



Raymond James
Annual Institutional Investors Conference
March 7, 2012

Safe Harbor Statement

The following information contains forward-looking statements. These forward-looking statements are based on management's current expectations and beliefs, as well as a number of assumptions, estimates and projections concerning future events. These statements are subject to risks, uncertainties, assumptions and other important factors, many of which are outside Management's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. You are cautioned not to put undue reliance on such forward-looking statements because actual results may vary materially from those expressed or implied. All forward-looking statements are based on information available to Management on this date, and Lumber Liquidators Holdings, Inc. assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Why Invest in Lumber Liquidators

- Growth Retailer with Significant Opportunity to Expand
- Differentiated Value Proposition
- Poised for Growth due to Infrastructure Investments
- Driving Continuous Improvement in Everything We Do

Our Goal:

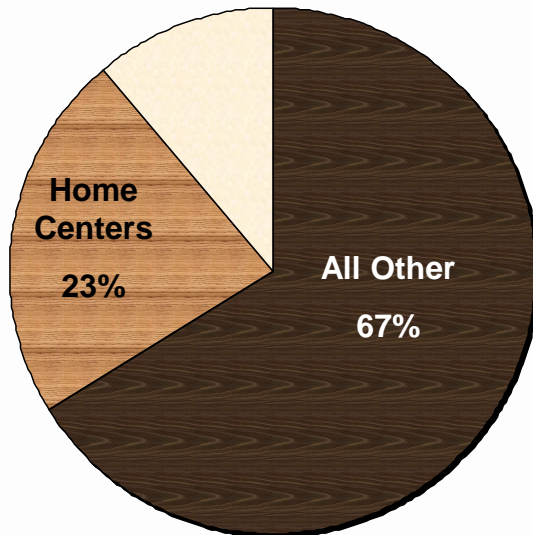
Multi-year growth in sales and operating margin expansion

Significant Opportunity to Expand

- Highly fragmented market (13,000 independents)
- Significant opportunity for share growth
- Growth does not have to come from taking share from Home Centers

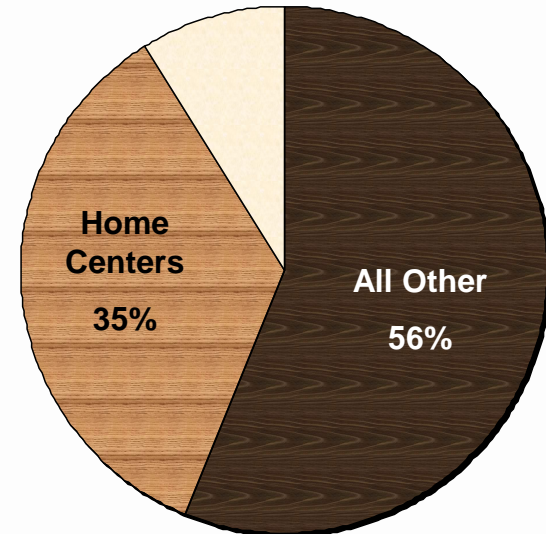
Hardwood Flooring Market¹

Lumber Liquidators 10%



Laminate Flooring Market¹

Lumber Liquidators 9%



Differentiated Value Proposition

Price

- Lowest prices in the marketplace
- Low cost structure – from vendor-mill to customer (no middlemen)
- Powerful private label brands

Selection

- Broadest assortment (most colors, species, styles)
- 25 species, over 340 varieties

Quality

- Stand behind our brand and industry-leading product warranties
- Bellawood 100 Year Transferable Warranty



Availability

- Direct-to-supplier sourcing relationships
- Efficient distribution network with national reach
- Best sellers are in-stock, in stores

People

- Highly skilled flooring experts always available to serve
- World class, highly motivated sales force

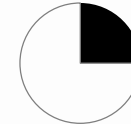
Our Value Proposition: Unique and Differentiated Model

Lumber Liquidators*

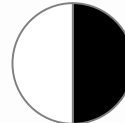
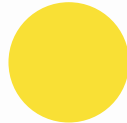
Home Centers*

Independent Retailers*

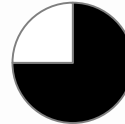
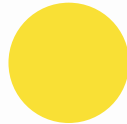
Price



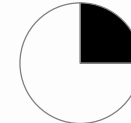
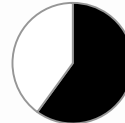
Selection



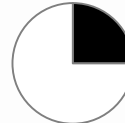
Quality



Availability



People



** Data based on industry research and management's estimate*

Legend: = Strong; = Average; = Weak

Poised for Growth

- Significant capital investments in infrastructure and systems behind us
- Investments in strong leadership across the business including Field Management, Store Sales Teams, Supply Chain and Merchandising
- SAP is a stable, strong platform for growth, both domestically and internationally, and significant benefits from system are still to come
- Powerful store model generates substantial free cash flow

Driving Continuous Improvement in Everything We Do

- Grow revenue
- Enhance margin through sourcing initiatives
- Optimize our supply chain
- Drive traffic through advertising reach and frequency
- Develop the best people to serve our customers

Strategy:
**Generate the fuel to Drive Operating Margin Expansion and
Reinvest in our Value Proposition**

Grow Revenue: Optimize Total Market Returns

Integrated real estate strategy balances mix of new stores, relocations, remodels and assortment expansion to maximize return on investment

- Highly adaptable store model
- Enhanced site selection processes
- Short lease-to-opening timetable
- Low start-up costs and attractive profitability ramp
- Success in large and small markets
- Open in an equal mix of new and existing markets



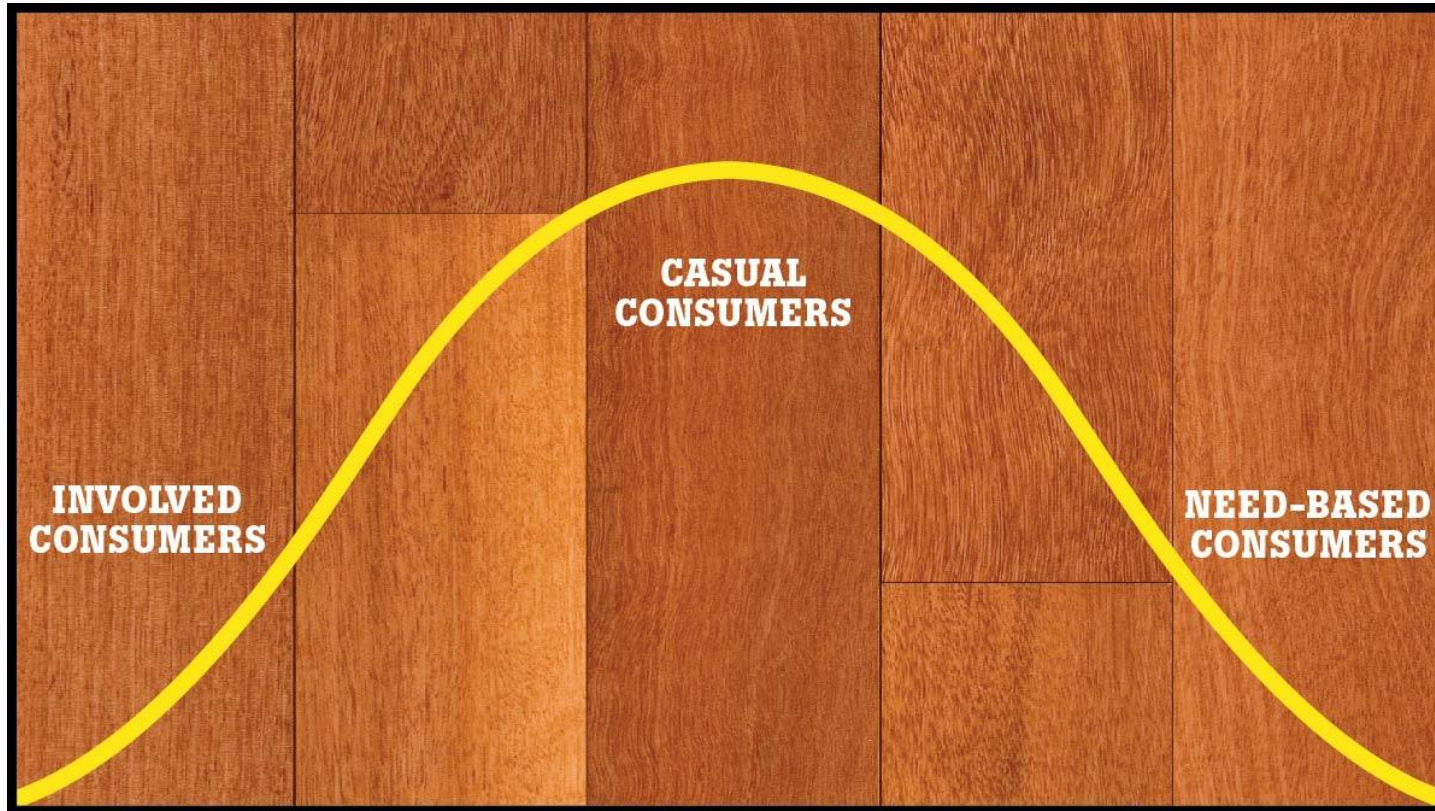
Sourcing Initiatives

- **Continue to execute on the strategy initiated in 2011:**
 - Conduct line reviews
 - Expand product assortments
 - Further leverage our China office
 - Continue to work closely with our vendor partners to develop strong, long-term relationships

Supply Chain Optimization

- **Optimize our supply chain by shortening the distance between vendor-mills and the sales floor**
 - In early stages, with significant opportunity to improve
 - Strong leadership and expertise in new head of supply chain
 - Increase direct to store shipments
 - Long-term multi-year focus

Drive Traffic: Broaden Customer Base



**Price, Variety, Expertise,
Treasure Hunters, Proud,
Passionate DIYers**

**Convenience of Location,
Installation, Price**

**Disaster Recovery, "Just Need
It Done" Mentality, Functional
Need vs. Aesthetic Need**

LL Commercial

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®

Best People Initiative

- **Invest in a world class team with particular focus on our sales force**
 - Our people are our secret weapon
 - Commitment to developing and motivating our sales team
 - Multi-year strategic initiative focused on training, performance management, change management and leadership development

Continuing our Momentum

	1st Half 2011	2nd Half 2011
Revenue	\$335.1M	\$346.5M
Comp Store Sales	-6.2%	2.5%
Traffic	-8.6%	-0.3%
Operating Margin	5.4%	7.1%
EPS	\$0.39	\$0.54



FINANCIAL DISCUSSION

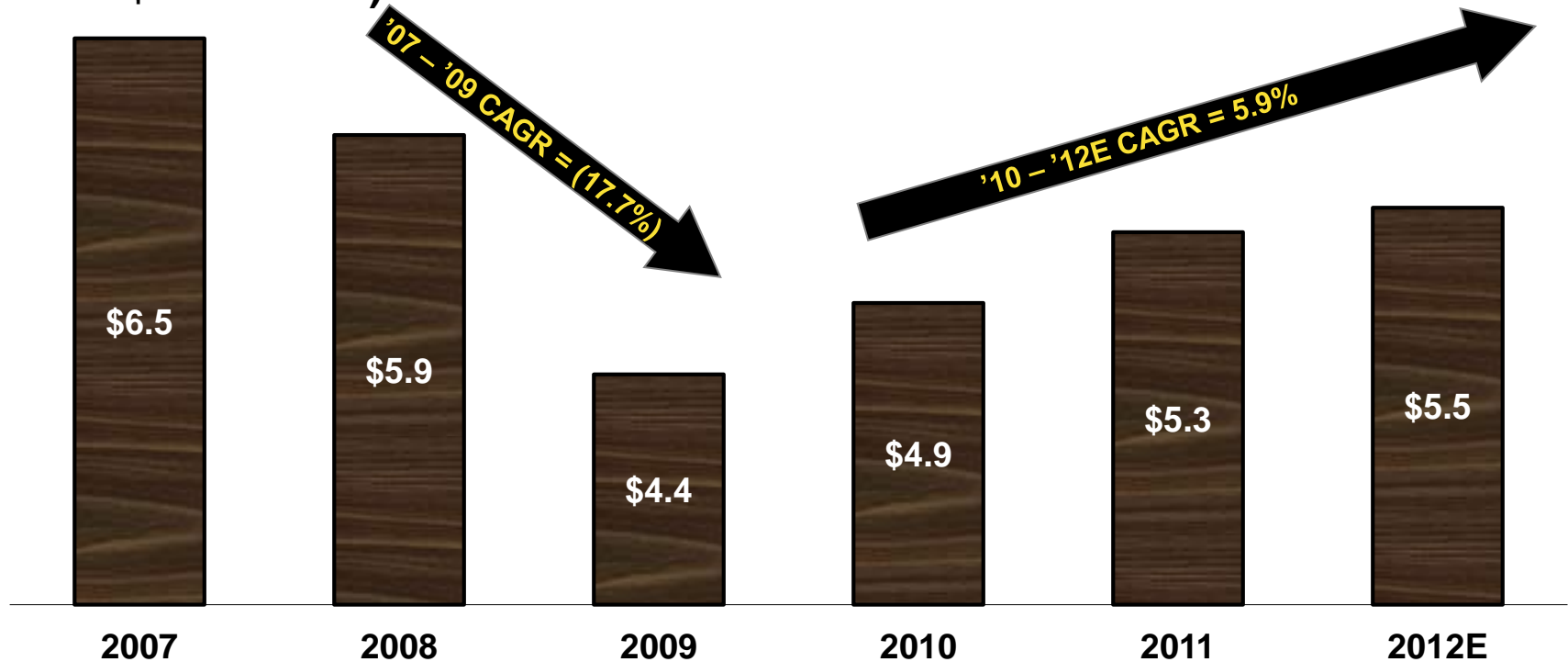
Dan Terrell, CFO

®

Wood & Laminate Flooring Market¹

(Approximately 75% of our 2011 net sales)

(Retail \$ in billions)



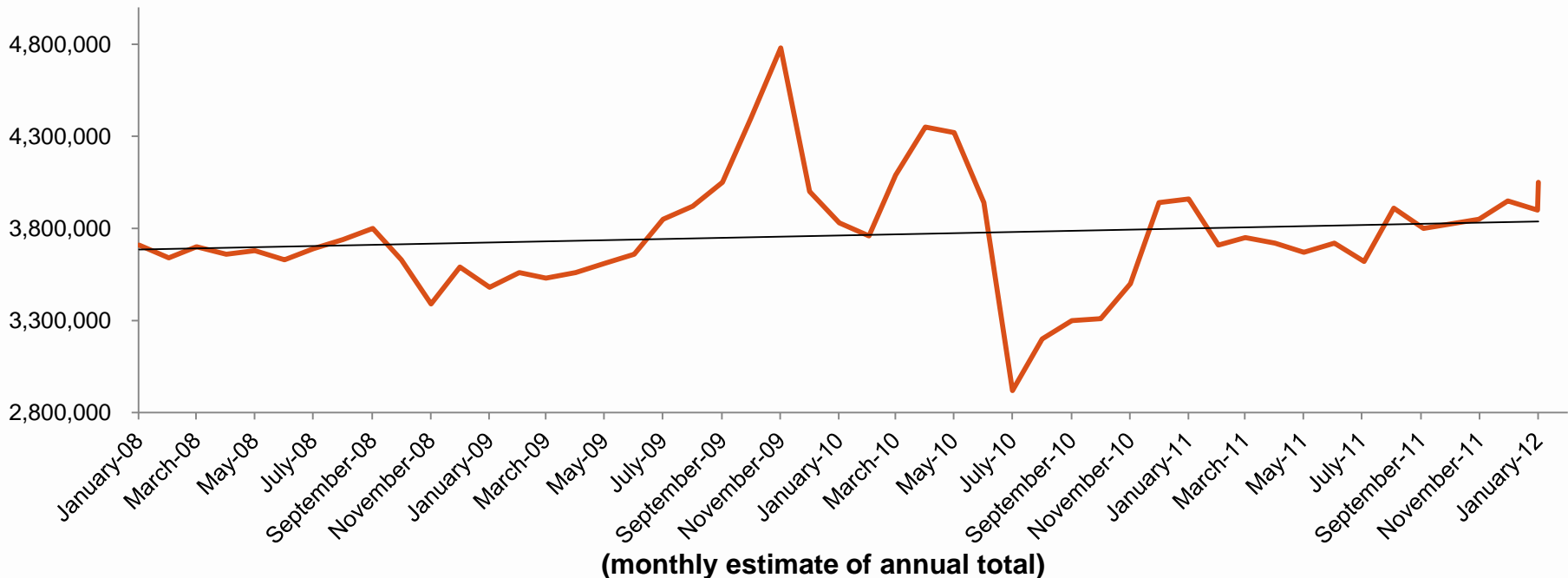
Note: Chart *includes* solid hardwood, engineered hardwood and laminate flooring; *excludes* resilient, bamboo, cork, moldings and accessories

Single Family Home Sales Stabilize

Government Intervention – Minimal Net Impact

of homes sold

Existing Single Family Home Sales



Annual Totals – Number of Homes Sold:

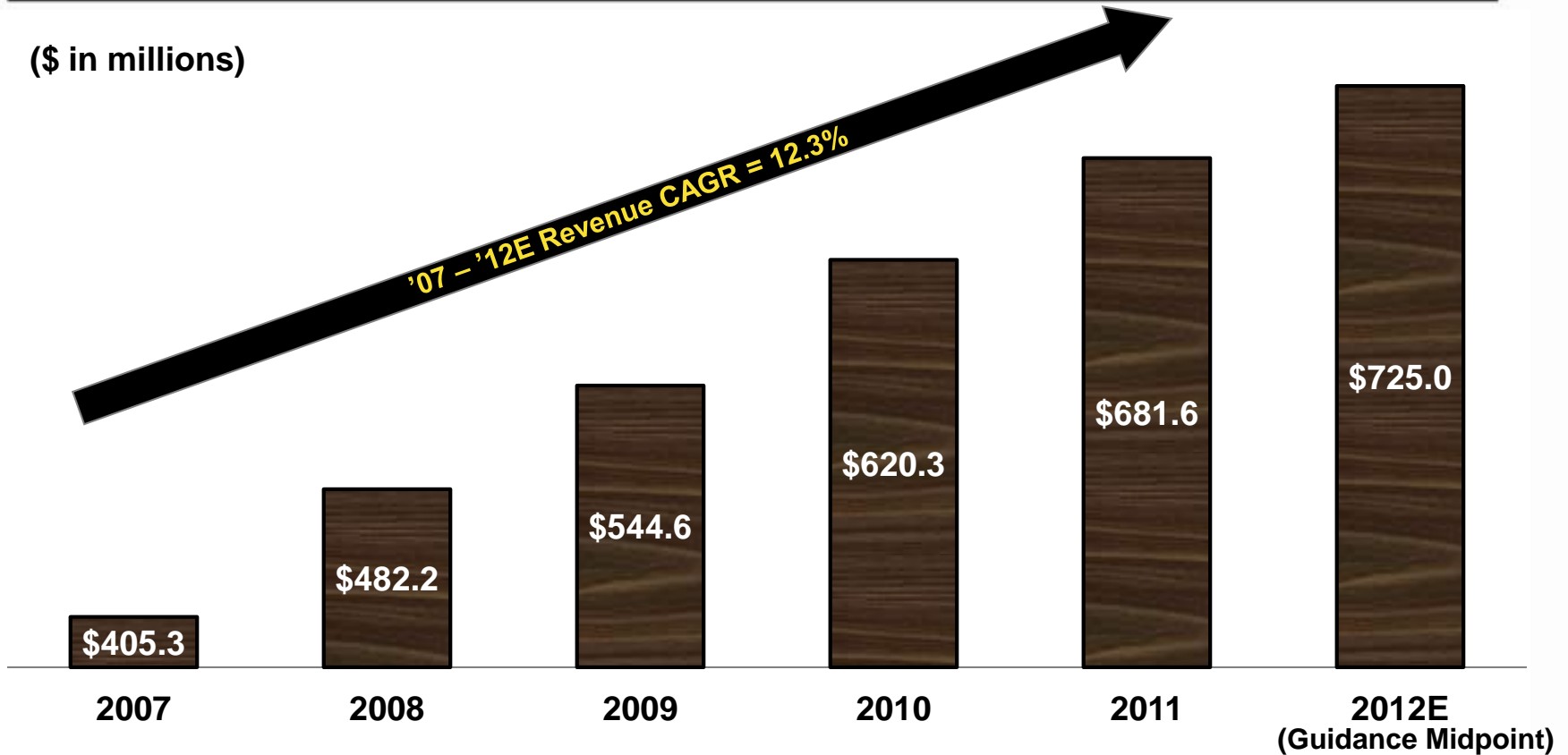
2012: 4.05 million (Jan Est)
2011: 3.90 million
2010: 3.71 million
2009: 3.87 million
2008: 3.66 million

2007: 4.42 million (11.8% higher than 2011)
2006: 4.88 million* (20.0% higher than 2011)
2005: 5.31 million* (36.2% higher than 2011)

* Estimate based on re-benchmarked 2007 - 2011 data (14% reduction from prior reported EHS)

Historical Sales Growth

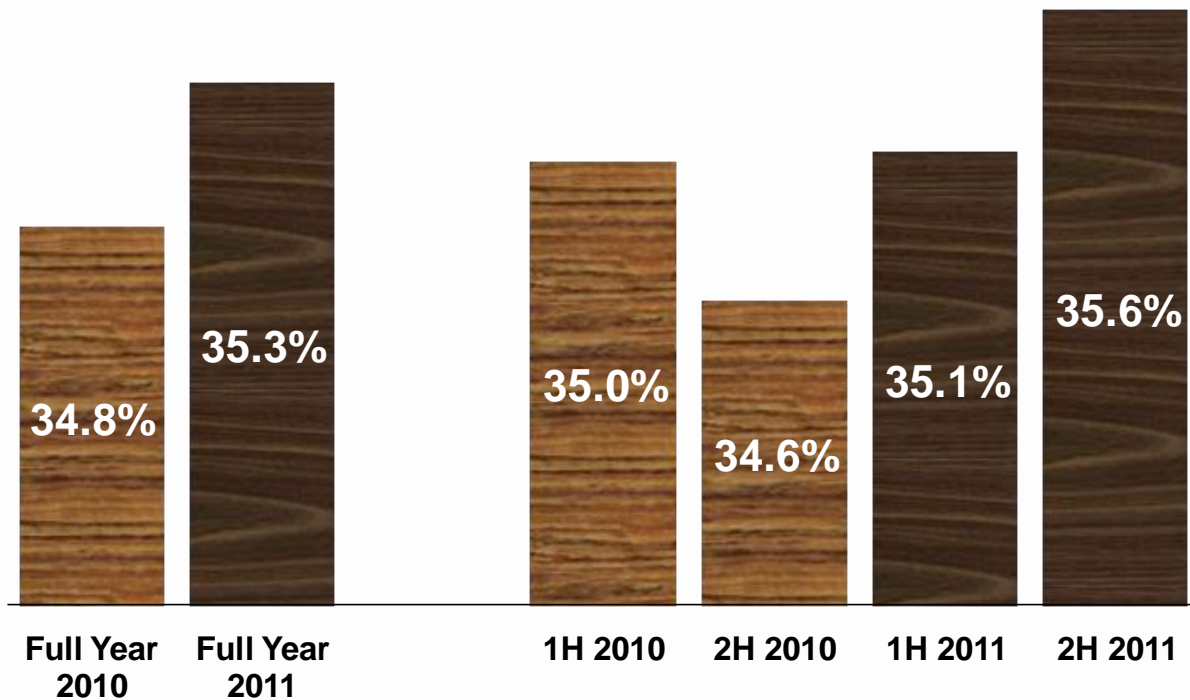
(\$ in millions)



Comp %	8.6%	1.6%	FLAT	2.1%	-2.0%	0.4%
Store Count	116	150	186	223	263	288

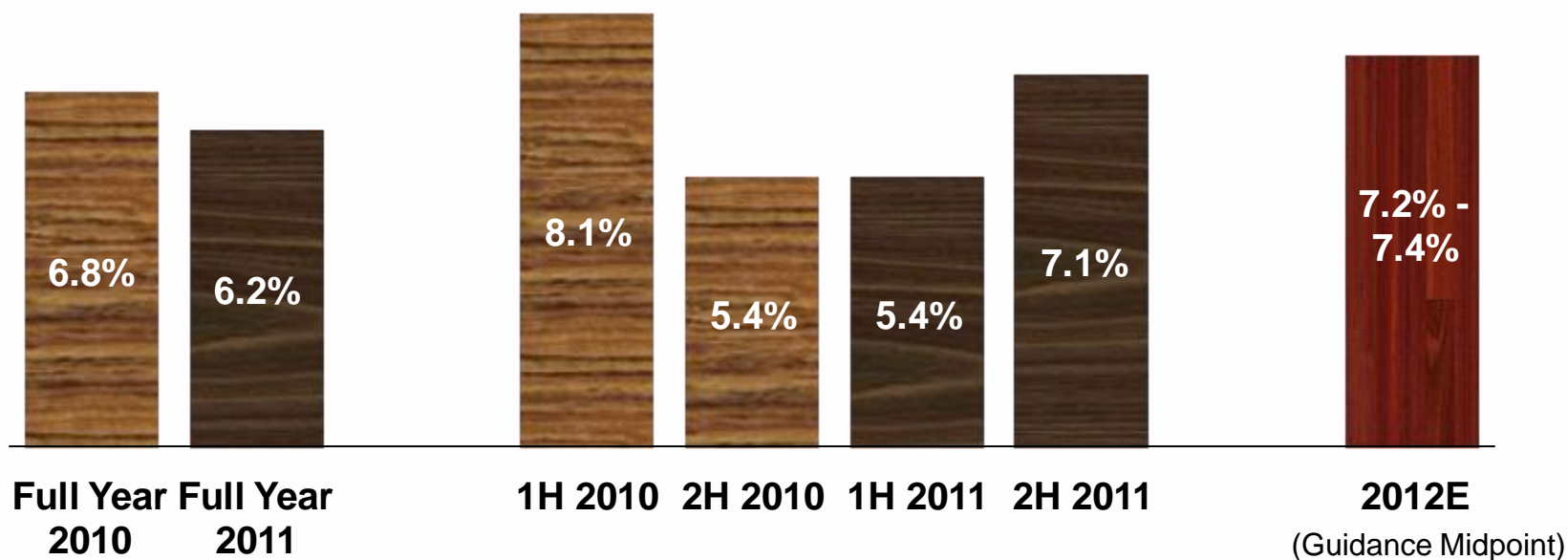
Improvement in Gross Margin

- Net sourcing initiatives
- Logistics initiatives
- Product planning and forecasting
- Sales mix shifts



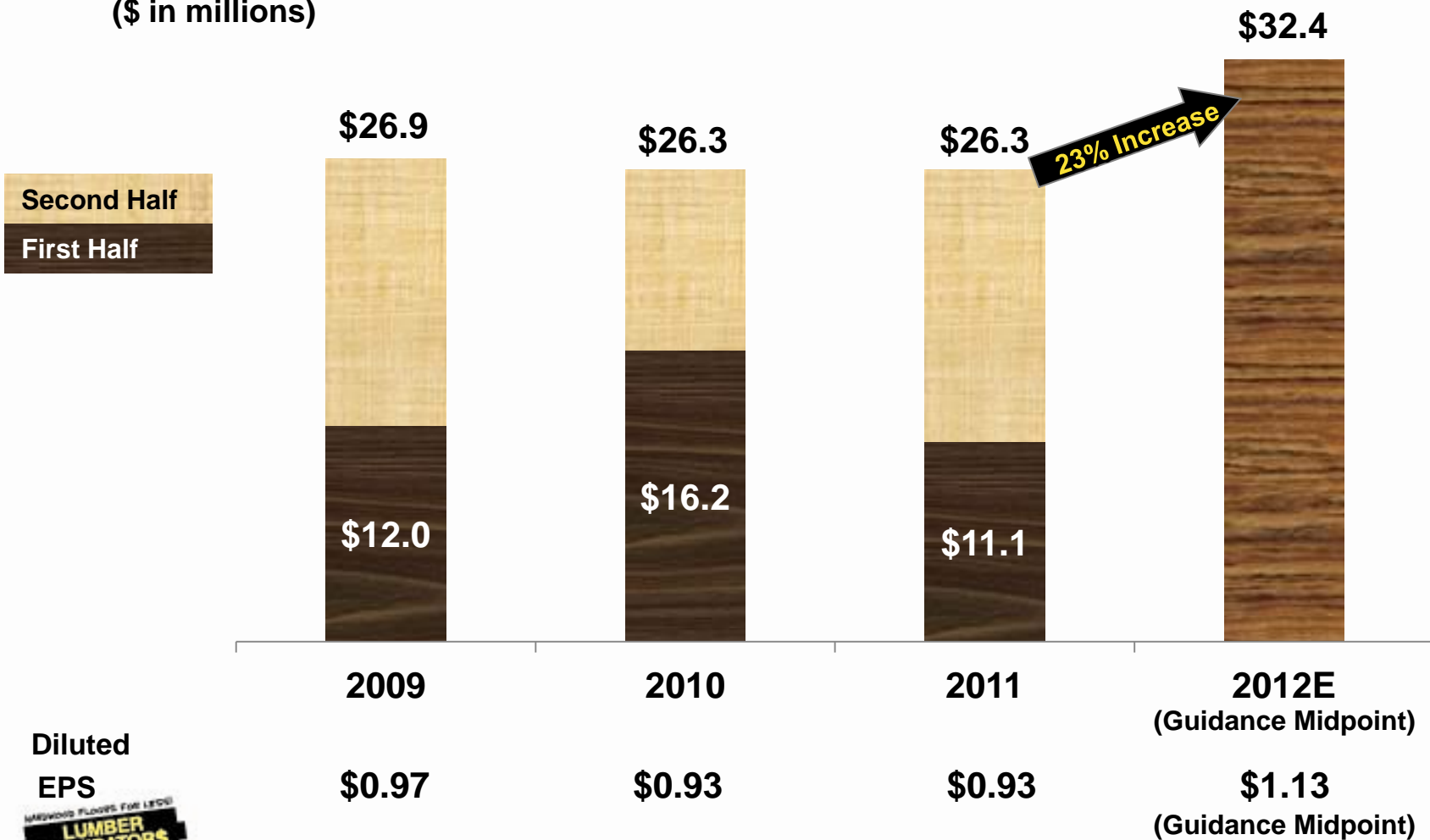
Operating Margin

- Gross Margin expansion
- Investments in infrastructure
- SG&A flat to de-leverage
- Reinvestment in advertising in 2012



Net Income

(\$ in millions)



Diluted
EPS

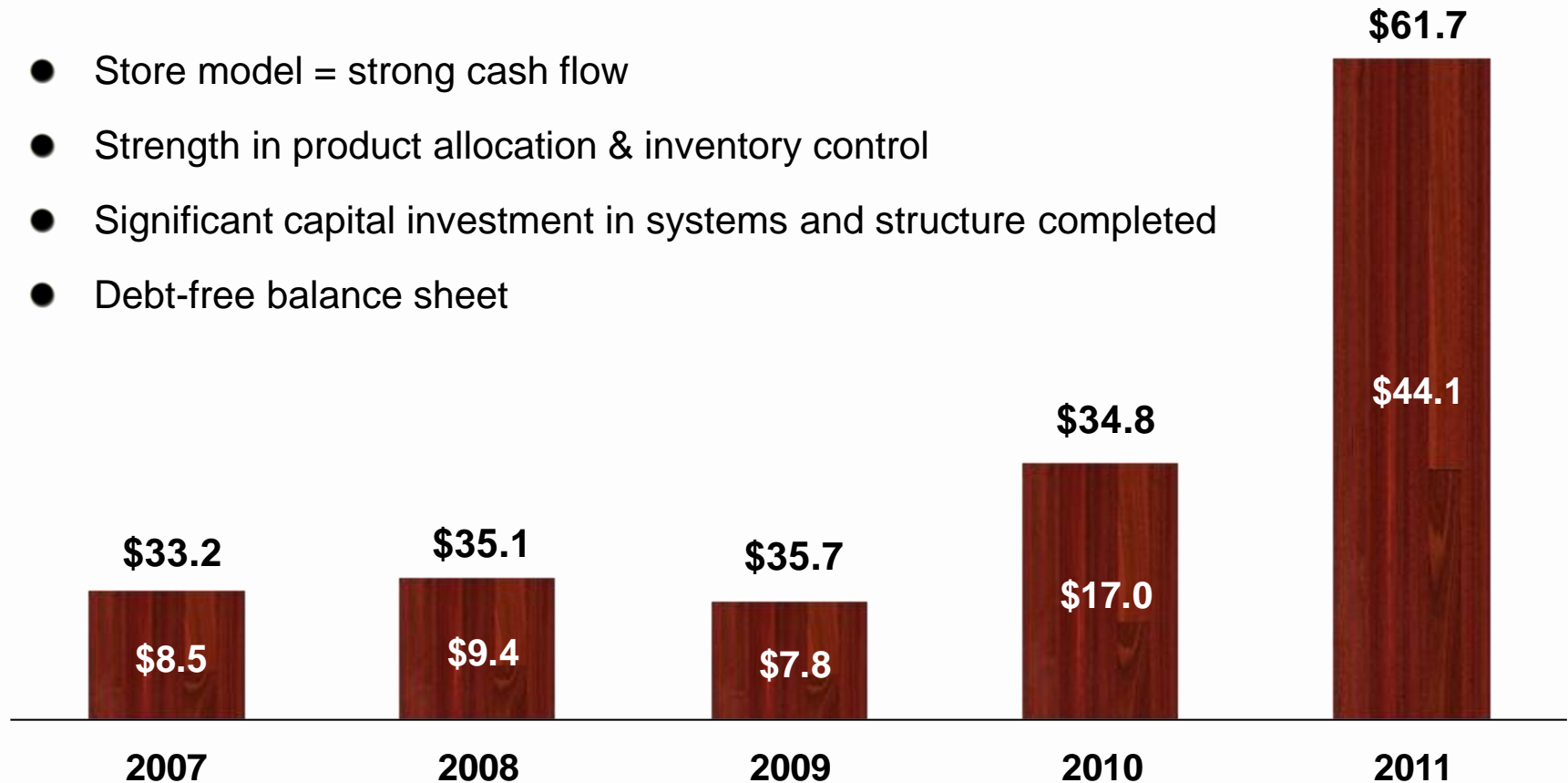
2012 Guidance

- Net sales for the full year in the range of \$710 million to \$740 million, an increase of 4.2% to 8.6%
- Comparable store net sales in the low single digits (+ or -)
- Opening of a total of 20 to 25 new store locations, including 2 to 4 in Canada
- Full year earnings per diluted share in the range of \$1.05 to \$1.20, based on a diluted share count of approximately 28.7 million shares, exclusive of any impact of the share repurchase program

Operating Cash Flow with Ending Cash Balances

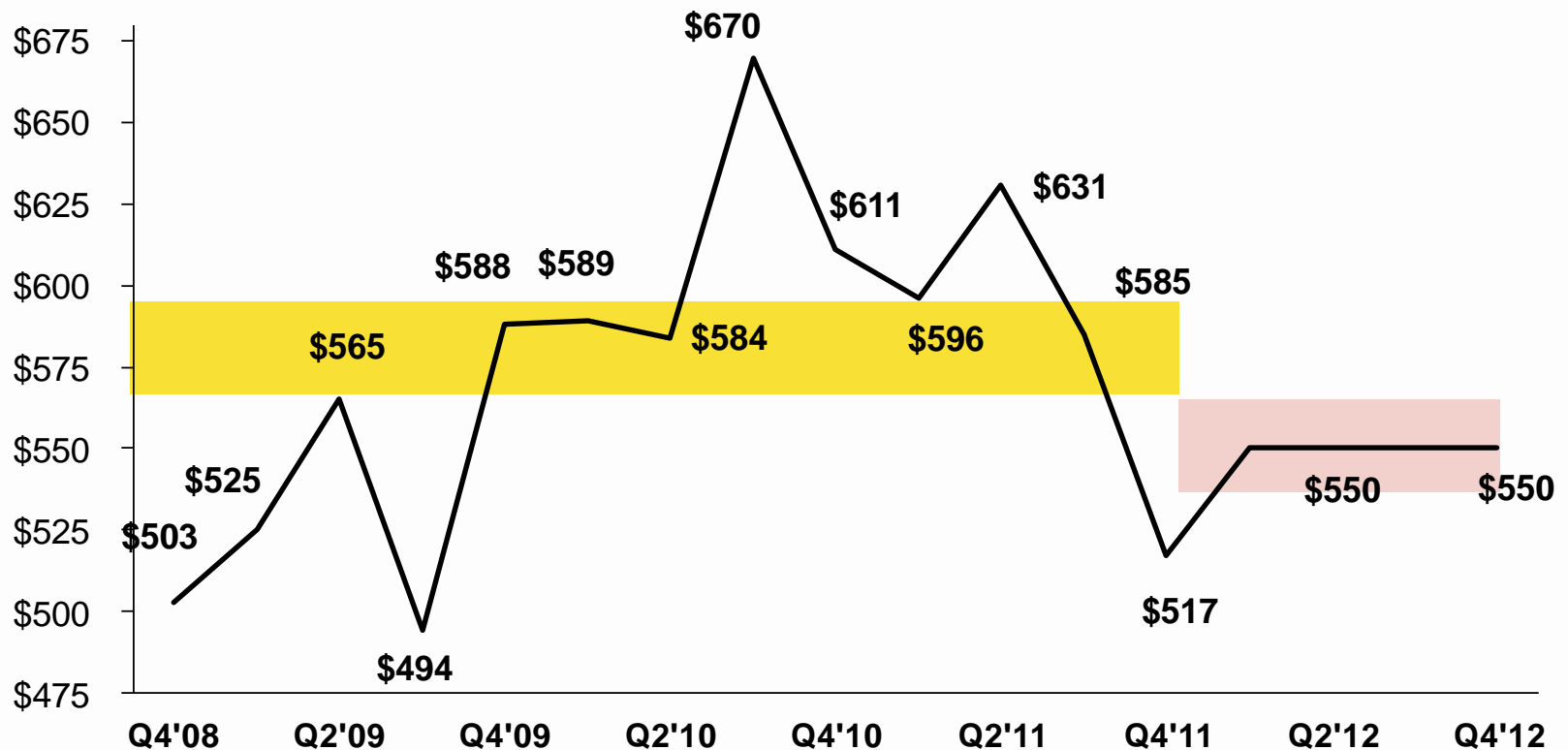
(\$ in millions)

- Store model = strong cash flow
- Strength in product allocation & inventory control
- Significant capital investment in systems and structure completed
- Debt-free balance sheet



Available Inventory per Store

(\$ in thousands)

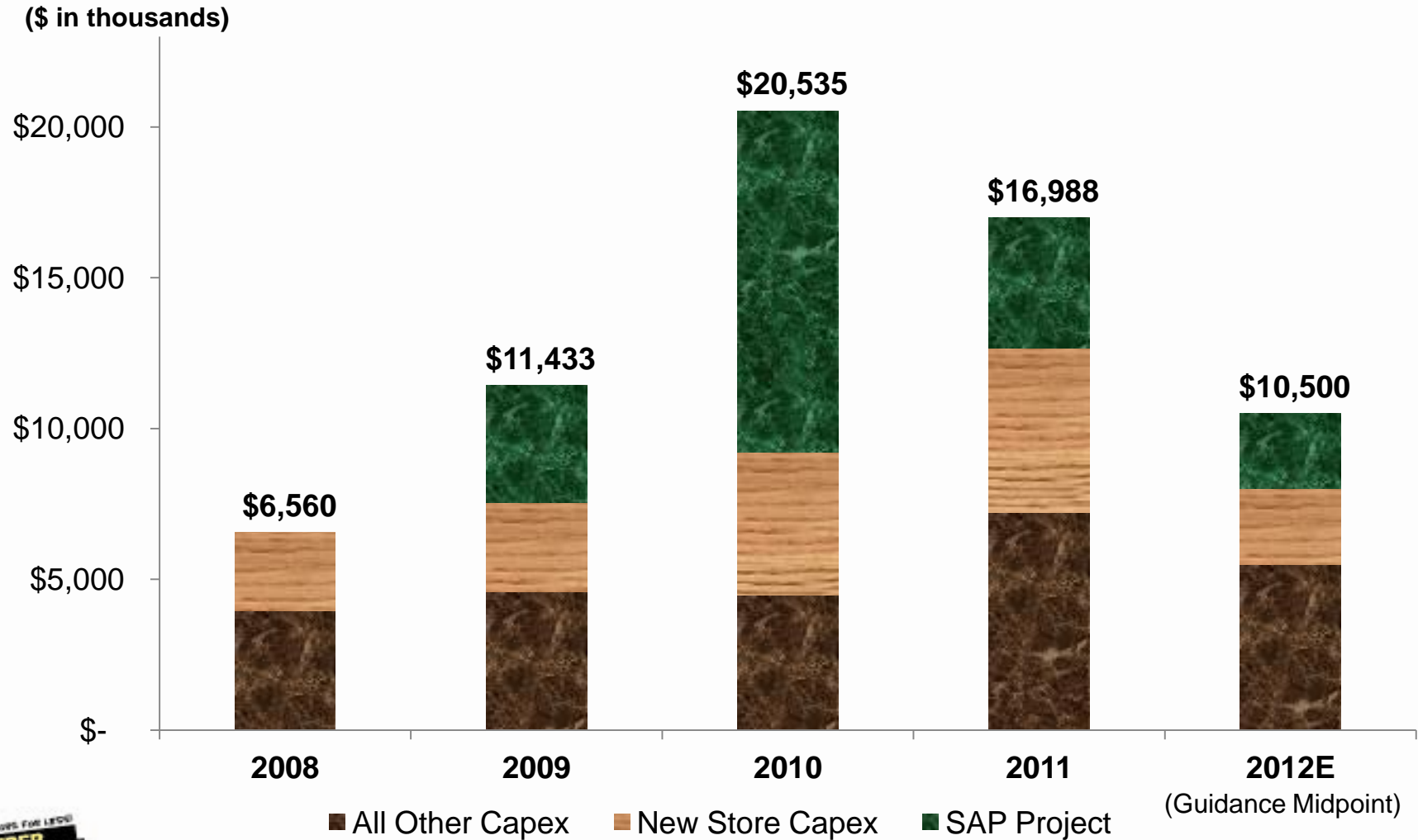


Available Inventory Per Store Target:

2008 – 2011: \$570 – \$590

2012: \$540 – \$560

Capital Expenditures



Share Repurchase Program

- Board of Directors authorized the repurchase of up to \$50 million of our stock
- With significant capital investments behind us, we are positioned to maintain our strong balance sheet and generate substantial free cash flow
- Focus on returning value to shareholders

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