



LP Reports First Quarter 2002 Results

April 25, 2002

PORTLAND, Ore., Apr 25, 2002 (BUSINESS WIRE) -- Louisiana-Pacific Corporation (LP) (NYSE:LPX) today reported a first quarter net loss of \$3 million, or \$0.03 per diluted share on sales of \$597 million.

In the first quarter of 2001, the net loss was \$89 million, or \$0.86 per diluted share on sales of \$559 million. Excluding the amortization of goodwill, first quarter 2001 net loss was \$83 million, or \$0.79 per diluted share.

"While our earnings are not yet at an acceptable level, we have made substantial progress in lowering our costs and improving our operations," said Mark A. Suwyn, Chairman and CEO. "Our OSB operations were profitable with improving prices and production costs were 10% below the same period last year. Our profitable siding business grew strongly this quarter as good weather permitted house construction to proceed across most of the nation. Unfortunately, we still have several businesses (including plywood and industrial panels) that continue to lag due to commodity pricing and our higher cost positions."

"As we look forward, we see continued strong homebuilding and robust retail sales for the rest of this year. We are encouraged by the continued market share growth of OSB in structural panels and the focus of industry participants to buy rather than build new capacity. As a result, OSB demand / supply is coming into much better balance. Going forward, our intention is to manage very conservatively while we continue our efforts to lower costs and maximize our earnings by focusing our resources on our most profitable businesses," said Suwyn.

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. Visit LP's web site at www.lpcorp.com for additional information on the company.

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

RECONCILIATION TO NET INCOME (LOSS)

(Dollar amounts in millions) (Unaudited)

Quarter Ended March 31,

(Dollars in millions)	2002		2001	
	Pre-Tax	After-Tax	Pre-Tax	After-Tax
Income (loss) before other operating charges and credits, net and loss related to asset and liabilities transferred under contractual arrangement		\$ (3.2)		\$ (89.4)

Long-lived asset impairment charges	\$ (7.6)	(4.6)	\$ (10.2)	(6.2)
Additions to other contingency reserves			(2.0)	(1.2)
Mark-to-market adjustment on energy contracts	2.7	1.6	-	-
Insurance recoveries	4.1	2.5	-	-
Total other operating credits and charges, net	----- \$ (0.8)	----- (0.5)	----- \$ (12.2)	----- (7.4)
Amortization of goodwill	=====	-----	=====	-----
Write down on investment in assets and liabilities transferred under contractual arrangement	\$ -	-	\$ (4.5)	(2.7)
	=====	-----	=====	-----
		\$ (2.7)		\$ (72.3)
Net income (loss)	=====	-----	=====	-----

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

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

Quarter Ended March 31,

	2002	2001
Net sales	\$ 596.7	\$ 558.5
Income (loss) before taxes, minority interest and equity in earnings of unconsolidated subsidiary	\$ (6.6)	\$ (113.1)
Net income (loss)	\$ (3.2)	\$ (89.4)
Income (loss) before other operating charges and credits, net, the loss related to assets and liabilities transferred under contractual arrangement and amortization of goodwill	\$ (2.7)	\$ (72.3)
Net income (loss) per share - basic and diluted	\$ (0.03)	\$ (0.86)
Income (loss) per share before other operating items, net, the loss related to assets and liabilities transferred under contractual arrangement and amortization of goodwill	\$ (0.03)	\$ (0.69)
Average shares outstanding: basic and diluted	104.6	104.4

SALES BY QUARTER

	1st	2nd	3rd	4th
2001	\$558.5	\$649.8	\$635.5	\$515.9
2002	\$596.7			

NET INCOME (LOSS) BY QUARTER

	1st	2nd	3rd	4th
2001	(\$89.4)	(\$9.7)	(\$1.7)	(\$70.8)
2002	(\$3.2)			

NET INCOME (LOSS) PER SHARE BY QUARTER - BASIC AND DILUTED

	1st	2nd	3rd	4th
2001	(\$0.86)	(\$0.09)	(\$0.02)	(\$0.68)
2002	(\$0.03)			

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL DATA

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

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

2. Other Operating Charges and Credits, Net:

In the first quarter of 2001, LP recorded a loss of \$10.2 million (\$6.2 million after taxes, or \$0.06 per diluted share) associated with impairment charges on assets held. LP also recorded a net loss of \$2.0 million (\$1.2 million after taxes, or \$0.01 per diluted share) for additional reserves for non-product litigation.

In the first quarter of 2002, LP recorded a loss of \$7.6 million (\$4.6 million after taxes, or \$0.04 per diluted share) associated with impairment charges on assets held. LP also recorded a net gain of \$4.1 million (\$2.5 million after taxes, or \$0.02 per diluted share) from business interruption insurance recoveries related to accidents at facilities that occurred in past years. Due to the bankruptcy filing of Enron, LP was required to record a mark-to-market adjustment on several energy contracts in the fourth quarter of 2001 as future physical delivery of the energy was no longer deemed probable. For first quarter 2002, LP recorded a gain of \$2.7 million (\$1.6 million after taxes, or \$0.02 per share) to reflect the changes in the estimated fair value of the contracts since December 31, 2001.

3. Goodwill:

LP adopted Statement of Financial Accounting Standards No. 142, "Goodwill and other Intangible Assets", as of January 1, 2002. LP has until June 30, 2002 to determine if any goodwill is impaired as of January 1, 2002 and until December 31, 2002 to determine the amount of any such impairment. As of January 1, 2002, LP discontinued amortization of goodwill. Amortization recorded in first quarter of 2001 was \$6.8 million or \$.07 per share on both before-tax and after-tax bases.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(Dollar amounts in millions, except per share amounts) (Unaudited)
Quarter Ended March 31,

	2002	2001
Net sales	\$ 596.7	\$ 558.5
Operating costs and expenses:		
Cost of sales	505.6	549.2
Depreciation, amortization and depletion	43.4	49.1
Selling and administrative	37.3	43.6
Other operating charges and credits, net	0.8	12.2
Loss related to assets and liabilities transferred under contractual arrangement	-	4.5
Total operating costs and expenses	587.1	658.6
Income (loss) from operations	9.6	(100.1)
Non-operating income (expense):		
Interest expense	(23.8)	(23.2)
Interest income	7.9	8.2
Foreign exchange gains (losses)	(0.3)	2.0
Total non-operating income (expense)	(16.2)	(13.0)
Income (loss) before taxes, minority interest and equity in earnings of unconsolidated affiliate	(6.6)	(113.1)
Provision (benefit) for income taxes	(2.0)	(22.4)
Minority interest in net income		

(loss) of consolidated subsidiaries	(0.5)	(1.3)
Equity in (income) loss of unconsolidated subsidiary	(0.9)	-
	-----	-----
Net income (loss)	\$ (3.2)	\$ (89.4)
	=====	=====
Net income (loss) per share -- basic and diluted	\$ (0.03)	\$ (0.86)
	=====	=====
Average share outstanding (millions)-- basic and diluted	104.6	104.4
	=====	=====

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

	March 31, 2002	December 31, 2001
	-----	-----
ASSETS		
Cash and cash equivalents	\$ 46.9	\$ 61.6
Accounts receivable, net	169.7	118.3
Inventories	252.6	213.2
Prepaid expenses	11.5	21.1
Income tax refund receivable	39.5	37.5
Deferred income taxes	41.4	41.4
	-----	-----
Total current assets	561.6	493.1
Timber and timberlands	553.8	563.1
Property, plant and equipment	2,348.1	2,355.3
Accumulated depreciation	(1,251.9)	(1,221.9)
	-----	-----
Net property, plant and equipment	1,096.2	1,133.4
Goodwill, net of amortization	298.3	298.3
Notes receivable from asset sales	403.8	403.8
Assets transferred under contractual arrangement	29.1	29.1
Other assets	87.7	96.0
	-----	-----
Total assets	\$ 3,030.5	\$ 3,016.8
	-----	-----
LIABILITIES AND EQUITY		
Current portion of long-term debt	\$ 38.9	\$ 37.7
Accounts payable and accrued liabilities	244.8	251.8
Current portion of contingency reserves	20.0	20.0
	-----	-----
Total current liabilities	303.7	309.5
Long-term debt, excluding current portion:		
Limited recourse notes payable	396.5	396.5
Other long-term debt	799.7	755.5
	-----	-----
Total long-term debt, excluding current portion	1,196.2	1,152.0
Contingency reserves, excluding current portion	129.6	135.1
Liabilities transferred under contractual arrangement	13.3	14.0
Deferred income taxes and other	309.8	325.3
Commitments and contingencies		
Stockholders' equity:		
Common stock	117.0	117.0
Additional paid-in capital	441.7	440.8
Retained earnings	804.4	807.6
Treasury stock	(230.5)	(230.6)
Accumulated comprehensive loss	(54.7)	(53.9)
	-----	-----

Total stockholders' equity	1,077.9	1,080.9
	-----	-----
Total liabilities and equity	\$ 3,030.5	\$ 3,016.8
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(Dollar amounts in millions) (Unaudited)

	Quarter Ended March 31,	
	2002	2001
	-----	-----
Cash flows from operating activities:		
Net income (loss)	\$ (3.2)	\$ (89.4)
Depreciation, amortization and depletion	43.4	49.1
Other operating charges and credits, net	4.8	12.2
Cash settlements of contingencies	(6.3)	(1.9)
Loss on assets and liabilities transferred under contractual arrangement	-	4.5
Other adjustments	(7.5)	(1.3)
Decrease (increase) in certain working capital components and deferred taxes	(87.8)	12.1
	-----	-----
Net cash used by operating activities	(56.6)	(14.7)
	-----	-----
Cash flows from investing activities:		
Capital spending	(3.8)	(22.1)
Proceeds from transfer of assets and liabilities under contractual arrangement	-	22.4
Cash loaned under credit facility related to assets and liabilities transferred under contractual arrangement	(0.7)	-
Proceeds from assets sales	0.9	5.6
Other investing activities, net	7.4	0.6
	-----	-----
Net cash provided by investing activities	3.8	6.5
	-----	-----
Cash flows from financing activities:		
New borrowings, including net increase (decrease) in revolving borrowings	45.0	15.1
Repayment of long-term debt	(0.6)	(3.2)
Cash dividends	-	(14.7)
Other financing activities	(6.3)	0.3
	-----	-----
Net cash provided (used) in financing activities	38.1	(2.5)
	-----	-----
Net decrease in cash and cash equivalents	(14.7)	(10.7)
Cash and cash equivalents at beginning of period	61.6	38.1
	-----	-----
Cash and cash equivalents at end of period	\$ 46.9	\$ 27.4
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LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
SELECTED SEGMENT INFORMATION
(Dollar amounts in millions) (Unaudited)

	Quarter Ended March 31,		
	2002	2001	% change
	-----	-----	-----
Net sales:			
Structural products	\$ 394.4	\$ 344.3	15
Exterior products	101.8	69.6	46
Industrial panel products	40.8	53.2	(23)

Other products	59.6	58.5	2
Pulp	0.1	32.9	(100)
	-----	-----	
	\$ 596.7	\$ 558.5	7
	-----	-----	
Operating profit (loss):			
Structural products	\$ 23.3	\$ (30.9)	175
Exterior products	8.8	(4.3)	305
Industrial panel products	(2.5)	(6.9)	64
Other products	2.8	(2.1)	233
Pulp	(1.4)	(12.8)	89
Other operating charges and credits, net	(0.8)	(12.2)	
Loss related to assets and liabilities transferred under contractual arrangement	-	(4.5)	-
General corporate and other expenses, net	(20.9)	(24.4)	14
Interest expense, net	(15.9)	(15.0)	(5)
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Income (loss) before taxes, minority interest and equity in earnings of unconsolidated affiliates	\$ (6.6)	\$ (113.1)	94

LOUISIANA-PACIFIC CORPORATION
SUMMARY OF PRODUCTION VOLUMES

Quarter Ended
March 31,

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	2002	2001
	-----	-----
Oriented strand board, million square feet 3/8" basis	1,360	1,367
Softwood plywood, million square feet 3/8" basis	198	207
Lumber, million board feet	291	229
Wood-based siding, million square feet 3/8" basis	187	154
Industrial panel products (particleboard, medium density fiberboard and hardboard), million square feet 3/4" basis	108	106
Engineered I-Joist, million lineal feet	18	14
Laminated veneer lumber (LVL), thousand cubic feet	2,016	1,694
Pulp, thousand short tons	-	51

<http://www.businesswire.com/cnn/lpx.htm>

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