environment, the North American North Central benchmark OSB price averaged \$203 per thousand square feet (Msf) (7/16-inch basis) in the first quarter compared to \$190 per Msf in the prior quarter and \$198 per Msf during the same quarter last year. In the South East region, where approximately 55% of Norbord’s North American capacity is located, prices averaged \$190 per Msf in the first quarter, compared to \$166 per Msf in the prior quarter and \$177 per Msf during the same quarter last year. Expert forecasts for 2012 US housing starts now range from 680,000 to 770,000, which is 11%-26% higher than last year’s 610,000 starts.

In Europe, despite the negative economic news, overall panel markets continued to show strength. In the UK, where the majority of Norbord’s European assets are located, the housing market continues to slowly recover with home prices, housing starts activity and mortgage lending all trending up. In addition, the UK government recently announced the “NewBuy” program to spur new home sales and increase home buyer eligibility by guaranteeing mortgages. The UK government also announced legislative changes aimed at unblocking the permit planning pipeline. Both of these initiatives are expected to be positive for housing demand over the longer term.

In the quarter, average European panel prices softened slightly compared to the previous quarter but remain higher than last year. After peaking mid-last year, OSB prices were 7% lower than the same quarter a year ago and 5% down from the prior quarter. However, particleboard and MDF prices are holding on to double digit gains compared to the same quarter last year, at 13% and 11% higher, respectively. Quarter-over-quarter, particleboard and MDF prices were flat.

## Performance

(unaudited)	Q1	Q4	Q1
<b>Results of Operations</b> (US\$ millions, unless otherwise noted)	<b>2012</b>	2011	2011
<b>Sales</b>			
North America	<b>135</b>	119	133
Europe	<b>118</b>	110	120
Total	<b>253</b>	229	253
<b>EBITDA</b> <sup>1</sup>			
North America	<b>14</b>	2	7
Europe	<b>11</b>	10	11
Unallocated	<b>(4)</b>	(3)	(4)
Total	<b>21</b>	9	14
<b>Shipments (MMsf–38")</b>			
North America	<b>728</b>	696	721
Europe	<b>414</b>	372	402
<b>Indicative Average OSB Price</b>			
North Central (\$/Msf–7/16")	<b>203</b>	190	198
South East (\$/Msf–7/16")	<b>190</b>	166	177
Europe (€m <sup>3</sup> ) <sup>2</sup>	<b>245</b>	245	248

<sup>1</sup> EBITDA is a non-IFRS financial measure which does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. A quantitative reconciliation of EBITDA to the most directly comparable IFRS measure will be provided in the management's discussion and analysis with Norbord's full first quarter 2012 results.

<sup>2</sup> European indicative average OSB price represents the delivered price to the largest Continental market.

## Norbord Profile

Norbord Inc. is an international producer of wood-based panels with assets of \$1 billion, employing approximately 2,000 people at 13 plant locations in the United States, Europe and Canada. Norbord is one of the world's largest producers of oriented strand board (OSB). In addition to OSB, Norbord manufactures particleboard, medium density fibreboard (MDF) and related value-added products. Norbord is a publicly-traded company listed on the Toronto Stock Exchange under the symbols NBD and NBD.WT.

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### Contact:

Heather Colpitts  
 Manager, Corporate Affairs  
 Tel. (416) 365-0705  
[info@norbord.com](mailto:info@norbord.com)

*This news release contains forward-looking statements, as defined in applicable legislation, including statements related to our strategy, projects, plans, future financial or operating performance and other statements that express management's expectations or estimates of future performance. Often, but not always, words such as "expect," "suggest," "appear," "believe," "will," "will not," "intend," "plan," "can," "should," "forecasts," "confident," "may," and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Norbord to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.*

*Although Norbord believes it has a reasonable basis for making these forward-looking statements, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements*

*include: general economic conditions; risks inherent with product concentration; effects of competition and product pricing pressures; risks inherent with customer dependence; effects of variations in the price and availability of manufacturing inputs; risks inherent with a capital intensive industry; and other risks and factors described from time to time in filings with Canadian securities regulatory authorities.*

*Except as required by applicable laws, Norbord does not undertake to update any forward-looking statements, whether as a result of new information, future events or otherwise, or to publicly update or revise the above list of factors affecting this information. See the “Caution Regarding Forward-Looking Information” statement in the March 1, 2012 Annual Information Form and the cautionary statement contained in the “Forward-Looking Statements” section of the 2011 Management’s Discussion and Analysis dated January 26, 2012.*