



## Louisiana-Pacific Corporation Reports Second Quarter Results

July 25, 2000

Portland, Ore. -- Louisiana-Pacific Corp. (LPX) today reported second quarter income, excluding unusual items, of \$44 million, or \$.42 per diluted share, on sales of \$778 million.

Including facility write-downs, primarily related to the anticipated sale of the Samoa pulp mill, and an insurance settlement recovery, net income was \$21 million, or \$.20 per diluted share. In the second quarter of 1999, income excluding unusual items was \$82 million, or \$.76 per diluted share, on sales of \$769 million. Including a gain on the sale of timberland, second quarter 1999 net income was \$85 million, or \$.79 per diluted share.

Excluding unusual items, income for the first six months of 2000 was \$101 million, or \$.96 per diluted share, on sales of \$1.6 billion. For the first six months of 1999, income was \$109 million, or \$1.02 per diluted share, excluding unusual items, on sales of \$1.4 billion. Including unusual items, net income for the first six months of 2000 was \$79 million, or \$.76 per diluted share, compared to income in the first six months of 1999 of \$112 million, or \$1.05 per diluted share.

"We maintained a relatively good earnings level, despite price decreases in our commodity products as large as 20 percent to 30 percent versus last year," said Mark A. Suwyn, Louisiana-Pacific's chairman and CEO. "In July, we have seen further price erosion. Today's OSB prices are down about 30 percent and lumber prices about 15 percent compared to the average in the second quarter. We are aggressively adjusting our operating levels and focusing on costs and new product introductions to manage through the softening markets."

Louisiana-Pacific, now in its 27th year, is a premier supplier of building products, offering a valuable mix of commodity and value added specialty products to our rapidly growing retail, homebuilding and industrial customers. Visit L-P's website at: [www.LPCorp.com](http://www.LPCorp.com).

### FORWARD LOOKING STATEMENTS

This news release contains statements concerning Louisiana-Pacific Corp.'s future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, including the level of interest rates and housing starts, market demand for the company's products, and prices for structural products; the effect of forestry, land use, environmental and other governmental regulations; the ability to obtain regulatory approvals, and the risk of losses from fires, floods and other natural disasters. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.

### LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

#### CONDENSED INCOME STATEMENT

(Dollar amounts in millions) (Unaudited)

	Quarter Ended		Six Months Ended	
	June 30, 2000	June 30, 1999	June 30, 2000	June 30, 1999
Net sales	\$778.1	\$768.5	\$1,555.0	\$1,368.6
Income before taxes and minority interest(1)	37.7	140.7	134.4	184.8
Net income(1)	21.0	84.9	78.7	112.1
Income excluding unusual items(1)	43.7	81.7	100.5	108.9

Net income per share - basic

and diluted(1)	0.20	0.79	0.76	1.05
Income per share excluding unusual items(1)	0.42	0.76	0.96	1.02
Average shares outstanding				
Basic	104.0	106.6	104.0	106.4
Diluted	104.2	106.8	104.2	106.6

SALES BY QUARTER (In millions)

	1st	2nd	3rd	4th	Year
	-----	-----	-----	-----	-----
1999	\$600.1	\$768.5	\$797.4	\$712.6	\$2,878.6
2000	\$776.9	\$778.1			

NET INCOME BY QUARTER (In millions)

	1st	2nd	3rd	4th	Year
	-----	-----	-----	-----	-----
1999	\$27.2	\$84.9(1)	\$69.3(1)	\$35.4(1)	\$216.8
2000	\$57.7(1)	\$21.0(1)			

NET INCOME PER SHARE BY QUARTER-  
BASIC AND DILUTED

	1st	2nd	3rd	4th	Year
	-----	-----	-----	-----	-----
1999	\$0.26	\$0.79(1)	\$0.65(1)	\$0.34(1)	\$2.04
2000	\$0.55(1)	\$0.20(1)			

Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.

(1) In the second quarter of 1999, L-P recorded a \$5 million gain (\$3 million after taxes, or \$.03 per diluted share) on the sale of timberland.

In the third quarter of 1999, L-P Ketchikan Pulp Company subsidiary recorded a net charge of \$18.7 million (\$11.5 million after taxes, or \$0.11 per diluted share) primarily related to reducing the carrying value of the assets to be sold to the expected sales value and to record an increase in estimated environmental remediation liabilities.

In the fourth quarter of 1999, L-P recorded a gain on the sale of its Associated Chemists, Inc. subsidiary of \$14.5 million (\$8.9 million after taxes, or \$0.08 per diluted share) and a write-off a note receivable of \$9.2 million (\$5.7 million after taxes, or \$0.05 per diluted share) received in a sale of assets in a prior year.

In the first quarter of 2000, L-P recorded a \$5.0 million (\$3.1 after taxes, or \$0.03 per diluted share) gain on an insurance recovery for siding related matters and an impairment charge of \$3.4 million (\$2.1 million after taxes, or \$0.02 per diluted share) to reduce the carrying value of a manufacturing facility to its estimated net realizable value.

In the second quarter of 2000, L-P recorded a net loss of \$38 million (\$22.7 million after taxes, or \$.21 per share) primarily related to an impairment charge to reduce the carrying value of the Samoa pulp mill to its estimated net realizable value, an impairment charge at an MDF facility, a mark to market charge on an interest rate hedge and a gain on an insurance recovery for siding related matters.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

(Dollar amounts in millions, except per share amounts) (Unaudited)

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2000	1999	2000	1999
Net sales	\$778.1	\$768.5	\$1,555.0	\$1,368.6
Costs and expenses:				
Cost of sales	566.7	530.9	1,114.4	999.0
Depreciation, amortization and depletion	59.3	45.7	120.6	88.5
Selling and administrative	67.6	54.7	132.0	101.2
Unusual credits and charges,				

net	38.0	(5.2)	36.4	(5.2)
Interest expenses	18.5	11.1	35.6	20.1
Interest income	(9.7)	(9.4)	(18.4)	(19.2)
Total costs and expenses	740.4	627.8	1,420.6	1,183.8
Income before taxes and minority interest	37.7	140.7	134.4	184.2
Provision for income taxes	16.2	55.8	54.7	72.6
Minority interest in net income (loss) of consolidated subsidiaries	0.5	--	1.0	(0.5)
Net income	\$ 21.0	\$84.9	\$ 78.7	\$112.1
Net income per share - basic and diluted	\$ 0.20	\$0.79	\$ 0.76	\$1.05
Average shares outstanding				
Basic	104.0	106.6	104.0	106.4
Diluted	104.2	106.8	104.2	106.6

CONDENSED CONSOLIDATED BALANCE SHEETS  
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(Dollar amounts in millions) (Unaudited)

	June 30, 2000	Dec. 31, 1999
ASSETS		
Cash and cash equivalents	\$118.1	\$116.0
Accounts receivable, net	233.4	200.7
Inventories	310.0	293.4
Prepaid expenses	19.8	18.5
Income tax receivable	47.5	--
Deferred income taxes	69.7	110.8
Total current assets	798.5	739.4
Timber and timberlands	600.7	611.1
Property, plant and equipment	2,588.8	2,537.4
Accumulated depreciation	(1,258.0)	(1,203.4)
Net property, plant and equipment	1,330.8	1,334.0
Goodwill, net of amortization	335.1	347.7
Notes receivable from asset sales	403.8	403.8
Other assets	63.2	52.2
Total assets	\$3,532.1	\$3,448.2
LIABILITIES AND EQUITY		
Current portion of long-term debt	\$46.7	\$44.9
Accounts payable and accrued liabilities	297.4	306.5
Income taxes payable	--	9.3
Current portion of contingency reserves	75.0	180.0
Total current liabilities	419.1	540.7
Long-term debt, excluding current portion:		
Limited recourse notes payable	396.5	396.5
Other long-term debt	729.3	618.3

Total long-term debt, excluding current portion	1,125.8	1,014.8
Contingency reserves, excluding current portion	109.2	128.8
Deferred income taxes and other	471.8	443.9
Commitments and contingencies		
Stockholders' equity:		
Common stock	117.0	117.0
Additional paid-in capital	444.6	445.4
Retained earnings	1,126.0	1,076.4
Treasury stock	(238.4)	(228.3)
Loans to Employee Stock Ownership Trusts	(3.5)	(6.9)
Accumulated comprehensive loss	(39.5)	(43.6)
Total stockholders' equity	1,406.2	1,360.0
Total liabilities and equity	\$3,532.1	\$3,488.2

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
SELECTED SEGMENT INFORMATION  
(Dollar amounts in millions) (Unaudited)

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2000	1999	2000	1999
(Dollar amounts in millions)				
Sales:				
Structural product	\$469.1	\$473.8	\$963.4	\$849.9
Exterior products	91.1	79.1	155.9	116.9
Industrial panel products	68.7	73.1	141.4	126.9
Other products	110.3	114.6	215.2	225.1
Pulp	38.9	27.9	79.1	49.8
Total sales	\$778.1	\$768.5	\$1,555.0	\$1,368.6
Operating profit (loss):				
Structural products	\$88.4	\$150.3	\$202.4	\$224.8
Exterior products	13.9	16.3	22.0	24.0
Industrial panel products	3.3	4.7	5.9	5.8
Other products	(0.9)	(4.1)	(0.1)	(12.7)
Pulp	5.9	(4.9)	10.3	(10.8)
Unusual credits and charges, net	(38.0)	5.2	(36.4)	5.2
General corporate and other expense, net	(26.1)	(25.4)	(52.5)	(51.2)
Interest income (expense), net	(8.8)	(1.7)	(17.2)	(.9)
Income before taxes and minority interest	\$37.7	\$140.4	\$134.4	\$184.2

LOUISIANA-PACIFIC CORPORATION  
SUMMARY OF PRODUCTION VOLUMES

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2000	1999	2000	1999
Oriented strand board, million square feet 3/8" basis	1,270	1,068	2,626	2,122
Softwood plywood, million square feet 3/8" basis	268	211	528	447

Lumber, million board feet	276	269	515	529
Wood-based siding, million square feet 3/8" basis	179	179	361	306
Industrial panel products (particleboard, medium density fiberboard and hardboard), million square feet 3/4" basis	164	175	318	335
Engineered I-Joist, million lineal feet	24	21	44	45
Laminated veneer lumber (LVL), thousand cubic feet	2,150	1,800	4,327	3,500
Pulp, thousand short tons	99	90	188	185