



## LP Reports Fourth Quarter and Year End Results

January 29, 2001

PORTLAND, Ore.--(BUSINESS WIRE)--Jan. 29, 2001--Louisiana-Pacific Corp. (NYSE:LTX) today reported a fourth quarter net loss, excluding unusual credits and charges and LP's share of a restructuring charge of an equity investee ("unusual items"), of \$28 million, or \$0.27 per diluted share, on sales of \$569 million.

Including unusual items, fourth quarter results were a loss of \$52 million, or \$0.50 per diluted share. In the fourth quarter of 1999, net income excluding unusual items was \$32 million, or \$0.31 per diluted share. Including unusual items, fourth quarter 1999 income was \$35 million, or \$0.34 per diluted share, on sales of \$764 million.

For 2000, LP reported income, excluding unusual items, of \$32 million, or \$.31 per diluted share, compared to income of \$222 million, or \$2.09 per diluted share for 1999. Sales declined slightly in 2000 to \$2.9 billion from \$3.1 billion almost entirely due to lower commodity pricing. Including unusual items, year end 2000 results were a net loss of \$14 million, or \$.13 per diluted share, compared to income in 1999 of \$217 million, or \$2.04 per diluted share.

"Very weak building products prices have continued to affect our results," said Mark A. Suwyn, LP's chairman and CEO. "Prices on key commodity products were down as much as 50 percent from the fourth quarter of last year and 10 percent from the previous quarter. Sharply higher energy costs and extensive downtime also had a negative impact on operating results."

During the fourth quarter, LP responded to poor market conditions by curtailing production at a number of its mills and permanently closing several high-cost, non-competitive mills. Combined with restructuring at the corporate level, these actions have reduced LP's workforce by approximately 1,800 employees (15 percent of the workforce).

Suwyn noted that despite the recent decrease in interest rates, current poor market conditions have not yet improved. He cautioned that low pricing could continue for the next several months.

"Cost reduction is the primary focus of LP management -- aggressive actions are being taken at both our manufacturing operations and administrative offices. We have postponed or eliminated planned capital expenditures and will continue to streamline operations to take additional cost out of our businesses," said Suwyn. "This is not only a prudent course of action to take in these market conditions, but will also better position us to emerge as a more competitive company when the cycle improves."

LP is a premier supplier of building materials, delivering innovative, high-quality commodity and specialty products to its rapidly growing retail, wholesale, homebuilding and industrial customers. For more information about LP, visit the company's website at [www.lpcorp.com](http://www.lpcorp.com).

### FORWARD LOOKING STATEMENTS

This news release contains statements concerning Louisiana-Pacific Corporation's (LP) 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 FINANCIAL AND QUARTERLY DATA (Dollar amounts in millions, except per share amounts) (Unaudited)

Quarter Ended December 31,		Year Ended December 31,	
-----		-----	
2000	1999	2000	1999
-----	-----	-----	-----
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Net sales	\$ 568.9	\$ 763.9	\$2,932.8	\$3,071.6
Income (loss) before taxes and minority interest	\$ (122.5)	\$ 57.6	\$ (18.2)	\$ 357.0
Net income (loss)	\$ (51.6)	\$ 35.4	\$ (13.8)	\$ 216.8
Income (loss) excluding unusual items	\$ (28.2)	\$ 32.2	\$ 32.1	\$ 221.9
Net income (loss) per share - basic and diluted	\$ (0.50)	\$ 0.34	\$ (0.13)	\$ 2.04
Income (loss) per share excluding unusual items	\$ (0.27)	\$ 0.31	\$ 0.31	\$ 2.09
Average shares outstanding - basic and diluted	104.2	105.4	104.1	106.2

SALES BY QUARTER

	1st -----	2nd -----	3rd -----	4th -----
1999	\$641.4	\$816.6	\$849.7	\$763.9
2000	\$829.7	\$831.5	\$702.7	\$568.9

NET INCOME

(LOSS) BY QUARTER

	1st -----	2nd -----	3rd -----	4th -----
1999	\$27.2	\$84.9	\$69.3	\$35.4
2000	\$57.7	\$21.0	(\$40.9)	(\$51.6)

NET INCOME

(LOSS) PER SHARE

BY QUARTER -

BASIC AND DILUTED

	1st -----	2nd -----	3rd -----	4th -----
1999	\$0.26	\$0.79	\$0.65	\$0.34
2000	\$0.55	\$0.20	(\$0.39)	(\$0.50)

See notes on following page.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL DATA

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

1. All sales figures have been reclassified to conform with EITF 00-10 "Accounting for Shipping and Handling Costs."

2. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.
3. Unusual Credits and Charges, Net:

In the second quarter of 1999, LP 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, LP's 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, LP 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, LP recorded a \$5.0 million (\$3.1 million 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, LP recorded a net loss of \$38 million (\$22.7 million after taxes, or \$.21 per diluted 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.

In the third quarter of 2000, LP recorded a gain on an insurance recovery of \$10.6 million (\$6.4 million after taxes, or \$.06 per diluted share) related to the 1999 fire at the Athens, Georgia OSB facility. LP also recorded unusual gains on the sales of the Mellen, Wisconsin veneer facilities and a former plant site in California that totaled \$6.1 million (\$3.7 million after taxes, or \$.03 per diluted share). In addition, LP recorded unusual charges relating to the settlement of an interest rate hedge, additional environmental reserves for sites in Quebec that were acquired in 1999, additional reserves for non-product litigation and impairment charges relating to several facilities which will be permanently closed totaling \$17.8 million (\$10.7 million after taxes, or \$.10 per diluted share).

In the fourth quarter of 2000, LP recorded a net loss of \$15.4 million (\$9.4 million after taxes, or \$.09 per share) million associated with the permanent closure or planned sale of several high-cost non-competitive mills. Additionally, LP recorded impairment charges of \$15.4 million (\$9.4 million after taxes, or \$.09 per share) related to other assets held. LP also recorded \$2.3 million (\$1.3 million after taxes, or \$.01 per share) of severance charges related to a reorganization of administrative functions.

Also in the fourth quarter, LP recognized a loss of \$5.3 million

(\$3.3 million after taxes, or \$.04 per share) associated with its share of restructuring charges at GreenFiber, the joint venture between LP and Casella Waste Systems, Inc. This loss is reported on the line item "Equity in (income) loss of unconsolidated subsidiary" in LP's income statement.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
 (Dollar amounts in millions, except per share amounts) (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2000	1999	2000	1999
Net sales	\$ 568.9	\$ 763.9	\$ 2,932.8	\$3,071.6
Operating costs and expenses:				
Cost of sales	537.5	582.1	2,362.6	2,272.5
Depreciation, amortization and depletion	51.4	61.1	235.5	202.0
Selling and administrative	57.5	61.3	234.7	219.4
Unusual credits and charges, net	33.1	(5.3)	70.5	8.2
Total operating costs and expenses	679.5	699.2	2,903.3	2,702.1
Income (loss) from operations	(110.6)	64.7	29.5	369.5
Non-operating income (expense):				
Interest expense	(22.8)	(18.2)	(81.0)	(47.9)
Interest income	9.5	9.9	37.9	36.0
Foreign exchange gains (losses)	1.4	1.2	(4.6)	(0.6)
Total non-operating income (expense)	(11.9)	(7.1)	(47.7)	(12.5)
Income (loss) before taxes, minority interest and equity in earnings of unconsolidated subsidiary	(122.5)	57.6	(18.2)	357.0
Provision (benefit)				

for income taxes	(75.9)	21.4	(11.5)	139.5
Minority interest in net income (loss) of consolidated subsidiaries	(0.7)	0.8	-	0.7
Equity in (income) loss of unconsolidated subsidiary	5.7	-	7.1	-
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	-----	-----	-----	-----
Net income (loss)	\$ (51.6)	\$ 35.4	\$ (13.8)	\$ 216.8
	=====	=====	=====	=====
	=====	=====	=====	=====
Net income (loss) per share - basic and diluted	\$ (0.50)	\$ 0.34	\$ (0.13)	\$ 2.04
	=====	=====	=====	=====
	=====	=====	=====	=====
Average share outstanding - basic and diluted (millions)	104.2	105.4	104.1	106.2
	=====	=====	=====	=====
	=====	=====	=====	=====
Cash dividends per share	\$ 0.14	\$ 0.14	\$ 0.56	\$ 0.56
	=====	=====	=====	=====
	=====	=====	=====	=====

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

	Dec. 31, 2000	Dec. 31, 1999
	-----	-----
ASSETS		
Cash and cash equivalents	\$ 38.1	\$ 116.0
Accounts receivable, net	129.6	200.7
Inventories	327.5	293.4
Prepaid expenses	22.8	18.5
Income taxes receivable	91.5	----
Deferred income taxes	44.6	110.8
	-----	-----
Total current assets	654.1	739.4
Timber and timberlands	590.6	611.1
Property, plant and equipment	2,562.8	2,537.4
Accumulated depreciation	(1,254.0)	(1,203.4)
	-----	-----
Net property, plant and equipment	1,308.8	1,334.0
Goodwill, net of amortization	326.3	347.7
Notes receivable from asset sales	403.8	403.8
Other assets	91.1	52.2
	-----	-----
	-----	-----

Total assets	\$ 3,374.7	\$ 3,488.2
	=====	=====
LIABILITIES AND EQUITY		
Current portion of long-term debt	\$ 39.4	\$ 44.9
Accounts payable and accrued liabilities	303.8	306.5
Income taxes payable	-	9.3
Current portion of contingency reserves	35.0	180.0
	-----	-----
Total current liabilities	378.2	540.7
Long-term debt, excluding current portion:		
Limited recourse notes payable	396.5	396.5
Other long term debt	787.3	618.3
	-----	-----
Total long-term debt, excluding current portion	1,183.8	1,014.8
Contingency reserves, excluding current portion	126.6	128.8
Deferred income taxes and other	390.9	443.9
Commitments and contingencies		
Stockholders' equity:		
Common stock	117.0	117.0
Additional paid-in capital	440.2	445.4
Retained earnings	1,004.3	1,076.4
Treasury stock	(235.1)	(228.3)
Loans to Employee Stock Ownership Trust	-	(6.9)
Accumulated comprehensive loss	(31.2)	(43.6)
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Total stockholders' equity	1,295.2	1,360.0
	-----	-----
Total liabilities and equity	\$ 3,374.7	\$ 3,488.2
	=====	=====

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(Dollar amounts in millions) (Unaudited)

	Year Ended	
	December 31,	
	2000	1999
	-----	-----
Cash flows from operating activities:		
Net income	\$ (13.8)	\$ 216.8
Depreciation, amortization and depletion	235.5	202.0
Unusual credits and charges, net	85.6	8.2
Cash settlements of contingencies	(162.4)	(104.0)
Other adjustments	14.5	0.4
Decrease (increase) in certain working capital components and		

deferred taxes	(76.9)	149.2
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	-----	-----
Net cash provided by operating activities	82.5	472.6
Cash flows from investing activities:		
Capital spending	(220.3)	(117.9)
Proceeds from assets sales	20.5	74.2
Business asset purchases, including replacement of debt	(54.7)	(726.1)
Other investing activities, net	(6.6)	(13.6)
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	-----	-----
Net cash used in investing activities	(261.1)	(783.4)
Cash flows from financing activities:		
New borrowings, including net increase in revolving borrowings	667.6	629.3
Repayment of long-term debt	(502.4)	(224.6)
Cash dividends	(58.3)	(59.2)
Purchase of treasury stock	(11.2)	(47.9)
Other financing activities	5.0	2.7
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	-----	-----
Net cash provided by financing activities	100.7	300.3
Net increase in cash and cash equivalents	(77.9)	(10.5)
Cash and cash equivalents at beginning of period	116.0	126.5
	-----	-----
	-----	-----
Cash and cash equivalents at end of period	\$ 38.1	\$ 116.0
	=====	=====
	=====	=====

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

	Quarter Ended December 31,			Year Ended December 31,		
	2000	1999	% change	2000	1999	% change
Net sales:						
Structural products	\$ 352.1	\$ 461.4	(24)	\$ 1,817.1	\$1,876.3	(3)
Exterior products	62.0	63.9	(3)	328.7	276.0	19
Industrial						

panel products	60.4	78.9	(23)	287.4	300.2	(4)
Other products	65.0	117.3	(45)	348.1	476.0	(27)
Pulp	29.4	42.4	(31)	151.5	143.2	6
	-----	-----		-----	-----	
	-----	-----		-----	-----	
	\$ 568.9	\$ 763.9	(26)	\$ 2,932.8	\$3,071.7	(5)
	=====	=====		=====	=====	
	=====	=====		=====	=====	
Operating profit						
(loss):						
Structural						
products	\$ (33.4)	\$ 64.0	(152)	\$ 173.0	\$ 439.8	(61)
Exterior						
products	(7.6)	11.6	(166)	19.2	53.0	(64)
Industrial						
panel products	(4.5)	4.4	(202)	1.8	12.8	(86)
Other products	(4.3)	5.7	(175)	(12.0)	(10.5)	(14)
Pulp	(2.5)	0.0		12.5	(14.7)	185
Unusual credits						
and charges, net	(33.1)	5.3	(725)	(70.5)	(8.2)	(760)
General corporate						
and other						
expenses, net	(23.8)	(25.1)	5	(99.1)	(103.3)	4
Interest income						
(expense), net	(13.3)	(8.3)	(60)	(43.1)	(11.9)	(262)
	-----	-----		-----	-----	
	-----	-----		-----	-----	
Income (loss)						
before taxes,						
minority interest						
and equity in						
earnings of						
unconsolidated						
subsidiary	\$ (122.5)	\$ 57.6	(313)	\$ (18.2)	\$ 357.0	(105)
	=====	=====		=====	=====	
	=====	=====		=====	=====	

LOUISIANA-PACIFIC CORPORATION  
SUMMARY OF PRODUCTION VOLUMES

	Quarter Ended		Year Ended	
	December 31,		December 31,	
	2000	1999	2000	1999
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	-----	-----	-----	-----
Oriented strand board, million square feet 3/8" basis	1,189	1,242	5,122	4,406
Softwood plywood, million square feet 3/8" basis	243	241	1,046	943
Lumber, million board feet	238	237	993	1,029
Wood-based siding, million square feet 3/8" basis	203	183	949	678
Industrial panel products				
(particleboard, medium density				

fiberboard and hardboard), million square feet 3/4" basis	133	139	598	621
Engineered I-Joist, million lineal feet	14	23	70	87
Laminated veneer lumber (LVL), thousand cubic feet	1,300	1,300	7,000	6,300
Pulp, thousand short tons	91	95	373	374

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