

Q1 2014 Earnings Presentation

May 2, 2014



Forward-Looking Statements and Non-IFRS Financial Information



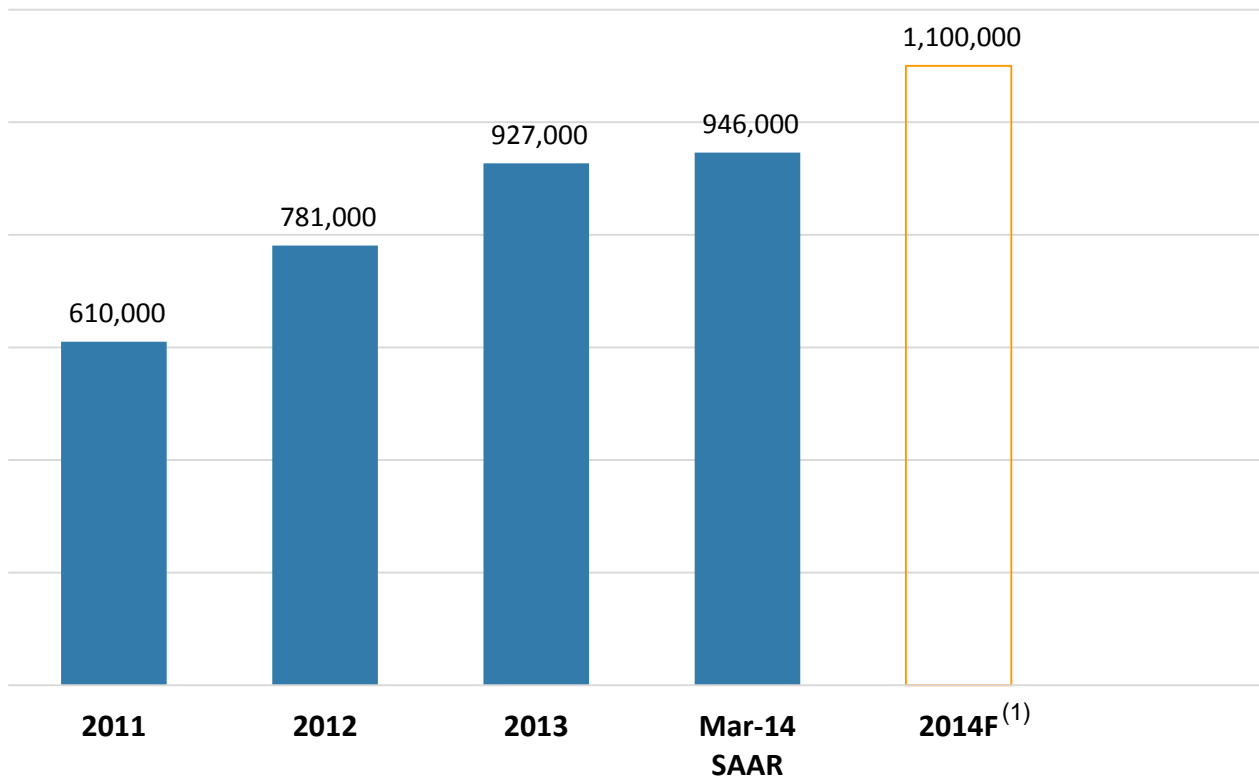
- All financial references are expressed in US\$ unless otherwise noted.
- Financial numbers prior to 2010 were prepared in accordance with CGAAP, while numbers from 2010 onward have been prepared in accordance with IFRS.
- This presentation contains forward-looking statements and estimates.
- Actual 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 website (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-IFRS financial information will be presented. Definitions and reconciliation of terms can be found in the Company's annual and quarterly MD&A.

Q1 2014 Financial and Operational Highlights



- Harsh NA winter weather conditions negatively impacted the OSB market and our mill performance
- EBITDA of \$27 million - down only \$2 million from Q4 2013
- NA sales volume up 8% year-over-year despite lower US housing starts
- EU sales volume up 9% year-over-year
 - Best-ever quarterly EU panel production
- MIP gains \$3 million related to productivity, value-added product mix and lower maintenance costs
- Declared CAD \$0.60/share dividend payable June 21 (record date June 1)

US Housing Starts

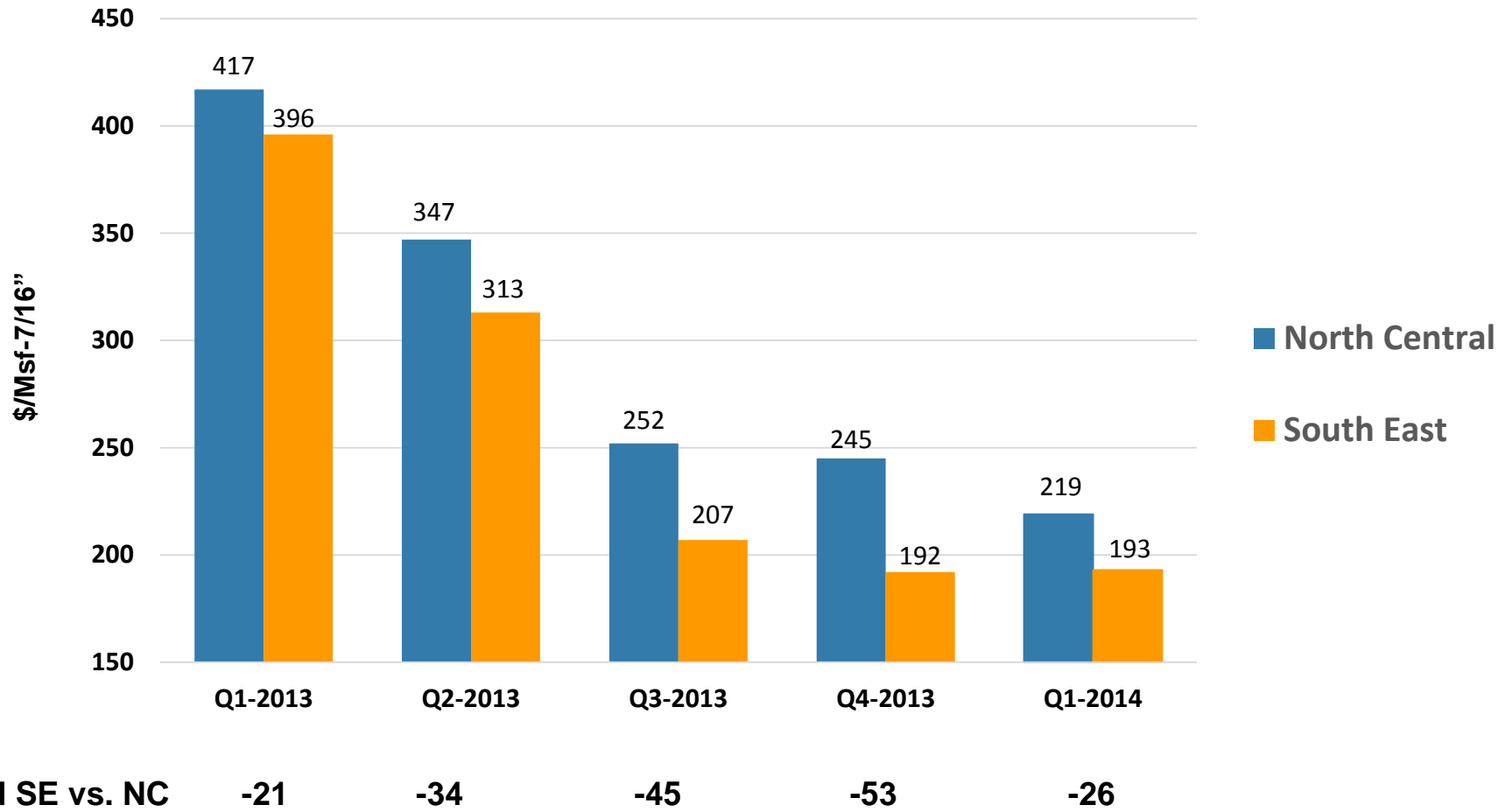


March YTD data: housing starts down 2% yr/yr; building permits up 7%

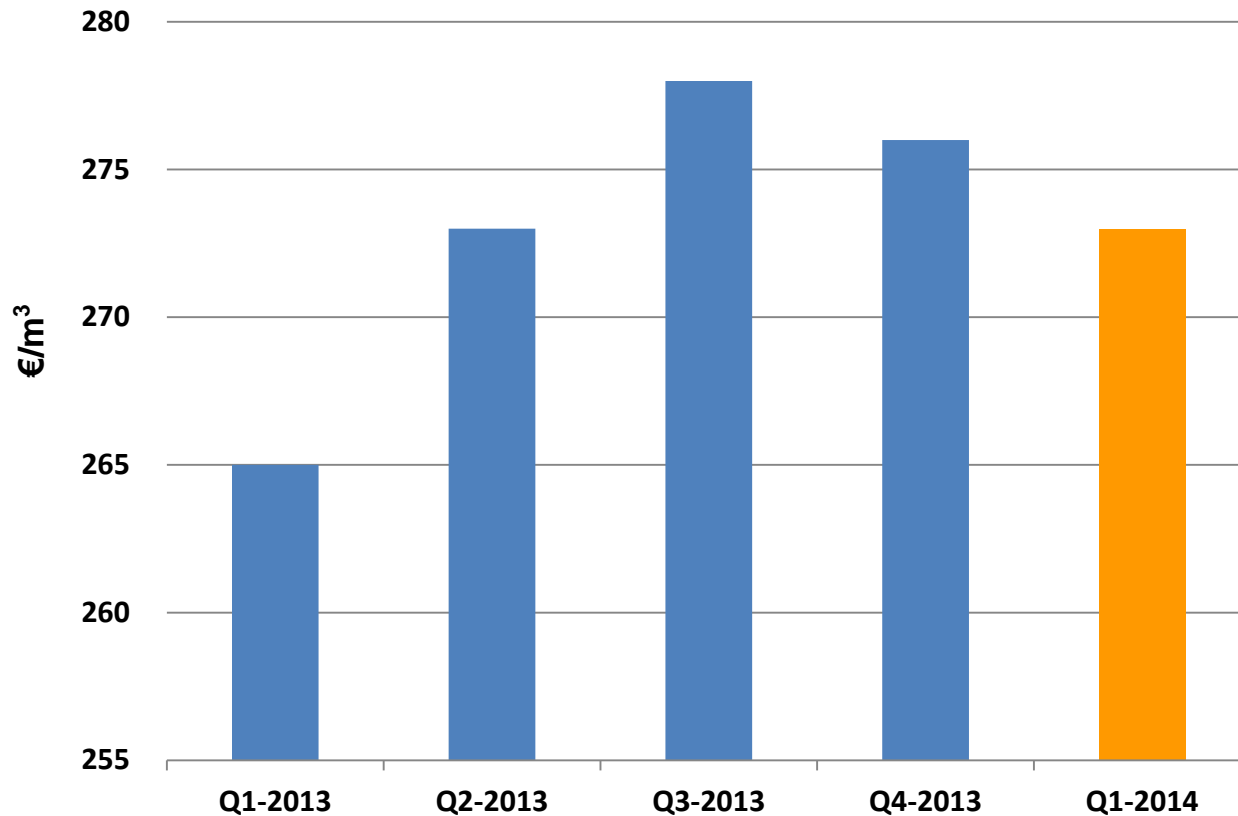
(1) Based on US housing economist forecasts

Source: US Department of Commerce, except where otherwise noted

North American Benchmark OSB Prices



European Indicative OSB Prices⁽¹⁾



(1) European indicative average OSB price represents the gross delivered price to the largest Continental market

Financial Summary



| | Q1 | Q4 | Q1 |
|--|-------------|------|------|
| (US \$ millions, except per share information, unless otherwise noted) | 2014 | 2013 | 2013 |
| Sales | 303 | 302 | 365 |
| EBITDA | | | |
| North America | 17 | 21 | 106 |
| Europe | 13 | 12 | 10 |
| Unallocated | (3) | (4) | (5) |
| Total | 27 | 29 | 111 |
| Earnings before one-time items | 7 | 9 | 67 |
| 2015 bond early redemption, after-tax | - | (16) | - |
| Non-recurring income tax recovery | - | 9 | - |
| Earnings, as reported | 7 | 2 | 67 |
| EPS, basic | 0.13 | 0.04 | 1.51 |
| EPS, diluted | 0.13 | 0.04 | 1.26 |

EBITDA Variance



| | Q1 2014 vs. Q4 2013 | Q1 2014 vs. Q1 2013 |
|---|---------------------------|---------------------------|
| <i>EBITDA variance (US \$ millions)</i> | | |
| EBITDA – current period | \$ 27 | \$ 27 |
| EBITDA – comparative period | 29 | 111 |
| Variance | \$ (2) | \$ (84) |
| Mill nets ⁽¹⁾ | (2) | (89) |
| Volume ⁽²⁾ | 1 | 2 |
| Key input prices ⁽³⁾ | (5) | (4) |
| Key input usage ⁽³⁾ | (1) | - |
| Mill profit share and bonus | - | 4 |
| Maintenance and other ⁽⁴⁾ | 5 | 3 |
| Total | \$ (2) | \$ (84) |

1) The mill nets variance represents the change in realized pricing across all products. Mill nets are calculated as sales (net of outbound freight costs) divided by shipment volume.

2) The volume variance represents the impact of shipment volume changes across all products.

3) The key inputs include fibre, resin, wax and energy.

4) The maintenance and other category covers all remaining variances including labour and benefits, and the impact of foreign exchange.

Liquidity and Capital Resources



| | Q1 | Q4 | Q1 |
|--|-------------|-------|-------|
| (US \$ millions, except per share information, unless otherwise noted) | 2014 | 2013 | 2013 |
| Cash (used for) provided by operating activities | \$ (26) | \$ 35 | \$ 45 |
| Cash (used for) provided by operating activities per share | (0.49) | 0.68 | 1.01 |
| Operating working capital | 93 | 44 | 101 |
| Investment in property, plant and equipment | 15 | 38 | 12 |

Balance Sheet



| (US \$ millions) | Bank Covenant | Mar 29 2014 | Dec 31 2013 | Mar 30 2013 |
|---|------------------|----------------|----------------|----------------|
| Long-term debt, principal value | | \$ 440 | \$ 440 | \$ 440 |
| Less: Cash and cash equivalents | | (117) | (193) | (158) |
| Net debt | | 323 | 247 | 282 |
| Add: Letters of credit | | 3 | 4 | 3 |
| Net debt for financial covenant purposes | | 326 | 251 | 285 |
| Tangible net worth | min. 250 | 470 | 492 | 488 |
| Net debt to capitalization, book basis | max. 65% | 41% | 34% | 37% |

- Liquidity of \$459 million = \$117 million in cash + \$342 million in unused credit lines

Appendices

Financial Sensitivities



| Exposure | Change | EBITDA Impact ⁽¹⁾ (\$ millions) |
|--------------------------------|------------------------|---|
| North American OSB | \$10 per Msf 7/16” | ± \$36 |
| European OSB | €10 per m ³ | ± \$7 |
| Canadian dollar ⁽²⁾ | \$0.01 per Cdn\$ | < \$1 |
| Pound sterling | £0.01 per € | < \$1 |

(1) Assumes operation at full capacity levels

Direct exposures only; before the impact of any cash flow currency hedges

Tax operating loss carry-forwards (gross) as at Dec. 31, 2013 – US \$71 million, Canada C\$49 million, Belgium €30 million

(2) Excluding dividends on common shares